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CALL TO ORDER

[Time: 00:00:10]

Mayor Lane: I appreciate you all being here. I would like to call to order the October 15th City Council Meeting. This is a Regular Meeting.

ROLL CALL

[Time: 00:00:23]

Mayor Lane: I'll start with a roll call please.

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Kathy Littlefield.

Vice Mayor Littlefield: Present.

Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

Carolyn Jagger: And Solange Whitehead.

Councilwoman Whitehead: Here.

Carolyn Jagger: City Manager Jim Thompson.

Jim Thompson: Here.

Carolyn Jagger: City Attorney Sherry Scott.

Sherry Scott: Here.

Carolyn Jagger: City Treasurer Jeff Nichols.

Jeff Nichols: Here.

Carolyn Jagger: City Auditor Sharron Walker.

Sharron Walker: Here.

Carolyn Jagger: And the Clerk is present.

[Time: 00:00:50]

Mayor Lane: If you would like to speak, there are white and yellow cards that the Clerk is holding over her head. We have the police officers. Generally, they are right out here on that upper deck there if you have need for their assistance, as well as Ned Greenleaf from the Scottsdale Fire Department here to assist if needed. And you are firefighter of the year, right? From the Exchange Club. It is nice to see you here. Thanks. The areas behind the Council die are reserved for staff. If you have difficulty hearing the proceedings, we have hearing aids by the Clerk's desk. If you need help with that, they will be happy to help you with that.

PLEDGE OF ALLEGIANCE

[Time: 00:02:27]

Mayor Lane: We are honored to have the Troop 4321 Girl Scouts with their leader Lainy Jada to help lead us in the pledge. The microphone is here to help them a little bit. If you can please stand.

Girl Scout Troop 4321: 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: We can probably put that microphone as long as it is working, there. There should be a switch on it, as well. You can put it on the stand or pass it along. Whichever way you like. Let us know your name, the school that you go to, and your favorite subject.

Girl Scout Troop 4321: My name is Caroline, my school is Kiva Elementary school, my favorite subject is art. My name Emma. I go to Kiva elementary school and my favorite thing to do is play with my LOL dolls. My name is Phoebe, I go to Yavapai school, I like to color. This is Kylie. My name is Sienna, and I like to, I don't remember. I go to Pima Elementary school, My favorite thing to do is be artistic. This is Heidi.

Mayor Lane: Thank you, ladies. Very nice to have you here. Thank you so very much.

INVOCATION

[Time: 00:05:18]

Mayor Lane: As part of our invocation tonight, I would like to make mention of a passing of a tremendous Scottsdalian and leader, Dr. Art DeCabooter. Many of you in the room probably knew Art and his accomplishments. He was the first President of Scottsdale community college once it was formed years ago. He was retired from that position but has made his presence known very much here in Scottsdale all for things that are very important. I will say that he was just honored of being a pioneer for the Scottsdale's Pinal reserve. It was right here in the front row not within 48 hours before he passed. It is nice to know that he was honored before that happened. Many accomplishments of Art. If we could, let's make a moment of silence to consider thoughts and possibly prayers.

Thank you. Now, we are honored to have an invocation tonight by the tribal members. You may not know, but the tribal members have a significant presence and have had for decades here in Scottsdale. Not far from us here, but nevertheless, they have been instrumental in the early years of Scottsdale.

[Time: 00:07:52]

Pascua Yaqui Tribal Members: Thank you. Good evening, Mayor. My name is Joseph Romero, I come from here in Scottsdale. Together we share our family, our spirit, our generosity. So, together we will celebrate Indigenous People's Day. Thank you, Mayor Jim Lane. So, at this time, I have members here of our Dear Dance Society to help give the prayers and blessing for Indigenous People's Day here in Scottsdale. We have our Dear Singers and our Brother Dear. With the raspers, signifies the deer breathing. The water drum is the deer's heartbeat. The deer dancer, his regalia. Around his ankles

signify the blessing of nature, the insects, the gourd rattles, the plant world. And what he wears around his neck for protection. Our brother deer was originally a hunting ritual for our people, but we give homage now to our brother deer and give our prayers and thanks. It is through him that our people carry out our songs, dance, and prayers. And we are happy to be here to help share Indigenous People's Day. Thank you. For those who have gone before us, our elders, for those who will be here after we are gone, our children. Thank you.

Mayor Lane: Just in conclusion a little bit. We did proclaim Indigenous People's Day here in Scottsdale a week or so ago. It is part of that, but actually part of a larger program that we have done for a number of years now and that is to make sure that we all have awareness of some of the historical peoples and individuals that have made Scottsdale what it is today. Certainly, the Yaquis have had a great place here in Scottsdale. Among others, but nevertheless, they are still with us. On another note, their actual reservation is outside of Tucson, but they have their community here. I wanted to share that with you. It took a little bit of time and we may have a busy night, but if it gets late, we will have it. That takes care of that area of invocation and education, I suppose.

I would also like to make one other announcement for those who may not have heard. That Sherry Scott is our new City Attorney and she is with us here tonight in, I believe, her first full meeting. Sherry has been with the City for a number of years and has done an outstanding job and we anticipate certainly by our selection, we're gratified to have her with us in that position. Thank you, Sherry.

PRESENTATIONS/INFORMATION UPDATES

Mayor Lane: We do have a presentation on Adopt-A-Road. Bruce Wall, our Citizen Advisor. There you are.

[Time: 00:19:22]

Citizen Advisor Bruce Wall: Mayor Lane and members of the Council. My name is Bruce Wall. I'm a citizen advisor, in the Office of Communication and Citizen Service, I'm here to talk to you about the Scottsdale Adopt-A-Road Program. 178, that's the number of active Adopt-A-Road groups in the City of Scottsdale right now as of our last fiscal year. 2,149. That's the number of volunteers that cleaned the roadways last year of Scottsdale. 316, that's the number of miles of Scottsdale roadways that have been adopted and cleaned throughout the year. You said 178 groups and how do we have 316 miles of roadway? Many groups do more than one. We have one group that does 6 miles on their own. Another group does 11 different roadway segments. This all began in 1993 by a group of volunteers who decided that they wanted to keep Scottsdale very clean and very scenic. And they got organized and they got involved with the city and by 1996, our Adopt-A-Road program was up and going. Today, groups will commit to three different Adopt-A-Road cleanups per year, but some do a daily, weekly, monthly. It is whatever the group wants to do. Every group gets a safety vest, trash bags, and gloves. You notice in this picture, even the dog is wearing its safety vest.

Our Adopt-A-Road sign originally said, "Scottsdale clean and scenic". We had a problem. People didn't know what a clean and scenic was. Was that the scenic corridor? So, we had our graphic designer go through and he redesigned to now say "Scottsdale Adopt-A-Road. You'll notice that the roadway is a stylized "S". Also in April 2019 we unveiled a map, an online map on our website, where you can go and

see what roadways are adopted and which ones are not. The green are available and the blue ones have already been adopted by somebody.

I want to tell you this awesome story. In October 2018, this group called Artec Risk Solutions contacted me, it was October 20th and they said, you see our sign, it looks great. But look at the pool. Can we paint it? No, you can't paint it, but let me send it over to our Street Operations people. I was hoping maybe in a week or two. They are busy people. The next day I get two pictures back from Street Operations. The pool had already been stripped, primed and painted and the sign was reinstalled. In 24 hours, they turned around and made that into a first class looking sign and pool. To me, that's simply better service for a world-class community.

[Time: 00:22:38]

On September 5th of this year, we had a new thing, a Adopt-A-Road coordinator's dinner. This had never been done by the City. Mayor Lane was there. Councilwomen Littlefield and Klapp were there. We honored 40 of the coordinators, including giving them some Adopt-A-Road chotskies. We also recognized some of the Adopt-A-Road coordinators. The ones on the left had been doing this, running their part of the program for 5 to 9 years. The second group on the right had been doing it for more than 10 years. When you think about volunteering, three times a year to go out on the roadway and clean, that's pretty amazing to do that for that length of time. We also presented them awards. Kind of joking awards. This is the Unwelcome Assist Award to TJ Weirich because a rattlesnake showed up when he was trying to clean up. He was nice enough to take a picture of it as photographic evidence. Ron Shoemaker had the Profitable Volunteer Award. He said "Once I found a cell phone. When I picked it up it started to ring. So I answered it. There was a guy who said he was from south Phoenix and he would drive to pick it up. It took him 45 minutes to get there and he handed me \$20 as a finder's fee. Ron is the only one to make a profit being a volunteer of the Adopt-A-Road program.

We're always accepting new groups. If you're interested please contact me. My contact information is there. But I wanted to recognize two people special that are in the audience today. We actually have two people who started the Adopt-A-Road program right from the beginning, 1996 and are still Adopt-A-Road coordinators today. That's a tremendous 23 years of volunteering for the City to clean up the roadway. My Dad once told me that you can be part of a problem or part of the solution. You can complain or do something about it. A lot of people might say, those roadways need to be cleaned, but these two got up and did it, they cleaned it up. Not just once, not just twice, but for 23 years and still doing it. I'd like to ask Les Conklin and Sonnie Kirtley to come up here. Mayor, we have a special dedication for them. Thank you very much.

Mayor Lane: Well thank you, Bruce for that report and congratulations to all of the people who participate in that program. It is always a nice indication when citizens take pride in their community enough to be able to be energized to make sure that it is just the kind of Scottsdale that we all want it to be.

PUBLIC COMMENT

[Time: 00:26:45]

Mayor Lane: So, the next order of business is our Public Comment. And I am seeing one card. Public Comment is reserved for citizen's comments regarding non-agendized items with no official action to be taken by the Council. Each speaker is limited to three minutes each. There is another opportunity at the end of the meeting if in fact, it is needed. Our only request for Public Comment is David Ortega.

[Time: 00:27:22]

David Ortega: Hello Mayor and Council. Great to see Councilmember Phillips back on your feet. Three years ago, this Council took on the marijuana dispensary question. You unanimously viewed, got public comment, and tightened up a lot of the restrictions on those dispensaries. I say that, but Councilwoman Whitehead was not on Council at that time. Councilwoman Korte, you voted unanimously as the Mayor to tighten up those restrictions. Coincidentally, a law firm called Rose Law Group was also highly supportive of that. But today, we have the same group and a group called Sunday, which wants to bring a Trojan horse. They want to create, and call it C-2 property and put the marijuana dispensary into that and move the Trojan horse into the P-2 area, which is downtown, where it is prohibited from being downtown. The problem with that is there is no parking and of course, it is spot zoning. But the State of Arizona health department does not play any games. You have in your handout, the specific requirement that says in order for a dispensary to operate, it must have on-site parking. It is not in-lieu parking, it's not remote parking credits like that area has because they have restricted and they are totally subscribed. So unless the city wants to go the League of Cities, and lobby for a law to allow in-lieu parking, remote parking or on-street parking and get the Governor to sign legislation to that effect, it's not going to fly, they will deny it.

The other area has to do with distance from schools. You all expanded that. This proposal is only 250 feet, the State requires 500. But they apparently have an option to buy the school. I want to call your attention to this because if they did, the school exists by a use permit, issued by the City that runs with the land. So, they can get a replacement school. They cannot extinguish a school by buying that school that runs with the land. Looking at this, I would say it is a defective application.

You have two choices. One is to look at your lawyers and say, do I want to get into a legal swamp over this when they in fact would not comply. And the other one is you will hear as we did at the Planning Commission and 50 people saying that you are a terrible person for if you don't approve medical marijuana and 50 people saying it was not our solution. You could go through all that for no reason. You would be spinning your wheels when in fact, the State of Arizona has regulations to that effect. I would highly recommend that, yes, deny this because of its defects. I don't know if you want to go through the torture of hearing all that when you know it will not pass at the state level. You could promise to revisit by a text amendment, it took 120 days if you want to change the limitations of that and actually if you made it smaller or back to the area it was before you doubled the size, you would have C-O, commercial office within those areas that could serve the community.

Mayor Lane: Thank you. That's the only Public Comment that we have at this point in time.

ADDED ITEMS

[Time: 00:31:24]

Mayor Lane: We do have some Added Items to our agenda. I would ask for a motion to accept the agenda as presented or continue the added Items 14A and 14B to the November 12, 2019 City Council Meeting. Do I have a motion?

Councilmember Korte: Mayor, I make a motion to accept the agenda as presented including 14A, 14B and 15.

Vice Mayor Littlefield: I will second that.

Mayor Lane: A motion has been made and seconded by the Vice Mayor.

Vice Mayor Littlefield: 14A, 14B, and 15.

Councilmember Korte: So, it is 14A and 14B and there is an error in the agenda.

Mayor Lane: So, the motion is to be amended as 14A and 14B to be accepted into the current agenda as presented and seconded. No problem with that.

[Time: 00:32:53]

City Attorney Sherry Scott: Mayor, I'm sorry. Can we add 15 just to be safe because there were some Items that came in after that ten-day period.

Mayor Lane: I'm looking at the Items indicated on the agenda as Added Items and 15 isn't there so if there are items within it.

Sherry Scott: 15 is on my agenda.

Vice Mayor Littlefield: On mine too.

Mayor Lane: Oh, okay. Well, it might be. There has been a lot of changes as we have gone along.

Vice Mayor Littlefield: It is under B1.

Mayor Lane: I don't see it there either.

Councilmember Korte: Mayor, this is the amended agenda as of yesterday.

Mayor Lane: Oh. So, it does indicate A1 as part of 15. Why don't you restate the motion all together?

Councilmember Korte: I will restate as I originally stated to approve agenda as presented including Items 14A, B, and 15.

Mayor Lane: Well, 15 A1.

Vice Mayor Littlefield: As listed under A1.

Mayor Lane: Okay.

Vice Mayor Littlefield: I will second that.

Mayor Lane: All right. Motion has been made again and seconded by the same parties. We are ready to vote on that. All those in favor please indicate by "aye" and register your vote. It has been unanimous to accept that. So, those Items will be accepted as they appear on our agenda.

MINUTES

[Time: 00:34:23]

Mayor Lane: The next item of business is the minutes. I ask for a motion to approve the Special Meeting Minutes of September 17, 2019; Regular Meeting Minutes of September 17, 2019, and September 24, 2019; and Executive Session Minutes of September 17, 2019, and October 1, 2019. Unless there are any adds, deletes, seeing none, I ask for a motion to approve.

Councilman Phillips: Mayor, motion to approve. Special Meeting Minutes of September 17, 2019; Regular Meeting Minutes of September 17, 2019, and September 24, 2019; and Executive Session Minutes of September 17, 2019, and October 1, 2019.

Mayor Lane: All those in favor please indicate by "aye" and register your vote. It is unanimous to accept those minutes. Thank you very much.

CONSENT AGENDA

[Time: 00:35:52]

Mayor Lane: Go on to our Items, Consent Items 1 through 14B. No comments on any of those Items for Consent. I'm seeing none from the Council. I will accept a motion on the Consent Items 1 through 14B.

Councilmember Korte: Mayor, I move to accept Consent Items 1 through 14B.

Mayor Lane: A motion has been made by Councilwoman Korte. And seconded. All those in favor indicate by "aye" and register your vote. If you are here for those Consent Items, you are welcome to stay with us, if not, please move quietly.

REGULAR AGENDA

ITEM 15 - MUSEUM SQUARE REZONING, DEVELOPMENT AGREEMENT, AND ABANDONMENT (13-ZN-2018, 10-DA-2018, AND 1-AB-2019)

Mayor Lane: We are going to move to our first Item on our Regular Agenda. It is Item 15 the Museum Square rezoning, Museum Square Rezoning, Development Agreement, and Abandonment 13-ZN-2018, 10-DA-2018, and 1-AB-2019. Our presenter is Bryan Cluff, our Senior Planner. Welcome.

[Time: 00:37:07]

Senior Planner Bryan Cluff: I'm with the City of Scottsdale's Current Planning Department. This is Item 15, Museum Square. There are several action items included under Item 15 and I will be giving a combined presentation for all of the items. We are looking at the area of Goldwater curve at 2nd Street and Marshall Way. You can see the Scottsdale Artists school, the Stagebrush Theater and to the north, the Scottsdale Museum of the West. The majority of the subject site is currently owned by the City with the exception of the yellow highlighted portion, which is owned by the developer.

The applicant and the City have entered into a purchase and sale agreement for the remaining site area that is under City ownership. A summary of the requests tonight include a 4th amendment to the purchase and sale agreement that was originally entered into in February 2018. And the development plan with amended development standards rezoning district map amendment from the City's Downtown/Downtown multi-use Type-2 Planned Block Development Downtown Overlay, and Downtown Office/Commercial Type-2 Planned Block Development Overlay to the Downtown Downtown/Multiple Use Type-3 Planned Block Development Overlay. Along with that is an associated development agreement and it is part of a Planned Block Development Overlay application and there is an associated right-of-way abandonment included with the request. This graphic here highlights the portions of the site that are under the Purchase and Sale Agreement, including the hotel and the south parcel where the three residential buildings are located. The terms include for the purchaser to build between 151-168 public parking stalls under the hotel. The purchase price would be adjusted by approximately \$7.1 million, which is equivalent to \$45,000 a space. And also, terms for an interim parking solution, which includes 149 surface parking spaces and on-street stalls and the purchase price to be adjusted based on termination of deed restrictions on the property.

To summarize with regard to the public parking, the parking structure, the City would pay to that through the reduction and the price and that \$7.2 million is an average of those 151 to 168 spaces. The purchase price would be adjusted for the actual spaces that were completed. The terms of the construction would require the construction to begin within 10 years and completed within 12 years, although we would expect for it to be completed earlier. And the purchaser is committing for an additional 41 on-street parking spaces along the development frontages.. Highlighting the adjustment of the purchase and sale price down by \$1 million if the purchaser secures and records the termination of height deed restrictions affecting the parcels of the application. The \$1 million reduction also reflects density and height bonus payment reduction which in the original agreement was contemplated to be around \$1.9 million and it actually ended up being only about \$900,000 based on the bonuses that are requested.

[Time: 00:41:12]

Now, getting into the zoning portion of the application. This is the existing zoning map showing the current designations on the property. And the proposed zoning requested of the Downtown Multiple Use Type-3 with the Planned Block Development overlay and Downtown Overlay. This the subject site relative to the with the Old Town future land use map and it does identify it as Downtown Multiple Use. And the subject site relative to the Old Town future land use map which identifies the site within the purple area, which is the Type-3 area. This is the proposed site plan for the Museum Square

Development. And for context, the existing theater and artist school are shown, but are not part of the application. The proposal includes the hotel building on the north parcel with approximately 190 hotel rooms and three residential buildings in south parcel and a fourth residential building here. And the Museum Square plaza, proposed in this area here, which will be a public open space plaza available for use by the public, as well as a south garden area on this portion of the site that will be open to the public. Overall, there is a lot of open space on the property.

All of the required parking is provided in below grade parking structures. This slide highlights the pedestrian circulation and the connectivity that will be achieved in the area with the proposed development. There are connections through the public plaza area, which will reach up to Main Street here and in addition, a public pedestrian connection through the center of the plaza connecting Main Street all the way down to Goldwater and a walkway that provides access to the south plaza area and a hawk style pedestrian crossing for pedestrians. In addition, there would be a new signal proposed at the intersection of 2nd Street and Goldwater and new sidewalks provided throughout the perimeter of the development.

This is the stepbacks of the development. The project is complying with all of the stepbacks of the zoning districts and all of the requirements and exceeding in some cases. Along the Goldwater curve is a 30-foot required stepback. The interior to the project streets are 20-foot stepbacks as required. This is identifying the proposed building heights across the property. The tallest building is the hotel at 150-feet and the middle residential building with would be 149-feet and the other two residential buildings are 135 and 139 feet. You can also see through the different shades here, how the building massing is stepping down towards the street along Goldwater, the perimeter of the development adjacent to the boundary of the Type 3. And then, the residential building four here is 75-feet in height.

[Time: 00:44:49]

The next few slides that I'm going through is identifying some build sections through the site showing where the applicant is requesting amendments to the building stepbacks. Starting with the hotel on 2nd Street. The dashed green line indicates the stepback that would be required by the downtown zoning district and the solid green line shows the requested stepback. And with the pink area, with the angle that the building is at, the pink area is the only area that is encroaching to that stepback and needing to be amended. Moving along to residential building one and residential building two on the Goldwater curve, showing these two sections here and the building massing is meeting the stepback without any amendment requested. And a couple of other locations here that are a similar condition as residential building one on Second Street and residential building three on Goldwater is requesting the amendment here from the dash line to the solid line. And again, looking at the plan view, the pink area is the only portion of the building that is actually encroaching into the stepback. And then, residential building three similarly on Marshall Way and residential building four, which is complying with the standard stepback requirements given the 15-foot encroachment that is allowed.

A quick summary of the project data. It is a proposed mixed-use development on a 7.34 gross acre site. The floor ratio that would be allowed is 4.0 with bonuses. They are only proposing .52 and that would be for the hotel floor area. The building height allowed is 150 feet plus six-feet of rooftop appurtenances with bonuses and they are requesting to take full advantage of the 150 feet and 6 feet for rooftop appurtenances. The density allowed is 50 dwelling units per acre and they are proposing

47.2 with 346 units over the site. Parking required at 671 spaces. This is for the whole property, including the residential and the hotel. There are 774 spaces provided. Parking has been a topic that has received a lot of attention lately. Specifically related to the Museum Square Development, as well as downtown in general. City staff and the applicant and area business owners have worked closely together studying parking in the area and working towards a plan that provides adequate private parking on-site and additional public parking that would be available in the area.

This slide here summarizes the proposed parking. This would be for the private parking only. The numbers identified here are the number of spaces that are provided. So, 178 spaces will be provided for the hotel on-site. Which is 26 spaces beyond what the hotel is required based on the parking master plan they submitted. And then, the three residential buildings down here would be providing 430 spaces which is 37 spaces more than the code requires. And residential building four, 166 private parking spaces, which is 40 spaces more than what the code requires. What we have heard from some of the business owners is that most of the parking concerns are related to availability and efficiency of public parking in the area. This is showing city-owned lots where the City is committed to re-configuring the lots to provide additional surface parking spaces.

Starting with the Stagebrush Theater. The city is committed to re-configure that to provide an additional 34 parking spaces. The Artist School lot can be re-configured to provide an additional ten public parking spaces and there is discussion regarding a future potential capital project that may provide below grade parking on the Stagebrush Theater site which could result in an additional 99 public parking spaces. The developer will be providing 160 garage parking spaces and below grade level under the hotel. It would result in approximately 204 public parking spaces and the potential for 99 more than that, if the City were to pursue the below grade parking on the Stagebrush site. This slide is identifying the potential increase in the on-street parking. The developer through the development agreement and the zoning stipulations has committed to providing an additional 41 on-street parking spaces beyond what is there currently. This yellow is highlighted where the developer will be doing that. The City has additionally committed to providing additional on-street parking stalls that would be part of a future capital project and those specific areas have not been identified yet, but they would be in the project area. We anticipate a total of 83 spaces could be provided beyond what is on there currently.

[Time: 00:50:39]

The next slides are providing a before and after comparison for the public parking, including on-site, as well as on-street parking. For the existing public parking. There is 82 on-street spaces. 130 spaces in the Museum of the West. 127 surface spaces on the south parcel south of Second Street. 56 spaces in the Artist School lot and 57 spaces on the Stagebrush Theater lot. After the Museum Square development, there would be approximately 165 on-street spaces, 130 spaces still in the Museum of the West. 160 spaces under the hotel. 66 in the Artist School and 91 in the Stagebrush Theater surface lot, which represents an increase of 160 spaces from existing conditions. Again, there is the potential for another 99 if the city pursues the underground option at Stagebrush. Now quickly I will summarize the Planned Block Development criteria. The first criteria is that the development supports the land use elements of the General Plan and the Downtown Plan. Those designations are mixed use neighborhoods and Downtown Multiple Use. The proposed travel accommodations with restaurant and dwelling units in a mixed-use format is consistent with these elements.

The second criteria is criteria for adding land uses. They are not proposing to add any land uses, so this criteria is not applicable. And the third criteria is that the proposed development reflects noteworthy investments to provide public benefits. The bonus they are requesting is 2 feet of building height to reach 156 total including mechanical appurtenances. So, the formula that is set forth in the zoning ordinance calculates to a \$885,000 bonus payment which would be paid into the downtown special improvement trust fund and that money would be available for the City to use for future capital projects in the area. Quickly, to touch on the proposed abandonment request. There is a sliver parcel on the north side of the south parcel of 2nd Street shown in yellow here. This is a closer look at that. This is a remnant piece of right-of-way that was actually included in the purchase and sale agreement, but since it is public right-of-way, it needs to go through the abandonment process.

The compensation for the abandonment request has been included into the purchase price of the Purchase and Sale Agreement that was previously contemplated. The zoning case was heard by the Development Review Board for the recommendation of the development plan and amended development standards on September 20, 2018. They reviewed it against the DRB criteria and recommended approval 7-0. And it was reviewed by the Planning Commission on September 11th and they recommended approval with a vote of 4-0.

A summary of the public outreach here. There were two open houses held. July 12, 2018, and February 16, 2019. And the applicant has sent several notices to the 750-foot radius, as well as newspaper ads and using the Internet and social media. We have a received substantial amount of public comment throughout the process. Those are all included in your City Council report. There is additional correspondence that has been received since the report went out. You should have received that on the dais. That concludes staff's presentation and I would be happy to any questions and the applicant is here.

Mayor Lane: Thank you. I appreciate it, Bryan. We are going to go ahead and hear from the submitter. Mr. Berry, welcome.

[Time: 00:55:20]

Applicant Representative John Berry: Mayor, members of the Council. For your record, John Berry. To quote a Beatles famous lyric "it has been a long and winding road". But we are here now. And now is the time. Now is the time for the renaissance of the arts district. A once brilliant, but now faded jewel in the City's crown. What is before you tonight is a once in a generation opportunity. An opportunity born in collaboration. Collaboration with residents from around the City. A collaboration with businesses, large and small. A collaboration with very diverse voices from around our community. And opportunity born in a vision and with a visionary. One of those visionaries is Rob Macdonald. Rob is an individual who is committed to the renaissance of the arts district.

[Time: 00:56:52]

Applicant Rob Macdonald: Thank you, John. I'm Rob Macdonald and I'm the President of the Macdonald Communities and we build communities. It is always a pleasure to work with you. So, we appreciate your patience, those of you on Council for sticking with this. We thank you for your service and being here tonight to deal with this matter. We have worked hard, and your staff has worked

doubly hard.

I'm going to limit my remarks to just thanking a few people. I want to acknowledge the presence of my colleagues and partners Bill and Dana, who are here. We, together, thank our entire project team, all of whom are here tonight. All of whom, I think are exceptional and I have been very proud to work with them. We want to thank your City Staff. I think they are the best I have ever worked with in my 40-year career in this business. Your City Manager, Jim Thompson. John was kind to say I'm a visionary. I think that Jim Thompson is a real visionary. Your Assistant City Manager, Brent Stockwell is tough. He is responsive, determined, but a fair guy. He is pretty tough. I admire him very, very much and I thank him. Bryan Cluff, Randy Grant, Joe Padilla, Mike Hamblin, Dan Worth, Martha West and Sherry Scott are all very talented people. The City of Scottsdale is very fortunate to have these people. We have worked for years and years on a project for it never to happen. I think your team here was quite determined to try very hard to make this happen. I want to personally thank officer Scott Koldenhoven and officer Larry Scott for their exceptional kindness to me on my many, many trips to this building. They are fine gentlemen. So, thank you to you all. With that, I'm going to pass things off to our very talented architect. Who is going to speak more about the project. Thank you.

[Time: 01:00:08]

Applicant Jeff Denzak: Good evening, Mayor Lane and Councilmembers. I'm a partner in the architectural firm Swaback. I want to first draw your attention to the quote on the screen. "A master plan, a community masterpiece." That's a quote from Vern Swaback, who has put his heart and soul into this project. One of the many things that Vern likes to remind us in the office, as architects and designers, we are also artists and we think it's so appropriate that we've been fortunate enough to work on this project and we are so excited about the final product. Also, important to note, I have been with the firm for just over 15 years and I can tell you this is the first time that all of the partners have gotten involved in a single design of a project. And that is a commitment to Rob, Bill, and Dana. But also, a commitment to the City of Scottsdale. We believe this project certainly raises the bar in terms of quality of design for the entire community moving forward.

Bryan has given you a little overview on the plan and one thing that I would like to add when we first met with Rob, Bill and Dana, one of the first things they said to us, when you start to look at the plan, we want to make sure that you design it in the context of the Museum of the West, the Stagebrush Theater and the Artist School. For us, that was music to our ears because that showed us the sensitivity that Rob and his team have brought to the table. As you know, in the development plan, we have a series of key themes throughout the project, but one that I wanted to point out that we have talked about that has come up over and over is this integration of urban integrated, orchestrated master plan.

When we have had sessions with the public, one of the things that people come up to us and say, what is the big idea for Museum Square? For this project, that has served us very, very well in terms of the overall design. So, here is a view of what we are familiar with. Unfortunately, that's not very attractive. Here is what we would like to create. Here, on the left is an example of the composition, in this case, the hotel. Again, what we think is a beautiful design and, on the right, unfortunately, is what we see more and more throughout the valley, is glass boxes, which is in our minds is not always contextual to the desert. We spent a lot of time coordinating with the Museum of the West. We love that facility and design. Again, that's a credit to you.

We have incorporated the historical elements into our design. We have incorporated brick and one of Vern's favorite quotes from Mr. Wright "a brick is just a brick, but oh, what you can do with it". And from the standpoint looking at the notion of the arts district and the art scene starting in Scottsdale. So, we have incorporated that artistic notion thought our designs. If you look up to the ceiling, you can see a great example of how that was done. And of course, the notion of how this project is transforming. We really think about it beyond its boundaries and think of the impact throughout downtown. We spend a lot of time addressing the issue of height and thinking about appropriate open space and again, to Rob and Bill's credit, looking at the development in terms of what we think fits, but not necessarily what all could be built.

Finally, this view is what we like to call the selfie view. Our hope is in the middle of February when we have visitors to the hotel and the plaza, really what I think of more of as an urban park and someone will take their iPhone and stand in front of the Museum Square sign and have that beautiful hotel behind them and take that shot and send it to their friends in Chicago when it is about minus 12 degrees and say "Scottsdale, the Arts district, Museum Square, wish you were here". Thank you.

John Berry: Mayor and members of the Council, they never applaud a lawyer. Rightfully so.

Mayor Lane: Actually, I didn't gavel down. I'm giving you a little bit of latitude right now. You are not here for theater.

John Berry: Well, we may be. Mayor and Councilmembers, I know you have a lot of Public Comment.

Mayor Lane: I am tempted to leave it at three minutes each. But you are welcome not to use every minute of it. That's an hour of testimony. I'd just as soon avoid to cut the time if I can help it. If someone has a lengthier speech to give. In any case, it is three minutes and there are 21 cards. We are going to start with Bill Crawford.

[Time: 01:08:07]

Bill Crawford: Greetings Mayor and Council. My name is Bill Crawford and I live in Downtown Scottsdale and also have a business in Downtown Scottsdale. Knock knock. The future. A bright and vibrant future. The future of Downtown Scottsdale. Are we going to open the door? I guess we are going to find out shortly. This project is exactly what the economists have been telling us for 20 years that Downtown Scottsdale needs. Ever since they built Kierland Commons, Scottsdale Corridor, Desert Ridge we lost a lot of the vibrancy to those new shopping centers. We have lost a lot of traffic, we lost a lot of shoppers and interest. Since then, downtown has been struggling. They have been telling us that we need new density and if we can replace that, we will have a vibrant Scottsdale, not just for right now, but the future.

This gives everything to the Downtown Scottsdale and the arts district that we need desperately. Not just for now, but the future. So, who would be against this? Can't think of anyone that would be against this. The only reason we might be against it might be for politics. What I have seen in the last few days is a community coming together because this project is so awesome that you can't turn it down. This is the second time that we have seen this recently. We see it happening right now with the bonds. The

whole city from different sides is coming together to support the bonds. That's what I see with this project. The whole city has come together to support the bonds.

So, one of the things that I would like to do is point out a quote from Winston Churchill, who said "if we open a quarrel from the past and the present, we will find out that we have lost the future." I'm so happy to see that we have put our political differences aside for this project. One of the arguments that I heard early on is that the City should not release this. Let's look and see what happened the last time the City had control of this project. It was the Loloma bus station. I went there one day to buy tickets for my kid to ride on the bus. I found out they didn't take plastic. There is a handmade sign that says, "cash only". I was so disappointed and, in my opinion, the City kind of squandered their opportunity with this property. It sat empty for another 20 years. Now we have it and it's ready to go. Look again at this cash only sign. It is a little bit prophetic. It says cash only. Which means to me that we have a developer that is not going to be borrowing anything from the City and looking for financing for this project. Cash only. He has his own money. Let's embrace this and open that door and do what is right for the future of Scottsdale. Thank you so much.

Mayor Lane: I will ask you please to refrain from applaud or booing. I don't know if anybody is going to be deserving that. Nevertheless, we try and maintain some decorum here.

[Time: 01:11:59]

Sandy Schenkat: My name is Sandy. My address is on file. I'm going to cut this in half. I'm going to tell you that I supported this before the Planning Commission on September 11th. This article appeared in the August 11th edition at which time I was quoted as saying this will stimulate the arts district. That's my foremost interest in the community is keeping the arts district alive. When I was told that Macdonald visited the Museum of the West a few years ago and he was so impressed he told the Bruners that he desired to build a 4-5 star hotel and high-end condos to help improve the area and bring in more business to the arts district and more patrons to the Museum of the West I said, this guy is God. He came to Scottsdale and he's going to make us come back. And I appreciate what you've all done. And I just encourage you to vote yes. It is a win-win for the developer and for the City. Thank you.

Mayor Lane: Thank you. Next is Mary Turner.

[Time: 01:13:35]

Mary Turner: My name is Mary Turner. I know that you have received a number of emails and support letters on behalf of Museum Square and I would like to take a moment to read a few today. The first one is from Honor Health. As the largest employer in the City of Scottsdale, and a property owner in Old Town, Honor Health would like to add our support for the Museum Square Development project. Our Osborn medical campus is approximately 700-feet away from the proposal site Museum Square. We recognize this project will bring much needed activity to the current under-utilized land parcel adjacent to the wonderful Museum of the West. Museum Square's proposed open space will be a major amenity for visitors, residents, and our employees alike. Ensuring the vibrancy of Scottsdale's downtown area with projects like Museum Square is an important part of keeping our City an attractive place for employees to live, work, and play. Maintaining a quality workforce is vital for Honor Health's continued success and bringing exceptional health care services to the city's residents and visitors. We urge you to

support this important project. The second is from the Scottsdale Firefighter's Association, President Sasha Weller. Over the years the City Council has maintained a strong dedication to providing essential resources to its community and residents. We commend you for the actions you have taken to improve the City of Scottsdale. In order to meet the needs of the citizens for public safety, parks, roads, community programs and quality of life measures, Scottsdale is wisely considering the disposal of property. Thanks to the sale of unused land, approximately \$27 million will be generated to help meet these challenges. We are excited for the potential the Museum Square offers and commend the Scottsdale City Council for its inventive public/private approach. I encourage you to proceed with the Macdonald development and Museum Square as a way to provide potential new revenues that will help support the needs of local programs including those of public safety. Thank you.

[Time: 01:15:57]

Jim Bruner: First I'd like to commend you for having a moment of silence for Art DeCabooter, truly a loss for our community. My name is Jim Bruner. My wife and I have lived in Scottsdale for 50 years. Thank you for the opportunity to speak tonight. I would like to take a few minutes to talk about the history of arts in Scottsdale in general and specifically the area called Museum Square. The history of arts in Scottsdale began before there was a Scottsdale. The first arts studio opened in 1909 with others following. The big push came after World War II when a handful of talented artists opened studios in the Craftsman Court area; artists like Lloyd Kiva, Lou Davis to mention just a few. Former First Lady Eleanor Roosevelt visited the Craftsman Center in 1946 and 1947. She wrote in her daily column about this bringing national attention to Scottsdale as an arts/crafts national destination. Years later, when Scottsdale was incorporated, this was an integral part of this community. You've all heard me say many times that this culture is a part of Scottsdale's DNA from the very beginning. Move forward to the 1980s. When Scottsdale was reviewing the Downtown Plan, the role of the arts was acknowledged with special streetlight fixtures, signage, the improvement of the streets and sidewalks in the arts district. I was on the City Council during that time. Unfortunately, to the best of my knowledge, not much in the way of significant capital, private or public was invested to support the arts until Scottsdale Museum of the West was opened in 2015. This museum was a special public/private partnership between the city and the citizens who operate it. During the museum's first six months, we had visitors from all 50 states and 13 countries. This diverse attendance continues to grow and brings people to downtown Scottsdale. Fast forward to today, the addition of Museum Square will significantly increase the attraction and visitors to the area. This is going to benefit art entities, the Artists School, Stagebrush Theater and the wonderful private galleries just one block north. And of course the reason or this development is the location in the first place, it will benefit the Museum of the West. We at the museum will welcome with open arms this Museum Square project. One interesting note. All this history took place a short distance, mere blocks, from where Scottsdale's art tradition many years started. We have come full circle. I thank you.

Mayor Lane: Thank you. Next, Michael Fox, followed by Carter Unger.

[Time: 01:19:04]

Michael Fox: Good evening, honored Mayor, and distinguished and dedicated City Council members. I could make this really short by saying this lovely, adorable young elementary school child and her comment about the arts, as well as recognizing and celebrating the indigenous people, 1 of 22 tribes in

our state summarizes this whole project and how indeed, it is going to continue to support the arts and show respect for our living cultures in various ways.

It was very moving for me to hear this young child talk about her love for the arts and for us to recognize and celebrate the indigenous people in this region. I can't help but think that the reason that all of us are here tonight is because of the leadership of this body on February 26th in 2013, you unanimously voted in support of both the management agreement, as well as the design build contract to see that ultimately, by 2015, the museum was built. There would be, in my opinion, no vision and no commitment of Museum Square by its internationally, highly respected developer and his partners, along with the team of thoughtful professionals assembled for his project if our community had not supported the development of Western Spirit. And if we hadn't done in these less than five years what we have accomplished to gain the kind of reputation this institution deserves.

I have been privileged over my 50 years plus in my career in this management to have directed nine different institutions and to have had the privilege to see in nearly every one of them, that we formed public and private partnerships that truly have given us opportunity to do things that very few other museums were afforded anywhere in this country. This is the epitome, in my opinion, of a public-private partnership that offers us, a community, the opportunity to celebrate the arts with the mercantile organizations of our neighborhood. Certainly, with Stagebrush Theater and artist school.

We are totally committed in seeing that we integrate the arts in the live way ,live way of our visitors to Museum Square. We will find extraordinary ways to involve our community and the community of culture and arts into the life way of visitors to our community who will be staying in our neighborhood, as well as to the residents that are living there.

Mayor Lane: If you could wrap it up.

Michael Fox: So, I want to encourage that this wonderful body supports unanimously the ordinance and the resolutions that are being presented to you this evening. Thank you very much.

Mayor Lane: Thank you. Next is Carter Unger.

[Time: 01:23:16]

Carter Unger: Mayor and Councilmembers, thank you for your service. I think that it is worth noting the patience and dedication that Macdonald Development has had. There are obviously a lot of things to work through with any development and I think we are really lucky to have a company of that caliber and the dedication to stick through the ups and downs and changes. As many people will tell you, time is money. An amazing company, such as MacDonald Development has a lot of opportunities to invest in places put their time and effort into projects. I think we're all very lucky not only as citizens, business owners, and future developers who aspire to create high-end projects that take care of a community and take care of creating a special sense of place. So besides the Council deserving much gratitude for your patience I want to thank as a business owner and a citizen and future developer Rob MacDonald and his team for their patience and their commitment to high quality and high standards that is in keeping with what Scottsdale is.

Mayor Lane: Thank you. Don Henninger followed by Lance Ross.

[Time: 01:24:45]

Don Henninger: Thank you, Mayor and Councilmembers. Museum Square simply put is a legacy project. It is one of the most dynamic projects to hit the City in a long time. It is key to reviving an area of Old Town that needs exactly that. Old Town has appeal still, but time is catching up. It needs more people, attractions, new life. This project will bring this. Many of the customers that will experience the charm of Old Town and all of its merchants that are offered. It is one of the pieces of the puzzle that will give Old Town a feature of magnitude that will last years to come.

We have heard about parking and what they have done to address that. We know that Scottsdale is special and deserving of world-class design and they have responded to create a design that is worthy of Scottsdale and one that we can all be proud of. It comes from a developer with a proven track record, one with the resources and the know how to get the job done in the right way. This is a project that the City cannot afford to pass up. The foundation that can be a spark plug that connects the Museum of the West and the arts center and all in between. I ask you to think of what it can be for future generations to come. Thank you.

Mayor Lane: Thank you. Lance Ross and Bob Pejman.

[Time: 01:26:48]

Lance Ross: Thank you, Mayor, Council, and staff. It is a privilege for me to speak today. I am on the Board of Directors of Greasepaint and the Stagebrush Theater. I speak in support of Museum Square. I would like to share a few thoughts I believe are true having spent 40 years in the commercial real estate business and studying downtowns and communities and what makes things successful and what causes them to fail.

Great cities are built by people for people. When planning a great city's downtown, it is important to foster the creation of a well-planned mixed district. That center of the business district includes residential, entertainment including theaters, museums, retail, tourism, recreation, and government. The goal is to put all of these uses together to retain and attract residents, businesses and people. Properly done, it creates vitality and sustainability. There are many examples of what makes a downtown viable and sustainable. The arts and cultural amenities are not only an important magnet but they are an important fabric to have a community to seize itself. The attractiveness of downtown is a combination of different factors. The weaving of different uses together and a commitment by community leaders to hold on to what defines us.

The planned Museum Square is exciting and an opportunity to retain history while enhancing the neighborhood. As a stake holder in the downtown for more than 50 years, Greasepaint and Stagebrush Theater are jewels that contribute to the social and cultural fabric of the entire Scottsdale community. We see ourselves as part of the downtown allure. We are excited to be part of the development and supportive of the Museum Square project. We would like to thank MacDonald company, Swaback Architects, the Museum of the West, the Scottsdale Artist School, the Scottsdale artist galleries, Scottsdale leadership, the City staff, Mayor, and all of the members of Council to get this right. Thank

you.

Mayor Lane: Bob Pejman. He has some dedicated time. Is four minutes going to be all right?

[Time: 01:29:31]

Bob Pejman: Absolutely. I have to say that Museum Square is a first-class development. The developer, Rob Macdonald is a first-class developer and visionary. Additionally, the architect Swaback is one of the leading architects in the Valley and we are very happy this team has come together to create this development. The galleries and the merchants from the beginning were for this development. They always saw it as something that could breathe new life into the arts district. It would infuse energy, activate it.

Our only reservation, as you all know, was parking. That was of no fault of the developer, it was part of our deficient parking code. Having said that, we have spent months with staff and the developer and in the end, the parking problem was solved. It was solved to our great satisfaction. I want to show this plan that Bryan Cluff went over, but I want to go through it quickly. The four residential building required 590 spaces to code. Developer provided 596. The four-star hotel, it had some parking reduction, however, we put a stipulation in to provide dedicated spaces for 35 employees, so they would not park on the street and take merchant spaces. We are very happy about that. Additionally, the developer is creating 41 additional on-street parking spaces at his expense to provide additional parking space for the public. The new public parking facility under the hotel provides 160 spaces at \$45,000 per stall, this is far cheaper than the City building the same parking spaces somewhere else. Far cheaper. And there is no land cost. We are piggy backing on top of the land that is already there, so it is a win-win.

There was a discussion if the hotel is going to be delayed and so will these parking space and we came up with a great solution of an interim parking space. While the hotel is delayed and the hotel site will be turned into 149 public parking space and that's also going to be done at the developer's expense. I met with staff a couple hours ago, they are committed to creating an additional 57 parking spaces at Stagebrush, increasing it to 120 and also, part of a master plan for 2nd Street, they will include the additional on-street parking spaces by Stagebrush Theater and Artist School and more. We are very thankful that all of this is being done. This development is going to bring a lot more people into the area. It is not just about the private use. Now, we have extra parking. I really hope that the other developers that are doing projects like this actually learn from this. If the parking code is at the bare minimum, that doesn't mean they have to adhere to it, they can go above it. We are very thankful it is being done and we fully support the project. Thank you.

Mayor Lane: Thank you. Alex McLaren.

[Time: 01:33:52]

Alex McLaren: Mr. Mayor and members of the Council. Alex McLaren. I'm here to strongly support the project. I think that you have heard of the architectural excellence and people have come together and this is going to be an awesome project. I think that the plaza between the Museum of the West and the hotel is going to be stunning. I think that someone said that events will be held there. I'm sure they will

be. It is going to be a topnotch project. I'm here to support it.

I hope that you support all of the actions that are before you. I would just like to say with the City's commitment through the bond to the area, to the downtown area and with this investment by the private sector, as people have said, this is a definite public-private partnership and I strongly urge you to pass it. Thank you.

Mayor Lane: Thank you, Mr. McLaren. Next, Laraine Rodgers.

[Time: 01:35:12]

Laraine Rodgers: Good evening, Mayor Lane, Vice Mayor Littlefield, and Councilmembers. Over the years, the once vibrant Scottsdale arts district has become dusty and dull. As we know and we heard tonight, Scottsdale is simply the best. It is simply the best city and Museum Square is just amazing and it will totally enhance it and keep it simply the best. Museum Square will create an inclusive space with world-class residences, all of this with Stagebrush Theater and the Scottsdale artist school and Museum of the West right in the heart of the revitalized arts district. Clearly the developers and the architects worked together, and they worked with the residents and the City staff. Thank you very much for doing all of that. You worked together to create a place that I believe that we can all be proud of. Along with increased revenues for the merchants and the City. Please consider giving your support to all of the items on Museum Square. Thank you very much.

Mayor Lane: Thank you. Jay Danek.

[Time: 01:37:12]

Jay Danek: Good evening, Mr. Mayor, Council. Thank you. I would like to give my minutes to my daughter because I can think she can explain the power of the arts district better than I can. We have been here for 20 years as a family. And we have been going to Stagebrush for 3 to 4 years. I would like for her to explain what it means to them.

Petra Danek: Thank you, Mayor and City Council. Greasepaint has been like a second home to me. When I came to Greasepaint, I was greeted with a big, warm hug that made me smile brighter than the sun in Scottsdale. The community made me want to come back. As said in "Frozen" here we stand. Why does "Frozen" matter to you, you say? Because in Scottsdale we may be different ethnicities and speak different languages, but we all want similar things. We all want love, to be loved, and friendship. If you have no intention of loving or being loved, then the journey is pointless. We all love together, and we perform, and it is a bright, loving community. No matter what you are, what ethnicity and what you speak, it doesn't matter. We all join together, and we are really good friends. And it makes you grow as a person. And it makes you understand how anyone can feel in different footsteps. Greasepaint benefits us by giving us a community and kids like me a passion. Let's seize the day. Vote for the Museum Square Project.

Mayor Lane: Thank you. Next is Steve Palermo.

[Time: 01:40:09]

Steve Palermo: I'm going to yield all of my time to the younger speakers, one being my daughter.

Mayor Lane: Okay. Please keep it at the three minutes, please.

Nora Palermo: All right. How is everyone doing today? Nice to see everyone. I have always loved coming to see shows at Greasepaint and I was lucky enough to be in "Frozen" this last weekend. Greasepaint is such an amazing place to come visit and not to mention all of the other places that you can go and before the show, like it is a great space, you know. As a community, we can all come together and just enjoy the space. It is a great organization and as you can tell by our shirts, we love the Museum Square Project. Thank you. And I'm Nora.

Mayor Lane: Is that it? Oh, I thought there was more than one. Thank you. Thank you very much for that. Next is Lisa Christian followed by Maureen Watson.

[Time: 01:42:14]

Lisa Christian: It is sure tough to follow them. I'm coming here as a 26-year resident of South Scottsdale. Truly, I'm here in support of the project and asking for your support. I'm one of those parents that spends a lot of time at the Stagebrush and in the surrounding area. We support this project wholeheartedly and we think it is a great way for Scottsdale to maximize what you already have. So, help us maximize what is already there. We spend a lot of time in the area. We eat while our kids are in rehearsals and shop and drink. So, we are here to support, and we hope that you will say yes and help to make this area even more fabulous.

Mayor Lane: Thank you. Next is Maureen Watson followed by Melissa Redleaf.

[Time: 01:43:26]

Maureen Watson: Hello. My name is Maureen Watson. Thank you, Mayor and Councilmembers. I'm here in support of the Museum Square Project. I have to tell you; I have been at Greasepaint on and off since the early two thousands. I have seen other City Councils and other Mayors and other developers, and I have not seen a project quite like what Rob Macdonald and Swaback have brought to the table. Until Rob Macdonald came along, no one came into the theater and said, let's see what you do here. After I met Rob Macdonald, I Googled him. I looked at the projects he had built. I was just, we're over the moon that someone can invest in this community, because I live in south Scottsdale. I don't really care for North Scottsdale, but I love it here. I love Old Town. This project is just stunning. It will bring exactly what they say it will bring to this neighborhood. The fact that he walked in and said this should stay, I'm an arts guy. He is. I checked. We are the history of that little corner of land. We have had international renowned playwrights and an internationally renowned architect. We have a kid that is probably going to be on Tony stage next year, we've got kids on Broadway, we've got kids in major motion pictures: Once Upon a Time in Hollywood, Shazam, we've got kids in Marvelous Mrs. Maisel, Nancy Drew. They're all coming up through Scottsdale. They're your natives, they're your kids. And we should be really proud of what we do there and I truly believe that with the design by Swaback and Rob Macdonald, this will be such a huge win for Scottsdale and such a huge win for the artists School and Stagebrush and the museum and the city overall. Please do vote in favor of this project and thank you,

Rob Macdonald, and everyone that's involved with this project, Don and Susan and your City staff. Again, I've been through this several times before, City Council, your city developers, and the city Planning office have just been wonderful. Kudos to all of you and I can't wait to hear the unanimous vote for yes.

Mayor Lane: Melissa Redleaf.

[Time: 01:46:22]

Melissa Redleaf: I'm Dr. Melissa Redleaf. I'm a pediatrician and homeowner. I'm speaking in support of this Museum Square Project and specifically in support of Greasepaint and Stagebrush Theater. My daughter grew up taking classes and performing at Greasepaint and that gave her the foundation to be a successful L.A. actress. I continue to support Greasepaint and attend a lot of their productions and take dance classes there. The arts are so important to our youth and our property values and attracting people to our City. I hope that everyone votes in favor of it.

Mayor Lane: Thank you. Next is Savannah Thompson.

[Time: 01:47:47]

Savannah Thompson: Hi, my name is Savannah Thompson and I'm an employee at Greasepaint and at the Stagebrush Theater. Discovering Greasepaint in high school changed my life. I developed a self-confidence that I had never known before and developed a passion for careers that I never knew existed. I would have never pursued a degree in arts theater management. And I wouldn't have a job that the work every single day is rewarding. I bet out of college, I wouldn't have stayed in Scottsdale and I'm here to stay now. The Stagebrush Theater is my home away from home in so many ways. We have kids that drive up to Scottsdale 5 to 6 times a week to do shows here. I know their parents stick around and are in the area. I firmly believe that the Museum Square project is going to bring a vibrancy to the arts district increase activity in the arts district and increase for all of the businesses in the area. This is why I support Museum Square and I hope that you vote to support it. Thank you.

Mayor Lane: Thank you. Next is Gin Selfridge.

[Time: 01:49:40]

Gin Selfridge: Good evening, Mayor, Council. I'm a fresh transplant to the Valley. My daughter and I, Gwendolyn. We moved here in July. At the time, we were staying in West Phoenix and I Googled what the heck is there to do in the valley and sure enough, top of the list is this awesome production called "Rent", at Greasepaint located at Stagebrush Theater, so my daughter and I hiked it to Scottsdale and witnessed our first community theater adventure in the valley. Next thing that I know, my daughter is auditioning for her first show at Greasepaint and although I hate to admit, I spend way too much at the shopping locations in Old Town.

We moved here from Arkansas and do you know what is not in Arkansas? A flourishing arts community. Finding Greasepaint has been amazing. It is her home away from home. When I heard that this little Stagebrush Theater could be in risk of not existing anymore and then, I also hear there is a developer

that wants to expand the revitalization of Old Town Scottsdale and bring parking and a hotel and preserve arts that already exist, that's a no-brainer. There is no place that I would like to be on a Tuesday evening than supporting Greasepaint and the Museum Square Project. Thank you. And thank you for the warm welcome to the valley.

Mayor Lane: Thank you. Kevin Maxwell.

[Time: 01:52:01]

Kevin Maxwell: Mayor and Council, nice to see you again. And thank you for my appointment to the Airport Advisory Commission. Everything that I wanted to say has been said. There has been a lot of work talking to the developers and doing everything that you want to do to make this a world-class facility. Not much to say on that. When I hear Bob get up and talk about that he's satisfied with the parking, that's all that I need to know that it is a great project. We have heard quotes from different people. I want to add Vince Lombardi's quote, "the only place that success comes before work is in the dictionary".

Mayor Lane: Thank you. Jennifer Rawicz.

[Time: 01:53:11]

Jennifer Rawicz: Hi, I'm Jennifer and I'm a City of Scottsdale resident. Thank you, Mr. Mayor, and Councilmembers for the opportunity to speak today. For the past nine years, my family and I have been frequent visitors to Museum Square area. We have participated at Greasepaint at Stagebrush. We have enjoyed the art museums and most recently the Museum of the West. We are incredibly excited about this development. Not only because it is going to bring economic development and growth opportunities to our City, but it is going to bring the City on par with many metropolitan cities that have vibrant arts district.

This project will absolutely attract people to the City as my family did from Miami. Additionally, my twin daughters, who you probably won't remember, Mayor, but have had the honor of meeting you on a couple occasions at Greasepaint. They have had quite literally the best opportunity and they grew up at Greasepaint. For nine years, we have had blessed as a family to have this incredible experience to welcome two little girls who did not speak and now, they are thriving and on their way to college and definitely pursuing different theatrical and movie pursuits. With the presence of this project, I know that other kids in the community, although mine are getting older are going to have the same experience and opportunity. As a mom, that thrills me. I wanted to thank you for the opportunity to speak to you today. I speak for many, many families when I say that we would love to see this project go forward.

Mayor Lane: Thank you. And that does complete public testimony on this Item. I invite Mr. Berry back to the podium for some wrap up comments and then we will have some questions or comments from the Council.

[Time: 01:55:45]

John Berry: Thank you for those that came down. Mayor and members of the Council, I have nothing to rebut. I just want to remind the Council of somethings associated. Often times, you ask developers to demonstrate community benefit for the proposal. The right for additional height and density is not a right in Scottsdale. You have to earn it. You have to demonstrate that a project deserves the ability to add additional height and density to our downtown. What are the community benefits to a project? Large or small or transformational. It is going to re-energize and revitalize the arts district. Once again Scottsdale will become the arts epicenter in the Valley. We have lost a bit of our mojo in the valley. This will help return it to the epicenter. We're going to leverage our existing taxpayer investment in the arts. What people haven't talked about is the 1% for the arts in addition to the funds that the City is going to receive. That's an additional \$3 to \$4 million in additional public art for this area. The building footprint is much smaller than what was approved in the existing zoning that is in place today. It is a 55% reduction in the building size footprint of what is approved there today.

The open space for Museum Square plaza -- a lot of discussion about the emerald necklace of the pocket parks and larger open spaces in our downtown. This achieves one of the objectives of these key objectives. Approximately \$27 million of proceeds to be used in the arts district and Old Town. There is going to be new public parking and interim public parking. In terms of tourism, the life blood of our community. Keeps our taxes lower. Tourism, 4-star luxury hotel. 70,000 room nights a year with the associated bed tax, sales tax. As Rob Macdonald likes to say when he came to town, "It is the body heat, body heat is coming to this area, it is going to be incredible" and these tourists are a big part of that body heat downtown. Sustainability, we've agreed to exceed by 50% of the standard construction code. It is not walled off. It invites the community in. The vast majority is open to the public in perpetuity. It anchors 2nd Street and Scottsdale Stadium, the museum, SMOCA, the Performing Arts Center, with the Museum of the West. An incredible opportunity to create Museum Way. Less traffic than the existing approval. It generates less traffic than what is on the site today. We are going to enjoy the shopping and amenities and go to Greasepaint with great regularity. This proposal conforms with all city plans and guidelines. The estimated construction and taxes and fees over the lifetime of this project is almost \$8 million. And the estimated annual bed tax and sales tax is over \$1 million. As a city-owned property, it generates zero, zip, nada. Mayor, ,members of the Council, happy to answer any questions.

Mayor Lane: I would ask the Council if you have questions of the staff or Mr. Berry or the Macdonald team, please, you can speak now or forever hold your peace. If there are no comments. I see the reluctant Councilmember. Councilmember Klapp.

[Time: 02:00:17]

Councilwoman Klapp: I would like to lead off with the comment made by the lady from Little Rock. I could think of no other place that I would rather be on a Tuesday evening. I don't think that I have heard anybody say that about a Council meeting, so kudos to you. What John just stated, and it was rolling around in my mind and this was once known as a premier artist community, but it has lost its luster over the years. If you read any of the artist magazines, Scottsdale is not mentioned like it was years ago. This is going to put Scottsdale back on the map.

I think that it is a wonderful thing to happen because it is very, very important to me that this be an artist community. And it is going to provide so much support to the current artists, current galleries, the merchants and that part of downtown. So, this is a great project, quality of design. You know, great

imaginative thought about how to put together a project that can enhance an arts district and can improve upon the Artist School and the Stagebrush Theater and all of the other amenities that are in the area, the Museum of the West. How can you not say enough about a great project? It is important that we do recognize the work of this developer and their team and their ability to bring a project to Scottsdale. I'm thankful for that.

With that, I would like to make a motion. I move to approve Item 15 and adopt Resolution No. 11566, Ordinance No. 4428, Resolution No. 11600, Resolution No. 11599, Resolution No. 11601, and Resolution No. 11602 after determining that the rezoning map amendment is consistent and conforms with the General Plan and the overlay downtown district criteria have been met.

Councilwoman Milhaven: Second.

Mayor Lane: Motion has been made by Councilwoman Klapp and seconded by Councilwoman Milhaven. Would you like to speak?

[Time: 02:02:59]

Councilwoman Milhaven: It is unbelievable a project of this magnitude comes forward without a single voice in opposition. I share the enthusiasm of all the speakers around the impact this is going to have on the arts and our community. Mr. Macdonald, you were very gracious earlier in the evening to thank us for our patience. I thank you for your patience, sir. I can't imagine a developer who could have been more patient or more responsive and to negotiate with a 7-member board. God help you, sir. It can be very challenging to work with a 7-person body. So, sir, thank you very much for your patience and thank you for choosing Scottsdale. I can't imagine a developer that can build a better project than you can. And Swaback Partners and Jeff Denzak, how exciting to have such a recognized architecture firm build us. We talk about iconic projects and iconic architecture and that's exactly what we're going to get here. Thank you. I am so very excited.

As folks may know, before I was on Council, I spent 10 years on the board of Scottsdale Arts and was their chair for three years. So, I'm very aware of the importance of arts and culture in our community and not just from the Performing Arts Center, but across the community. Thank you Mr. Bruner for the little history lesson. I know how important this is to our community and so excited about what it will do to revitalize the arts. To the Stagebrush folks, it wasn't too many years ago, I helped you over a little bump. There was a question about the lease and whether or not they could stay, I was so excited to work with you to help you stay in place and what an exciting today to take it to the next level. So, I'm very excited to see you included in this project.

I do want to comment a little bit on the politics of this project. If folks are watching, what we are doing in short tonight is we are selling the City owned property to Macdonald Communities for them to build a project and we're doing the zoning to make the project possible. We are spending \$7 million to build additional parking. We have reduced the sales price and essentially spending \$7 million to build parking that not a single parking study supports. The project already overparks itself. All of the trends in parking say that ride share becomes more prevalent and say that we will need fewer and fewer parking spaces. The majority of the Council has agreed with their constituents that this parking is necessary. I don't necessarily agree. I think that on balance of this project still warrants approval, I'm

enthusiastically supportive of it.

I would like to remind my colleagues we are demolishing the offices used by the Museum of the West and during the negotiations, it was proposed that we purchase a nearby office condominium to support the Museum of the West. Folks are extremely concerned with us investing our money for the Museum of the West. I would just like to remind our colleagues that while I don't necessarily agree with spending \$7 million on parking we don't need, I hope that you see the light and use some of the proceeds to help support the Museum of the West to replace what is being removed and ensure their continued success. We have heard tonight what an important part of this district and hope that you would continue to support them. So I am a very enthusiastic supporter of this project. Thank you.

Mayor Lane: Thank you. Councilmember Whitehead.

[Time: 02:07:00]

Councilwoman Whitehead: I am also enthusiastically supporting this project. It has been a hard, long, winding road, but this project exemplifies how Scottsdale rolls. It exemplifies what made Scottsdale the world-class community it is. There are probably only a handful of developers that have the quality, commitment and staff to do what they have done over the last two years to take a cool concept and turn it into what is going to be a world-class project. And to care about this community and put this community over maximizing profits or speed. The commitment that Rob Macdonald and his team have shown have not gone unnoticed. I want to thank staff. The City Council has a lot on our shoulders. The details matter, not just the cool concept. At the end of the day, our staff is working into the night to make sure that our public is protected in the details. And so I want to sincerely thank all of our staff for getting us here, and I'm looking forward to voting yes.

Mayor Lane: Thank you, Councilwoman. Councilmember Korte.

[Time: 02:08:36]

Councilmember Korte: I am and have been all along in support of this project. Thank you Mr. Macdonald for your incredible patience and thank you for bringing together an incredible team because it is you and the team that have made this happen. I see so many benefits to this project and not only to add to our property tax rolls and rental tax base and bed taxes. It is good for our arts district and culture of the arts. It is going to be one of those important components of finding as we build this pedestrian path throughout our Old Town and to connect with Scottsdale Arts. And to the Museum of the West, Greasepaint and Stagebrush Theater, heading north all the way to Southbridge. That only secures the sustainability of our downtown, so thank you for that. You know, my vision, we are adding another 350, approximately 350 residential units to our downtown and creating a live and play environment in our downtown, but what is missing is the work because we don't have Class A office space in downtown.

I'm really hoping this will shall we say, jump start us into better planning for creating Class A office space so we can attract those well-paying jobs and all of the people to live here in Scottsdale can also work here in Scottsdale and that's what is going to make our Old Town sustainable into long beyond 2050 and beyond that. So, this masterpiece will be the transformational and important, will be the transformational cog and really is that most important decision to the future of our Scottsdale, our city.

So, I thank all of you for being here. It is amazing. A project of this caliber is 100% approved or 100% supported by everyone in this room. And that just says something for our community, so thank you.

Mayor Lane: Thank you, Councilwoman. Yes, and Vice Mayor Littlefield.

[Time: 02:11:49]

Vice Mayor Littlefield: Thank you, Mayor. I also support this project. And I'd like to thank both the developer and the staff for working basically around the clock for months to create the project that has been put before us. They have worked through all of the issues that were voiced by both the staff and our residents and of what might have become those unintended consequences due to change. They won't happen now. Thank you for creating the Scottsdale's new go-to place for live, work, and play.

Mayor Lane: Thank you. Councilmember Phillips.

[Time: 02:12:38]

Councilman Phillips: We all have to say something. Mr. Macdonald, thank you very much, if I was you, I would have pulled out a long time ago. I was for this project from the beginning and you seem to have been systematically torn apart and you and staff kept plodding along until you got it. Nobody has gotten the downtown merchants, the residents, the staff, and Council to agree with a project. This is a milestone. I liked it from the beginning. Thank you very much and I will be approving it.

Mayor Lane: I will make it unanimous. I have been a strong supporter of this project from the beginning. It has taken a harder road than we first expected. It is a credit to the entire team and the gallery district, the players on the street, within your team, with the City staff, and frankly, input from this Council. In order to come to grips with some of the things that were brought to our attention and there is not total agreement with some of it but my feeling is this, and as far as parking is concerned, which seems to be the one significant issue is that we hope that we have more parking than we need than to end up somehow or another with less and by looking at tremendous success in this area by virtue of everything that is going on here. So we are hoping it's there for us. We are very, very happy and Mr. Macdonald, thank you very much for your patience, as well, from me.

It is astounding sometimes when you get in the mix of this, you are blessed with patience. In any case, thank you very much for what you have done and what your team has brought to the City of Scottsdale. We do think of this as a straight up project. Great players, we all recognize. This is something that the area has needed for a while. It is funny how things work out. That area has been a laggard in the southwest portion, and it has been for years. Mr. Berry talking about the big zero of what it was just contributing, and it was just city property and not doing anything in a very valuable area of things.

In the meantime, with the great recession, we are able to, and by the vision of great folks in the gallery district who got behind the Museum of the West and frankly, Michael Fox, Jim Bruner and the entire crew and the gallery owners who knew that would be an element that would be attraction for the entire district. It started out as one element. And as Councilwoman Milhaven said too, at one point Greasepaint and Stagebrush was condemned. We reinvested in it at that time and with museum and tourism dollars in large part and other investment. Strong componentry that comes together. Even the

Scottsdale School of Art had a struggling time. This is going through the great recession among other things.

Certainly, it all came together and with this project that we are about to approve, and we hope very strongly it gets into motion and does the things that have been demonstrated here that it can do. So, it is funny how things work. If I were to quote anyone else, it would be Kevin Maxwell's talk about, it is almost worth the price of admission to have Bob Pejman on board and happy about it. Bob, if you are still here, I hope you understand. In any case, thank you for what you have done and thank you to the staff and the time that has been spent. And I hear that we have a unanimous vote and we are going to make it official right now. Yeah, we do have to vote. And we have a motion and a second. All those in favor please indicate by "aye" and register your vote. It is unanimous as advertised. Thank you to everybody. Thank you to everybody who contributed by thought and actions in bringing this together. So, thank you. Again, thank you.

We will adjourn. Hello. We have no Public Comment. No citizens petitions and we have the Mayor and Council Item, which is, all right. Very good. Thank you very much.

ITEM 16 – SOUTHBRIDGE TWO REZONING, ABANDONMENT, AND DEVELOPMENT AGREEMENT (22-ZN-2018, 19-AB-2018, AND 4-DA-2019)

[Time: 02:18:51]

Mayor Lane: Item 16 is the Southbridge II rezoning abandonment and redevelopment agreement 22-ZN-2018, 19-AB-2018, and 4-DA-2019 and a request to continue to November 12, 2019. Do I have a motion?

Councilwoman Klapp: So moved.

Councilmember Korte: Second.

Mayor Lane: Motion has been made and seconded. All these in favor, please indicate by "aye." I need your vote. All right. It is unanimous. The motion to continue to November 12th for the Southbridge II rezoning abandonment and rezoning has been passed. No further Public Comment, citizen's petitions, Mayor or Council Items.

ADJOURNMENT

[Time: 02:19:49]

Mayor Lane: We adjourn the Regular Meeting.

Councilwoman Klapp: I move to adjourn the Regular Meeting.

Councilmember Korte: Second.

Mayor Lane: Motion and a second. All those in favor of adjourning the Regular Meeting indicate by

"aye." We are adjourned with the Regular Meeting.

SPECIAL MEETING

CALL TO ORDER

[Time: 00:00:03]

Mayor Lane: Now, I would like to call to order the October 15, 2019, Special Meeting and possible Executive Session. Please give me a roll call for this Special Meeting. Okay. We are all here. Okay. So, Discuss and consult with the City's attorneys for legal advice; discuss and consult with designated representatives of the City to consider its position and to instruct its representatives regarding negotiations for the purchase, sale, or lease of real property; and discuss and consult with the City's attorneys to consider the City's position and instruct its attorneys regarding contracts that are the subject of negotiations. These matters all pertain to real property located near the intersection of Goldwater and 5th Avenue in Scottsdale, Arizona.

ADJOURN TO EXECUTIVE SESSION

[Time: 00:00:41]

Mayor Lane: Do I have a motion to adjourn to Executive Session? Motion made and seconded. All those in favor of adjourning into Executive Session, please indicate by "aye." We are adjourned into Executive Session.