



CITY OF SURPRISE
City Council Meeting Minutes
100 North Civic Center Plaza
Surprise, AZ 85374

Tuesday, June 6, 2017 @ 06:30 PM

Call to Order

Roll Call

Mayor Wolcott called the **Regular City Council Meeting** to order at 06:30 p.m. Surprise City Hall Council Chamber 16000 North Civic Center Plaza Surprise, Arizona 85374 , on **Tuesday, June 6, 2017**. Also in attendance with Mayor Wolcott were Vice Mayor Tande, Council Member Winters, Council Member Hayden, Council Member Williams, Council Member Remley, and Council Member Hall.

Staff Present: City Manager, Bob Wingenroth, City Attorney, Robert Wingo, and City Clerk, Sherry Ann Aguilar.

Pledge of Allegiance

Proclamation and Community Acknowledgements

Proclamation - Recognizing the 242nd birthday of the United States Army.

District 4 Beautification Award

Presented to George and Monica Cruz

City Manager Report

City Attorney Report

City Clerk Report

Call to the Public

Consent Agenda

1 - Consideration and action pertaining to approval of an Amendment to the Intergovernmental Agreement with Maricopa County to continue providing Community Action Program services for fiscal year 2018 and acceptance of grant funding in the amount of \$87,452 to support operations of the Surprise Resource

Center; Resolution # 2017-55 - APPROVED

2 - Consideration and action pertaining to an amendment to the fiscal year 2017 budget by reallocating appropriations of \$16,300 from contingency within the Grants fund and various development impact fee funds for the purpose of adjusting budget authority for the fiscal year 2017 budget; Resolution #2017-58 - APPROVED

3 - Consideration and action pertaining to approval of a re-plat entitled, "Skyway Commons" dated March 30, 2017, a final plat re-platting a portion of Skyway Business Park II - Lots 50 thru 61, a property generally located on the northwest corner of Dysart and Rioglass Solar Roads; Resolution # 2017-59 - APPROVED

4 - Consideration and action on a request by Peter Schlstraete (Applicant) for a Series #12 Liquor License for Outback Steakhouse #0323 located at 14225 W. Grand Avenue, Surprise, AZ 85374 (License #1207B004 - New License/Interim Permit, LLC) - APPROVED

5 - Consideration and action pertaining to removal of Tourism Commission Member, Robert Pasley, as a Hotel Representative on the Tourism Commission due to a change in member circumstances and status - APPROVED

6 - Consideration and action on a request by Agent, Amy Nations for a Series 12 License for Club Sole located at 14836 W. Goldwater Ridge Drive, Surprise, AZ 85374 (License #1207A993) - APPROVED

7 - Consideration and action on a request by Agent, Andrea Lewkowitz for a Series 10 License for Corner Store #2950 located at 15435 W. Cactus Road, Surprise, AZ 85379 (License #10076877) - APPROVED

8 - Consideration and action on Acquisition of Control due to change in Management for 5 local Walgreen's with existing licenses as follows: Walgreen's #12087 located at 13723 N. Litchfield Rd., Surprise, AZ 85379 (District 6 - License #10076577); Walgreen's #07933 located at 15514 W. Waddell Rd., Surprise, AZ 85379 (District 3 - License #09070460); Walgreen's #04620 located 15490 W. Bell Rd., Surprise, AZ 85374 (District 5 - License #10075878); Walgreen's #06806 located at 17088 W. Bell Rd., Surprise, AZ 85374 (District 5 - License #10075875) and Walgreen's #4791 located at 14285 W. Grand Avenue, Surprise, AZ 85374 (District 5 - License #09070287) - APPROVED

9 - Consideration and action on the minutes of May 16, 2017 Regular City Council Work Session and Regular City Council Meeting - APPROVED

10 - Consideration and action pertaining to approval of the final plat entitled, "Greenway Crossing" dated March 22, 2017, a 12.86 acre property generally located on the northeast corner of Greenway Road and Loop 303 - APPROVED

11 - Consideration and action pertaining to a FY2017 budget amendment by reallocating appropriations of \$2,245,700 and acceptance of a special warranty deed from Marley Park Phase II LLC for a Well Site No. 2 located in Marley Park near Cactus Road and 143rd Avenue and the associated infrastructure; Resolution #

2017-61 - APPROVED

12 - Consideration and action pertaining to an amendment of the fiscal year 2017 budget by reallocating appropriations within the General Fund in the amount of \$35,400 from services and supplies within the Arts and Cultural program for the purpose of establishing seven projects related to the newly adopted plan for Art in Public Places at Surprise City Hall; Resolution # 2017-62 - APPROVED

Council Member Winters made the motion to approve the consent agenda. Council Member Williams seconded the motion. Seven yes votes, motion carried.

Mayor Wolcott commented that she is moving item #18 up because of the amount of people signed up for call to the public.

Regular Agenda Item - Non-Public Hearing

18 - Consideration and action pertaining to approval of the Mattamy preliminary plat entitled "Preliminary Plat For Surprise Center" dated April 7, 2017, a 56.38 acre property generally located along Statler Boulevard west of Litchfield Road - DENIED

Community Development Director, Eric Fitzer gave a powerpoint presentation on Mattamy preliminary plat entitled "Preliminary Plat For Surprise Center" dated April 7, 2017, a 56.38 acre property generally located along Statler Boulevard west of Litchfield Road.

SCDC, Scott Phillips was asked to review the Draft Master Plan. Mr. Phillips explained the history of the property and visions from past Mayor and Council for building a mall, different projects that were discussed over the years. He further explained each section of the draft master plan in detail.

Public Comments:

Mankiewicz - written statement for the record

Bob Vukanovich - written statement for the record

Ed Hanzel - Area around Mill Street in Tempe, nice relaxing atmosphere, restaurant and shops, similar to old town Scottsdale, I enjoy visiting like these, but they are a distance away. We have only one opportunity to create a vibrant downtown area, and this opportunity may not present itself again. He commented on D-Day. The decision you make tonight, will make a lasting impact that will last for generations.

Richard DePirro - written statement for the record

Amber DePirro - written statement for the record

Briana Beck - written statement for the record

Ralph Wirebaugh - spoke in opposition of his project.

Mike - Read statement for the record.

Ken Wright - Spoke in opposition of this project. This is a major re-do of the projects previously

presented. If you have integrity you should not vote for this. If this gets changed, the citizens will be looking at some projects for a bond issue, with property for a fire station.

Wendy Barry - Spoke in opposition of this [project. Read the PAD from 2001, was excited about the concept, but this plan doesn't feel.

Jenny Aaron - What was envisioned for this area was exciting, but now this project is putting the cart before the horse. Where are the places where people will be able to go to?

Mike Planeta - Interesting to see what we have here considering what we voted on before in past years. I have watched Mr. West manipulate Council over the years, this project here is not what we envisioned here for our City. Never once did Mr. Phillips mention traffic for the surrounding areas, it will destroy our area here. Self-greed from Mr. West. He doesn't have our best interest, but Council does.

Ann Fener - In opposition of the project.

Brenda Maldonado - I am a small business owner from Glendale but live in Surprise. My business is very specific to millennials, near coffee shops, I would love to have my business in Surprise, but not a great place for a business compared to other areas. I do not support this project.

Marty Freeman - Daughter who started attending Ottawa University, one of the main reasons we decided to go there was some promise of soon activity, this project looks promising to me. I am from south Phoenix, Surprise was never on my radar, but now it is. I heard all of the statement about the Urban feel, it takes progress to make transition.

Pam Hilinski - Yes things change but this is the time to be really careful, you get one chance, and Surprise has one chance to make this happen. Don't like single-family homes.

Tim Jarrell - Thanked Vice-Mayor Tande for promoting issues on social media, encourage the rest of the Council to increase activity to encourage participation. I love this community, took a look around our City, and asked myself what is Surprise? Surprise is a good City, but we have a lot of chain stores, what would make us unique? We need a vision, good is not okay, we need visionary leaders on the Council, staff, leaders. I want to be in Surprise for many years, do not want homes in the downtown area. Need buffer lanes for pedestrians.

Doc Sullivan - I am in favor of this development, we have a landowner that wants to sell their dirt, we have a Council that wants to develop their downtown. Mr. Phillips and I have talked about this before, to get mixed use properties, then residential is required.

Kirk Van Metre - Business owner and resident of Surprise. An email has inspired me to coming out tonight, we need more people to start businesses in Surprise. The Mayor wants to stop development, I support this project as a resident, business owner and the planning & zoning commission got it right approving this project.

Edward Christy - Spoke in opposition of fast food restaurants in Surprise, no objections to fast food, but this is an indication of the vision Council has for Surprise. I would urge caution before acting on this item.

Jose Castillo - Mattamy Homes, thanked Council and residents for showing up tonight.

Ed Bull - Represent Mattamy Homes and request Council approval. Appreciate staff's recommendations to Council for approval. We have been working for staff for over a year, focus groups, residents, realtors, etc., We have satisfied every legal requirement by the City on this project.

Matthew Keating - Planning & Zoning Commission Member - Explained his vote, was prepared to vote no, but heard the presentation and changed my mind. It is sad that we do not know what the vision for the City is, and of the downtown center. If I don't know what the vision is, then how could anyone else. I voted yes because we have to start somewhere. Parcel 3 is a good step to start the downtown process. Moving forward, I would like to see more visual concepts for future projects.

Jeff Gibbs - The concern that I have is the draft Master Plan does not support the PAD from 2001. It's hard work, but we have not made the progress. This is actually a village, but does not meet the vision of the PAD.

Steve Chavez - This is 17 years later, this is about change and progress. I asked that you approve this project, let's be progressive.

John Bechman - Lived in Scottsdale prior, didn't have Kierland Commons in those days, but we had a plan in place. Now that I have been here in Surprise, I am impressed in what you have done here in Surprise. Potential only comes along one time, you have an opportunity to do this right. I see a lot of concept, but don't see any detail. Be cautious in what you decide tonight; you have had 17 years.

Lisa Cass - Lack of diversity, I believe this plan would bring this diversity. Spoke in support of this project. You have to have people living in the downtown area in order to thrive.

Debbie Lee - statement for the record.

Subject: Re: Downtown Surprise/ Maybe never! Please forward to your circle of influence! I am in DC meeting with President Trump and unable to attend the meeting, but wanted to express my concern for the change in the plans to move forward with the area designated as Downtown Surprise and allow for residential building to take place. Surprise has lots of housing and areas that can be developed for housing and for 20 years have been working towards a quaint downtown. Surprise needs to stay the course for developing that downtown community that would provide a unique place of character and a quaintness that will draw people to shopping, restaurants, and entertainment. I am also concerned that there were no hearings on this. A Concerned citizen Debbie Lee

Mr. *Włodarczyk* statement for the record:

I have been following the developments concerning the planned City Center project for many years. I have found over time that many forward thinking initiatives and ideas have been rendered and implemented by City officials; including A New City Hall, New Police and Fire HQ and most recently Ottawa University. The proposed single family home development plan using 54 acres of prime space is not consistent with the long range plans for a "key" site in Surprise. With all of the neighboring residential projects, "Big Box" and fast food operations which are already plentiful and in place, this project just adds **"more of the same"** and has no impact, as it relates to diversity affecting urban municipalities. Many urban officials across the United States have figured out that more of a **"Mixed Use"** concept for development/ redevelopment is the key to central diversity and growth. The days of big box retail are also facing many challenges today because of the swell of e-commerce and a changing consumer buying attitude. Large retailers such as Macy's, JC Penny and Nordstrom have recently announced store closings and large layoffs of retail workers.

Additionally, weeks ago in Las Vegas at the annual International Retail Conference, attendees were told that within **5 years 25-30% of all existing malls will no longer be around**. Experts in the marketplace will be forced with re-positioning these assets and one of the common themes discussed was to explore the needs of the changing diverse population and developing more streamlined "Main Street" concepts. We have seen the growth of the millennial generation which is expected to be a strong economic driver, already making huge inroads in e-commerce and wanting new circles for social influence. They are drawn to mixed use developments that provide not only the soft goods of entrepreneurial retailers, new restaurant concepts, entertainment and housing. This is what is needed in Surprise! Residents of Surprise should demand a continuation of the progressive thinking of the City leadership and voice their opinions against this new proposal, as it is, again, **"more of the same"**, not progressive and without diversity.

Respectively submitted, *Ed Wlodarczyk*
President Prairie Stone Investors

Mayor Wolcott thanked everyone for coming out to participate with the discussion this evening. She commented that should would like to make a presentation of her own.

Mayor Wolcott read a statement for the record.

Mayor Wolcott asked that the following exhibits be entered into the record.

Exhibit 1 - Request for Redevelopment Proposal

Exhibit 2 - Westcor's response to RFP

Exhibit 3 - Draft Surprise Center PAD, dated September 2000

Exhibit 4 - Ordinance 2000-20

Exhibit 5 - Revised Surprise Center PAD (2000-20)

Exhibit 6 - Surprise General Plan, Pages 42-60

Compromise Settlement Agreement

Convene meeting with all of SCDC partners, appropriate staff. I will ask two of my colleagues to join me in this meeting. Reacquaint ourselves with the vision. Open public workshop, full City Council and full planning & Zoning commission. We should always be in sync with our planning & zoning commission. Encourage Council to be on the side of history and reject this application. This is the signature project that will define us as a City.

Vice Mayor Tande made the motion to deny Preliminary Plat for Surprise Center, dated April 7, 2017. Council Member Hayden seconded the motion.

Council Member Winters - Where was this discussion when we started this and I have been on Council for over 2 years. Many discussions, executive sessions, etc. I thought we were all on the same page, I urge my fellow Councilmembers to vote yes on this project.

Council Member Hall - I have clarifying questions for the City Attorney. Are we on legal ground here?

Attorney Wingo - Suggested legal advice be discussed in executive session.

Mayor and Council entered into executive session regarding item #18 at 9:08 PM.

Mayor Wolcott reconvened the Regular City Council Meeting at 9:27 PM.

Council Member Hall - This property is about 14% of the overall land, so there is 86% that needs to get developed. It's only a piece of the site, it's a start. It will start a multiplier effect. The one thing that we have to keep in mind is marketing acceptance. Nothing is showing me that Surprise market demonstrated a high density, high rise development. To compare ourselves to Tempe, give me a break, no comparison. Mill Avenue struggled for many years until housing came in. Old Town Scottsdale is still not really there yet, it's still old town. The value of Mattamy Homes is one of the largest homebuilders in America. They are a good quality company. Mattamy did 5 focus groups of businesses and residents to see if there was marketing in Surprise for higher density. By the way, we were in a lawsuit with Carefree Partners, cost a lot of money. We are in a market right now, where things are starting to move, the market is coming back.

Vice Mayor Tande - I took the trip out to see the Mattamy Homes, I agree is a great company, built homes in Marley Park. The issue for me is not the housing, but what type of housing should be there. I think it needs to be higher density for this area. Talk of putting 15 per acre along Litchfield Road, need to have big buildings there. Special piece of property, needs to be different. We need to have a detailed master plan for this area. I am truly looking for a mixed housing and retail development.

Council Member Remley - I hear the frustrations of all my colleagues, and it's really with the developer himself. No matter how things end up tonight, we all need to work together. I have a fiduciary responsibility to this City and its residents and developers for investing in our community.

Council Member Hayden - I am a new comer as well, what an opportunity to make this a destination. I would like to attract everyone here, to this vibrant city. I am all for the quality.

Council Member Williams - walk me through the pedestrian access in and out of this community.

City Planner Wingard - spoke of connectivity, retention in north area (trail system). The connectivity is there it will grow as the city grows around it.

Council Member Williams - comparison with where he grew up and referred to rural homes. Great to hear from everyone but feel there is still ambiguity there. Referred to vicinity map site and number of homes in comparison to Westpoint. It's a good effort, but I need Elm Street scenario, we need some vibrancy. We need less ambiguity and more detail in that vision.

Votes to deny item #18 - Four yes (Wolcott, Tande, Hayden and Remley. Three no votes (Hall, Williams and Winters).

ex 3

Regular Agenda Item - Public Hearing:

13 - Consideration and action pertaining to approval of a Zoning Change of Rancho Del Rey from Residential Ranch (RR) to Residential Medium Density (RM-9) with a PUD Overlay, a 24.96 acre property generally located north of the Happy Valley Road

alignment and east of the Bullard Avenue Alignment; Ordinance # 2017-11.

City Planner Robert Kuhfuss reported on Ordinance 2017-11.

No public comments were made.

Council Member Hall made the motion to approve Ordinance 2017-11. Council Member Williams seconded the motion. Seven yes votes, motion carried.

14 - Consideration and action pertaining to ordering and calling a special election for November 7, 2017, to submit to the qualified electors of the City of Surprise three separate questions authorizing the issuance and sale of \$34,000,000; \$15,500,000; and \$10,000,000 respective principal amounts of general obligation bonds; Resolution # 2017-66.

City Manager Wingenroth gave an overview of this item.

Council Member Williams - Already discussed and I am in favor of the bond but don't want to forget about the recreation options, we can't forget our young families.

Vice Mayor Tande - When will we make the public aware if this passes.

Vice Mayor Tande made the motion to approve Resolution 2017-66. Council Member Hayden seconded the motion. Seven yes votes, motion carried.

Regular Agenda Item - Non-Public Hearing:

15 - Consideration and action pertaining to an agreement between the City of Surprise and the Greater Phoenix Economic Council (GPEC) for the participation and support of regional economic development programs, in the amount of \$56,362 in fiscal year 2018 - APPROVED

Economic Development Director Jerkovic reported on this item.

Council Member Williams made the motion to approved the agreement with GPEC for the participation and support of regional economic development programs, in the amount of \$56,362 in fiscal year 2018. Council Member Remley seconded the motion. Seven yes votes, motion carried.

16 - Consideration and action pertaining to a minor amendment of the 2014 Infrastructure Improvements Plan and Development Impact Fee Study; Resolution #2017-38 - APPROVED

Senior Financial Management Analyst, Holly Osborn gave a brief presentation regarding this item.

Mayor Wolcott - I like the idea that we're only waiting two years to do the study.

Council Member Williams made the motion to approve Resolution 2017-38. Council Member Hall seconded the motion. Seven yes votes, motion carried.

17 - Consideration and action pertaining to approval of a Fourth Amendment to the

Reciprocal Easement Agreement between the City of Surprise and the Surprise Center Development Company - NO ACTION TAKEN

Mayor Wolcott - I discussed this with Mr. Wingenroth earlier, item #18 makes this item moot.

City Attorney Wingo suggested that the record reflect "no action taken" for this item.

19 - Consideration and action pertaining to approval of an employment contract with City Clerk Sherry Aguilar - APPROVED

Council Member Hayden made the motion to approve the employment contract with City Clerk Sherry Aguilar. Council Member Williams seconded the motion. Seven yes votes, motion carried.

Mayor/Council Report

Executive Session

20. Consideration and action to enter into executive session to discuss evaluations and FY2018 performance goals of the City Manager, City Clerk and City Attorney pursuant to A.R.S. 38-431.03(A)(1) - TABLED TO FUTURE COUNCIL MEETING

Council Member Remley made the motion to table executive session item #20. Council Member Hall seconded the motion. Seven yes votes, motion carried.

21. Consideration and action to enter into executive session for discussion and consultation with the City Attorney and to receive legal advice and to consider its position and instruct the City Attorney pertaining to a development agreement with Surprise Center Development Company pursuant to A.R.S. 38-431.03(A)(3) and (4) - TABLED TO FUTURE COUNCIL MEETING

Council Member Hall made the motion to table executive session item #21. Council Member Remley seconded the motion. Seven yes votes, motion carried.

Other Business

Council Member Remley requested an update on Ottawa University for a future work session.

Adjournment

Council Member Remley made the motion to adjourn the Regular City Council Meeting of June 6, 2017 at 10:41 PM. Council Member Williams seconded the motion. Seven yes votes, motion carried.

ATTEST:

Sherry Ann Aguilar, City Clerk,

CERTIFICATION:

I, Sherry Ann Aguilar, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Regular City Council Meeting of **Tuesday, June 6, 2017.**

Sherry Ann Aguilar, City Clerk,