

SCOTTSDALE WATERFRONT

TERMS BALANCE SHEET

June 2, 2003

CITY RECEIVES

- Development of a first class, mixed-use project, without use of condemnation, on the prime gateway parcel into downtown Scottsdale, which will serve as the major economic stimulus for downtown.
- Design and implementation of an improved site plan that: responds to the City's canal bank improvements and vision for downtown Scottsdale; is less dense, has less traffic and more open space; includes less retail development to minimize impacts on existing businesses; and better preserves view corridors into and across the project.
- Construction of high quality, for sale housing units, resulting in an increased residential population in downtown who will support downtown businesses, have little impact on area schools, and, as in-fill housing, will save hundreds of acres of natural desert habitat.
- Major economic benefits, including an increase in property tax revenues totaling millions of dollars over the life of the project and a reduction in City incentives previously committed to the project from \$7.7 million to up to \$5 million with no impact on desert preservation or transportation funding.
- Construction of free public parking spaces to support downtown businesses and activities, as well as festival and recreational use of the Arizona Canal banks.

DEVELOPER RECEIVES

- Approval of an improved site plan and assurances that development can occur if started in a timely manner.
- Development standards and design guidelines tailored to the site to allow the highest and best use project to be developed, including additional building height for residential buildings only.
- City investment of up to \$5 million to defray costs of providing free public parking and other parking related amenities.
- Resolution of issues regarding the Arcadia Water Company well that blocks the City's preferred location for new retail development along Marshall Way.
- Recognition of the City's acceptance of responsibility for canal bank improvements, maintenance and license fees, consistent with its control of the canal banks.
- Relief from development-related fees similar to those being offered to south bank property owners.

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CITY RECEIVES

- Development of pedestrian-friendly retail uses along Marshall Way to encourage pedestrian flow from Scottsdale Fashion Square to downtown.
- Donation of additional land, beyond the boundaries of the City's existing easement, for construction of the City's Marshall Way cul-de-sac at the Village Square.
- Construction of attractive new public plazas, larger than those currently required, with millions of dollars of public art, fountains, attractions, landscaping and/or other amenities to enhance the area and the canal banks.
- Elimination of the unpopular Waterfront Redevelopment Area and Waterfront Redevelopment Agreement and use of new infill incentive district to support renewal of downtown.
- Retention of the City's powerful enforcement mechanism – the right to purchase the property at below-market value if the Developer does not construct the project in a timely manner.