CITY COUNCIL REPORT

Meeting Date: 4/2/2024
General Plan Element: ***Economic Vitality and Open Space***
General Plan Goal: ENSURE FISCAL SUSTAINABILITY AND MANAGE OPEN SPACE.

ACTION

2025 0.15% Tax. Adopt either:

Resolution No. 13092, Option A, Seeking approval of the qualified electors at the November 5, 2024 election as to whether the City Council shall be authorized to "extend and reduce" the expiring McDowell Sonoran Preserve 0.20% transaction privilege and use (sales) tax rate to 0.15% for improvements, maintenance and protection of the City's Parks and City Recreational Facilities, and the maintenance and protection of the McDowell Sonoran Preserve, for a period of 30 years.

Resolution No. 13092, Option B, Seeking approval of the qualified electors at the November 5, 2024 election as to whether the City Council shall be authorized to "replace and reduce" the expiring McDowell Sonoran Preserve 0.20% transaction privilege and use (sales) tax rate to 0.15% for improvements, maintenance and protection of the City's Parks and City Recreational Facilities, and the maintenance and protection of the McDowell Sonoran Preserve, for a period of 30 years.

Distributions of 2025 0.15% Tax Revenues and Oversight. Adopt Ordinance No. 4633, adding a new Section 16-52 to Chapter 16, Licenses, Taxation and Miscellaneous Business Regulations, Article III, Privilege and Use Taxes, of the Scottsdale Revised Code (Code) to determine the specific distribution of revenues from the 2025 0.15% Tax if such tax is approved by the voters on November 5, 2024; amending Section 20-1 of the Code to update the purpose, powers and duties of the Parks and Recreation Commission to include oversight of the 2025 0.15% Tax related to parks; amending Section 21-7 of the Code to update the purpose, powers, and duties of the McDowell Sonoran Preserve Commission to include oversight of the 2025 0.15% Tax related to the Preserve; and establishing a conditional effective date.

BACKGROUND

During FY 2021/22 City Council established strategic priorities to implement elements of the voter approved General Plan 2035, including exploring extending or replacing the 1995 0.20% Preserve sales tax expiring in 2025 to fund the perpetual maintenance, preservation and protection of the Indian Bend Wash Greenbelt, McDowell Sonoran Preserve, public safety and other unfunded needs.

Action Taken SEE MARKED AGENDA

The Protect and Preserve Scottsdale Task Force (the "Task Force") was established pursuant to Resolution No. 12532, dated September 13, 2022 and City Council selected nine City of Scottsdale residents at the December 6, 2022 Special Meeting to serve on the Task Force. The purpose and duties of the Task Force were to develop a recommendation to City Council on a financial strategy to protect and preserve Scottsdale's open spaces and quality of life, through identifying and quantifying the unfunded needs for the protection, preservation and perpetual maintenance of the City's open spaces (e.g., Indian Bend Wash Greenbelt and McDowell Sonoran Preserve), public safety and other needs.

ANALYSIS & ASSESSMENT

The Task Force studied important and complex issues in twenty meetings over 12 months and developed the following six recommendations that were presented to Council in a work study on February 27, 2024 (the full recommendations are included in the Task Force's final report as Attachment 4):

(1) Request Voter Approval to Extend and Reduce the 0.20% Tax Rate Expiring in 2025, to 0.15% for 30 Years, Effective July 1, 2025

The Task Force recommends that the Council request voter approval to extend the 0.20% tax rate at a reduced rate of 0.15% for another 30 years, effective July 1, 2025 to fund the unfunded needs identified (below).

(2) Unfunded Needs to be Funded by the Proposed 2025 0.15% Tax

The Task Force recommends that the Council fund the following unfunded needs with the proposed 2025 0.15% Tax:

- Improvements to aged city parks prioritizing the Indian Bend Wash Greenbelt parks
- Additional funding for citywide parks and recreation maintenance needs
- Maintenance, preservation and protection of the McDowell Sonoran Preserve
- Fire fuel mitigation and technical rescue for citywide parks and the Preserve
- Police park rangers and security for citywide parks and the Preserve
- Drainage, shade and other critical infrastructure improvements for WestWorld

(3) Proposed Distribution of 2025 0.15% Tax Revenues for the Unfunded Needs

The Task Force recommends that the 2025 0.15% Tax revenues be distributed annually as follows:

(1) Payment of debt requirements. Annual debt requirements shall not exceed $4,500,000
(2) After payment of debt requirements, the remaining tax revenues to be allocated by percentage as follows:

- 51% to Park improvement needs with an emphasis on aged parks
- 18% to Preserve maintenance and protection

- 14% to Citywide park maintenance needs
- 10% for Fire fuel mitigation program and technical rescue team
- 7% to Police park ranger unit

It is anticipated that debt will be used to fund all the proposed improvements for Westworld.

(4) Considerations for the 2004 0.15% Preserve Tax Expiring In 2034

The Task Force also considered whether the 0.15% Preserve Tax approved by voters in 2004 and expiring in 2034, can be used for funding the maintenance and protection of the Preserve if excess revenues remain from this tax after payment of current debt principal and interest. However, the 0.15% Preserve Tax revenues and any excess collected to date, are restricted by voter approval for Preserve land acquisitions and improvements only and cannot be used for maintenance and protection of the Preserve. The city could consider asking voters to authorize future excess collections to be used for maintenance and protection of the Preserve. However, given that the 0.15% Preserve Tax is still needed for future debt service and improvements or land acquisitions in the Preserve, **the Task Force recommends that the Council take no action on the 0.15% Preserve Tax expiring in 2034, but to ensure that there is a plan in place for any excess collections resulting after payment of debt principal and interest. And if there is no longer a need to continue collecting the 2004 0.15% Preserve Tax before 2034, that Council consider asking voters to terminate the 2004 0.15% tax before 2034.**

(5) Recommended Ballot Language

The Task Force drafted ballot language for voter approval and recommends that Council adopt the ballot language as reflected in Resolution No. 13092, Option A (Attachment 1).

At the February 27, 2024 work study, the Council requested staff prepare another draft option for the ballot language substituting the word "extend" with "replace" as reflected in Resolution No. 13092, Option B (Attachment 2).

(6) Adopt an Ordinance to Ensure the City Properly Distributes the 2025 0.15% Tax Revenues and to Ensure Official Oversight for the Spending of the 2025 0.15% Tax Revenues

The Task Force drafted an ordinance to ensure the city allocates the 2025 0.15% Tax revenues as contemplated. The Task Force recommends that Council also adopt the ordinance included in Attachment 3 to require City Council action to modify the revenue allocation. The ordinance will only take effect on the passage of the ballot measure if the voters approve the ballot measure, and then it will become effective on July 1, 2025, the date the 2025 0.15% Tax would begin.

Community Involvement

The Task Force, consisting of nine citizen members representing different geographic areas of the city, promoted citizen engagement and public dialogue on important and complex issues in twenty meetings over 12 months. As per the adopted Resolution forming the Task Force, once the City

Council decides whether to send the sales tax question to the voters, the Task Force shall dissolve without further action, unless otherwise directed by the City Council.

The Task Force retained EMC Research, an independent consulting firm to conduct a citizen survey to understand community priorities around parks and the Preserve, as well as resident's opinions around the city's fiscal environment. Results of the survey showed that an overwhelming majority of Scottsdale voters believe funding Scottsdale parks and recreation facilities and the Preserve without increasing the tax rate is a good idea.

RESOURCE IMPACTS

Replacing the 1995 0.20% Preserve tax, expiring in 2025, with a reduced 0.15% tax for 30 years, effective July 1, 2025, will have the effect of reducing the overall city tax rate from 1.75% to 1.70%. This will reduce the taxes paid by an average household from approximately $4.95 per month to $3.71 per month. Visitors would also contribute a share of the proposed 2025 0.15% tax revenues collected. Based on the most recent Tourism Study – Visitor Statistics prepared by Applied Economics for the city, visitors contributed approximately 12% of the sales tax revenues in FY2021/22.

If the proposed 2025 0.15% tax is approved, the revenues will provide a dedicated funding source for improvements, maintenance, and protection of City Parks and Recreational Facilities and maintenance and protection of the McDowell Sonoran Preserve as well as increased Police and Fire resources related to the City's parks and the Preserve.

OPTIONS & STAFF RECOMMENDATIONS

Recommended Approach
2025 0.15% Tax. Adopt either:

Resolution No. 13092, Option A, Seeking approval of the qualified electors at the November 5, 2024 election as to whether the City Council shall be authorized to "extend and reduce" the expiring McDowell Sonoran Preserve 0.20% transaction privilege and use (sales) tax rate to 0.15% for improvements, maintenance and protection of the City's Parks and City Recreational Facilities, and the maintenance and protection of the McDowell Sonoran Preserve, for a period of 30 years.

Resolution No. 13092, Option B, Seeking approval of the qualified electors at the November 5, 2024 election as to whether the City Council shall be authorized to "replace and reduce" the expiring McDowell Sonoran Preserve 0.20% transaction privilege and use (sales) tax rate to 0.15% for improvements, maintenance and protection of the City's Parks and City Recreational Facilities, and the maintenance and protection of the McDowell Sonoran Preserve, for a period of 30 years.

Distributions of 2025 0.15% Tax Revenues and Oversight. Adopt Ordinance No. 4633, adding a new

Section 16-52 to Chapter 16, Licenses, Taxation and Miscellaneous Business Regulations, Article III, Privilege and Use Taxes, of the Scottsdale Revised Code (Code) to determine the specific distribution of revenues from the 2025 0.15% Tax if such tax is approved by the voters on November 5, 2024; amending Section 20-1 of the Code to update the purpose, powers and duties of the Parks and Recreation Commission to include oversight of the 2025 0.15% Tax related to parks; amending Section 21-7 of the Code to update the purpose, powers, and duties of the McDowell Sonoran Preserve Commission to include oversight of the 2025 0.15% Tax related to the Preserve; and establishing a conditional effective date.

RESPONSIBLE DEPARTMENT(S)

City Treasurer; City Manager

STAFF CONTACT(S)

Gina Kirklin, Finance Director, (480) 312-5006
Rkirklin@ScottsdaleAZ.gov

Sonia Andrews, City Treasurer/Chief Financial Officer, (480) 312-2364
SAndrews@Scottsdaleaz.gov

APPROVED BY

Jim Thompson 3/20/24

Jim Thompson, City Manager — Date
(480) 312-2811, JThompson@ScottsdaleAZ.gov

Sonia Andrews 3/20/24

Sonia Andrews, City Treasurer — Date
(480) 312-2364, SAndrews@ScottsdaleAZ.gov

ATTACHMENTS

1. Resolution No. 13092 – Option A: Protect and Preserve Scottsdale Task Force Recommendation to "extend and reduce" the expiring 1995 McDowell Sonoran Preserve Transaction Privilege and Use Tax rate
2. Resolution No. 13092 – Option B: City Council Proposal to "replace and reduce" the expiring 1995 McDowell Sonoran Preserve Transaction Privilege and Use Tax rate
3. Ordinance No. 4633
4. Protect and Preserve Scottsdale Task Force Final Report

BlueInk Bundle ID: QXmTISYNhR

RESOLUTION NO. 13092

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, SEEKING APPROVAL OF THE QUALIFIED ELECTORS AS TO WHETHER THE CITY COUNCIL SHALL BE AUTHORIZED TO EXTEND AND REDUCE THE EXPIRING 1995 MCDOWELL SONORAN PRESERVE TRANSACTION PRIVILEGE AND USE TAX RATE FOR IMPROVEMENTS, MAINTENANCE, AND PROTECTION OF CITY PARKS AND CITY RECREATIONAL FACILITIES, AND THE MAINTENANCE AND PROTECTION OF THE MCDOWELL SONORAN PRESERVE.

WHEREAS, the maintenance and improvement of City Parks and Recreational Facilities, and maintenance and protection of the McDowell Sonoran Preserve, including Police and Fire protection of City Parks and the Preserve, are of great importance to the community and its residents; and

WHEREAS, Article 6, Section 9 of the Scottsdale City Charter requires the approval of the qualified voters of the City for a tax rate change above 1%; and

WHEREAS, on May 23, 1995, the qualified electors of the City authorized the City Council to increase the transaction privilege and use tax rate of the City by 0.20%, for 30 years, for the purpose of acquiring land for the McDowell Sonoran Preserve; and

WHEREAS, it is the recommendation of the Protect and Preserve Scottsdale Task Force and the desire of the City Council to submit to the qualified electors a question as to whether the City Council shall be authorized to extend and reduce the expiring 0.20% tax rate to 0.15%, for 30 years, for the improvement and replacement of Citywide Parks and Recreational Facilities including WestWorld, and for preservation, maintenance, and protection of Citywide Parks and Recreational Facilities, and the maintenance and protection of the McDowell Sonoran Preserve; and

WHEREAS, on March 5, 2024, the City Council adopted Resolution No. 13065 calling a Primary Election for Tuesday, July 30, 2024, and if necessary, a General Election for Tuesday, November 5, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Scottsdale, Maricopa County, Arizona as follows:

Section 1. The question as to whether the qualified electors of the City authorize the City Council to extend and reduce the transaction privilege and use tax rate of the City shall be submitted to the voters of the City of Scottsdale, substantially in the form shown in Exhibit A, at the General Election to be held on Tuesday, November 5, 2024.

Section 2. The City Council hereby directs the City Clerk, City Manager, City Attorney, and City Treasurer to take such steps as may be necessary to include this measure on the General Election ballot.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona, this ____ day of _____, 2024.

CITY OF SCOTTSDALE, an Arizona municipal corporation

ATTEST:

_____
David D. Ortega, Mayor

_____
Ben Lane, City Clerk

APPROVED AS TO FORM:

_____
Sherry R. Scott, City Attorney

EXHIBIT A

Full Text

Question X (Proposition XXX)

Proposal Referred to the Voters by the Council of the City of Scottsdale

OFFICIAL TITLE: A CITY CODE AMENDMENT TO EXTEND AND REDUCE SCOTTSDALE'S EXPIRING TRANSACTION PRIVILEGE AND USE TAX RATE TO FUND: 1) IMPROVEMENTS AND MAINTENANCE FOR CITYWIDE PARKS AND RECREATIONAL FACILITIES; 2) MAINTENANCE AND PROTECTION FOR THE MCDOWELL SONORAN PRESERVE; AND 3) INCREASED POLICE AND FIRE RESOURCES RELATED TO CITYWIDE PARKS AND THE PRESERVE.

DESCRIPTIVE TITLE: Authorizes the City to extend and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years to fund the improvement, maintenance, and protection of Citywide Parks and Recreational Facilities, and the maintenance and protection of the Preserve as determined by ordinance.

A **"YES"** vote shall have the effect of authorizing the City to extend and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve, with all being more specifically determined by City ordinance.

A **"NO"** vote shall have the effect of denying the City the authority to extend and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve.

Tagline Text

Question X (Proposition XXX)

Proposal Referred to the Voters by the Council of the City of Scottsdale

SHALL SCOTTSDALE'S CURRENT 0.20% TRANSACTION PRIVILEGE AND USE TAX RATE, EXPIRING JUNE 30, 2025, BE REDUCED TO 0.15% AND EXTENDED FOR 30 YEARS TO FUND IMPROVEMENTS, MAINTENANCE, AND INCREASED POLICE AND FIRE PROTECTION OF CITYWIDE PARKS, RECREATIONAL FACILITIES, AND THE PRESERVE AS DETERMINED BY CITY ORDINANCE?

A **"YES"** vote shall have the effect of authorizing the City to extend and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve, with all being more specifically determined by City ordinance.

A **"NO"** vote shall have the effect of denying the City the authority to extend and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve.

RESOLUTION NO. 13092

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, SEEKING APPROVAL OF THE QUALIFIED ELECTORS AS TO WHETHER THE CITY COUNCIL SHALL BE AUTHORIZED TO REPLACE AND REDUCE THE EXPIRING 1995 MCDOWELL SONORAN PRESERVE TRANSACTION PRIVILEGE AND USE TAX RATE FOR IMPROVEMENTS, MAINTENANCE, AND PROTECTION OF CITY PARKS AND CITY RECREATIONAL FACILITIES, AND THE MAINTENANCE AND PROTECTION OF THE MCDOWELL SONORAN PRESERVE.

WHEREAS, the maintenance and improvement of City Parks and Recreational Facilities, and maintenance and protection of the McDowell Sonoran Preserve, including Police and Fire protection of City Parks and the Preserve, are of great importance to the community and its residents; and

WHEREAS, Article 6, Section 9 of the Scottsdale City Charter requires the approval of the qualified voters of the City for a tax rate change above 1%; and

WHEREAS, on May 23, 1995, the qualified electors of the City authorized the City Council to increase the transaction privilege and use tax rate of the City by 0.20%, for 30 years, for the purpose of acquiring land for the McDowell Sonoran Preserve; and

WHEREAS, it is the recommendation of the Protect and Preserve Scottsdale Task Force and the desire of the City Council to submit to the qualified electors a question as to whether the City Council shall be authorized to replace and reduce the expiring 0.20% tax rate to 0.15%, for 30 years, for the improvement and replacement of Citywide Parks and Recreational Facilities including WestWorld, and for preservation, maintenance, and protection of Citywide Parks and Recreational Facilities, and the maintenance and protection of the McDowell Sonoran Preserve; and

WHEREAS, on March 5, 2024, the City Council adopted Resolution No. 13065 calling a Primary Election for Tuesday, July 30, 2024, and if necessary, a General Election for Tuesday, November 5, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. The question as to whether the qualified electors of the City authorize the City Council to replace and reduce the transaction privilege and use tax rate of the City shall be submitted to the voters of the City of Scottsdale, substantially in the form shown in Exhibit A, at the General Election to be held on Tuesday, November 5, 2024.

Section 2. The City Council hereby directs the City Clerk, City Manager, City Attorney, and City Treasurer to take such steps as may be necessary to include this measure on the General Election ballot.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona, this ____ day of _____, 2024.

CITY OF SCOTTSDALE, an Arizona municipal corporation

ATTEST:

_____
David D. Ortega, Mayor

_____
Ben Lane, City Clerk

APPROVED AS TO FORM:

_____
Sherry R. Scott, City Attorney

15268122

ATTACHMENT 2

EXHIBIT A

Full Text

Question X (Proposition XXX)

Proposal Referred to the Voters by the Council of the City of Scottsdale

OFFICIAL TITLE: A CITY CODE AMENDMENT TO REPLACE AND REDUCE SCOTTSDALE'S EXPIRING TRANSACTION PRIVILEGE AND USE TAX RATE TO FUND: 1) IMPROVEMENTS AND MAINTENANCE FOR CITYWIDE PARKS AND RECREATIONAL FACILITIES; 2) MAINTENANCE AND PROTECTION FOR THE MCDOWELL SONORAN PRESERVE; AND 3) INCREASED POLICE AND FIRE RESOURCES RELATED TO CITYWIDE PARKS AND THE PRESERVE.

DESCRIPTIVE TITLE: Authorizes the City to replace and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years to fund the improvement, maintenance, and protection of Citywide Parks and Recreational Facilities, and the maintenance and protection of the Preserve as determined by ordinance.

A **"YES"** vote shall have the effect of authorizing the City to replace and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve, with all being more specifically determined by City ordinance.

A **"NO"** vote shall have the effect of denying the City the authority to replace and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve.

Tagline Text

Question X (Proposition XXX)

Proposal Referred to the Voters by the Council of the City of Scottsdale

SHALL SCOTTSDALE'S CURRENT 0.20% TRANSACTION PRIVILEGE AND USE TAX RATE, EXPIRING JUNE 30, 2025, BE REPLACED AND REDUCED TO 0.15% FOR 30 YEARS TO FUND IMPROVEMENTS, MAINTENANCE, AND INCREASED POLICE AND FIRE PROTECTION OF CITYWIDE PARKS, RECREATIONAL FACILITIES, AND THE PRESERVE AS DETERMINED BY CITY ORDINANCE?

A **"YES"** vote shall have the effect of authorizing the City to replace and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve, with all being more specifically determined by City ordinance.

A **"NO"** vote shall have the effect of denying the City the authority to replace and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve.

ORDINANCE NO. 4633

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, ADDING A NEW SECTION 16-52 TO CHAPTER 16, LICENSES, TAXATION AND MISCELLANEOUS BUSINESS REGULATIONS, ARTICLE III, PRIVILEGE AND USE TAXES, OF THE SCOTTSDALE REVISED CODE (CODE) TO DETERMINE THE SPECIFIC DISTRIBUTION OF REVENUES FROM THE 2025 0.15% TAX IF SUCH TAX IS APPROVED BY THE VOTERS ON NOVEMBER 5, 2024; AMENDING SECTION 20-1 OF THE CODE TO UPDATE THE PURPOSE, POWERS, AND DUTIES OF THE PARKS AND RECREATION COMMISSION TO INCLUDE OVERSIGHT OF THE 2025 0.15% TAX RELATED TO PARKS; AMENDING SECTION 21-7 OF THE CODE TO UPDATE THE PURPOSE, POWERS, AND DUTIES OF THE MCDOWELL SONORAN PRESERVE COMMISSION TO INCLUDE OVERSIGHT OF THE 2025 0.15% TAX RELATED TO THE PRESERVE; AND ESTABLISHING A CONDITIONAL EFFECTIVE DATE.

WHEREAS, on November 5, 2024, voters will consider whether to authorize the City to impose a 0.15% transaction privilege and use tax (the "2025 0.15% Tax") for 30 years, effective July 1, 2025, to fund the (1) improvements and maintenance for Citywide Parks and Recreational Facilities, (2) maintenance and protection for the McDowell Sonoran Preserve, and (3) increased Police and Fire resources related to Citywide Parks and the McDowell Sonoran Preserve, with all being more specifically determined by City ordinance;

WHEREAS, if the voters approve the 2025 0.15% Tax, the City Council will adopt a subsequent ordinance codifying the new tax rate, to be effective July 1, 2025;

WHEREAS, as contemplated by the 2025 0.15% Tax ballot question, in this Ordinance, the City Council desires to predetermine and codify the specific distribution of revenues from the 2025 0.15% Tax, if approved by the voters; and

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. A new Section 16-52 is hereby added to Scottsdale Revised Code, Chapter 16 (Licenses, Taxation and Miscellaneous Business Regulations), Article III (Privilege and Use Taxes) as follows:

Section 16-52. Use of 2025 0.15% Tax. All revenues generated from the 0.15% transaction privilege and use tax approved by City voters on November 5, 2024 (the "2025 0.15% Tax") shall be used to improve and maintain the City's Parks and Recreational Facilities (which includes limited WestWorld capital improvements), to maintain and protect the McDowell Sonoran Preserve, and to increase Police and Fire resources related

ATTACHMENT 3

to Citywide Parks and the McDowell Sonoran Preserve, for the benefit of all geographic areas within the City, with an emphasis on restoring and updating the Indian Bend Wash Greenbelt and other aged Parks. Revenues from the 2025 0.15% Tax shall be distributed as determined by the City Council with the following specific ordinance restrictions:

A. After Section (C) is satisfied, all other remaining 2025 0.15% Tax revenues shall be distributed as set forth below:
   - 51% for City Parks improvement needs.
   - 18% for McDowell Sonoran Preserve maintenance and protection.
   - 14% for City Parks and Recreational Facilities maintenance (excluding WestWorld).
   - 10% to the Scottsdale Fire Department for Citywide related needs within the purposes of the 2025 0.15% Tax, which specifically includes, but is not limited to, technical rescue team(s) for the McDowell Sonoran Preserve and City Parks and for fire fuel mitigation around the McDowell Sonoran Preserve and in and around the City Parks for the protection and maintenance of the McDowell Sonoran Preserve and City Parks.
   - 7% for increased McDowell Sonoran Preserve and City Park Police ranger unit(s) and Park and McDowell Sonoran Preserve security.

B. At the end of each year, any unused 2025 0.15% Tax revenues in each category listed in Section (A) will be carried forward for use in future years within the same category.

C. Debt may be used to fund capital improvements in accordance with the City's adopted financial policies (for instance, debt will be issued for WestWorld capital improvements). Notwithstanding Section (A) above, on an annual basis, the 2025 0.15% Tax revenues will be used to satisfy any debt requirements as required by bond covenants. Debt requirements will be limited to no more than $4,500,000 of the 2025 0.15% Tax revenues on an annual basis.

D. Beginning with the 2025/26 fiscal year end audited financial results, and continuing for the term of the 2025 0.15% Tax, the City Treasurer will prepare an annual accounting of the 2025 0.15% Tax for the City Council.

Section 2. A new Subsection (c)(4) is hereby added to Scottsdale Revised Code, Chapter 20 (Parks, Recreation and Cultural Affairs), Article I (General), Section 20-1 (Parks and Recreation Commission), as follows:

(c) The Parks and Recreation Commission shall:

. . . .

(4) For the term of the 2025 0.15% Tax described in Section 16-52 of the Scottsdale Revised Code, serve as the citizens' oversight committee for the implementation of the 2025 0.15% Tax as it relates to the use of the 2025 0.15% Tax revenues for all park improvements, capital projects, and master plans relating to the use of the 2025 0.15% Tax with an emphasis on restoring and updating the Indian Bend Wash Greenbelt and other aged parks.

Section 3. A new Section (1) is hereby added to Scottsdale Revised Code, Chapter 21 (McDowell Sonoran Preserve), Article II (McDowell Sonoran Preserve Commission), Section 21-

7 (Purpose; powers and duties), as follows, with the existing Sections (1) through (8) being renumbered as Sections (2) through (9), respectively:

Sec. 21-7. - Purpose; powers and duties.

The McDowell Sonoran Preserve Commission, with the assistance of City staff, shall be responsible for making recommendations to the City Council on the following matters:

(1) For the term of the 2025 0.15% Tax described in Section 16-52 of the Scottsdale Revised Code, serving as the citizens' oversight committee for the implementation of the 2025 0.15% Tax as it relates to the use of the 2024 0.15% Tax revenues for maintenance and protection of the Preserve. Specifically, the McDowell Sonoran Preserve Commission shall review and recommend to City Council an annual budget proposal for use of the 2025 0.15% Tax revenues in accordance with master plans and strategies related to:

(a) Wildlife habitat protection:

(i) Invasive Plant removal and management in the Preserve,

(ii) Wildland fire fuel reduction and management in the Preserve, and

(iii) Restoration of disturbed lands in the Preserve,

(b) Ecological resource plan and natural resource studies, projects, and awareness in support of the Preserve; and/or

(c) Cultural resource protection and management in the Preserve.

. . . .

Section 4. If the voters approve the 2025 0.15% Tax, this Ordinance shall be effective as of July 1, 2025.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this _____ day of _____, 2024.

CITY OF SCOTTSDALE, an Arizona municipal corporation

ATTEST:

_____
David D. Ortega, Mayor

_____
Ben Lane, City Clerk

APPROVED AS TO FORM:

_____
Sherry R. Scott, City Attorney

15244239v1

PROTECT AND PRESERVE SCOTTSDALE TASK FORCE

FEBRUARY 22, 2024

ATTACHMENT 4

TABLE OF CONTENTS

Page

From the Chair and Vice Chair 3

Members of the Task Force 4

Executive Summary 5

Background Information 8

Task Force Mission 9

Task Force Considerations 10

Task Force Recommendations 17

Appendix A – Task Force Work Plan 19

Appendix B – EMC Research Executive Summary of Citizen Survey 22

Appendix C – Recommended Ballot Language 27

Appendix D – Recommended Ordinance for Distribution and Oversight of 0.15% Tax 30

Appendix E – Letters of Support 33

FROM THE CHAIR AND VICE CHAIR

We would like to thank Mayor Ortega and members of the City Council for giving us the honor and privilege to lead this Task Force in order to study and identify a financial solution for the perpetual maintenance, preservation and protection of our city parks and open spaces. The Task Force was created to specifically study the unfunded needs of the city's Indian Bend Wash Greenbelt and other city parks, the McDowell Sonoran Preserve and other community priorities, and to explore extending the expiring 0.20% sales tax rate to accomplish these needs.

We wish to thank our fellow Task Force members for their dedication and commitment to the process of arriving at consensus around our recommendations. The Task Force members brought diverse perspectives to the table and engaged in meaningful dialogue respectfully and effectively as we studied and discussed considerable amounts of information through twenty meetings over the last year.

We also wish to thank all the city staff from the City Treasurer's Office, the Community Services Department, Police and Fire personnel, the City Manager's Office, City Attorney's Office, Communications Office, and the City Clerk's Office who stepped forward to support the efforts of the Task Force, providing their experience and expertise during the development of recommendations contained in this report.

On behalf of the Task Force, we respectfully submit this report with our final recommendations for Council consideration and action. The Task Force has carried out its mission in accordance with the objectives and work plan as set forth by Council Resolution and will be dissolved without further action when the Council makes a decision on whether to send a sales tax question to the voters. While much work remains to be done, we hope that the recommendations included in this report will meaningfully contribute to Council's considerations and decisions for preserving and protecting our city parks and recreational facilities, our McDowell Sonoran Preserve and our citizens' quality of life.

Cynthia Wenstrom
Chair

Raoul Zubia
Vice Chair

MEMBERS OF THE TASK FORCE

Chair and Vice Chair

Cynthia Wenstrom (Chair)

Raoul Zubia (Vice-Chair)

Members

Carla

Nicholas Hartmann

Jace McKeighan

Daniel Schweiker

Mark Winkelman

John Zikias

James Eaneman (resigned February 1, 2024)

EXECUTIVE SUMMARY

Scottsdale is a world class city where residents and visitors enjoy an exceptional quality of life, in part due to the city's parks and recreation facilities and abundant open spaces. The Indian Bend Wash Greenbelt, an 11-mile urban oasis that runs through the heart of Scottsdale was completed and dedicated in 1985 after 20 years of hard work by citizens and city staff to turn a flooding problem into a community asset with acres of park and recreational amenities. In the same spirit, in 1995 and 2004, Scottsdale citizens voted to raise a 0.20% sales tax (the 0.20% Preserve Tax) and a 0.15% sales tax (the 0.15% Preserve Tax) respectively, to acquire over 30,000 acres in the McDowell Sonoran Preserve to protect desert open spaces and its native plants and wildlife, and to construct 12 trailheads and 235 miles of trails in the Preserve for our residents and visitors to enjoy. The city has a responsibility to care for, maintain and protect these wonderful community assets that Scottsdale citizens invested in decades ago, as well as the 982 acres of city parks, 74 athletic fields, 72 tennis/pickleball courts, 35 volleyball courts, 39 basketball courts, dog parks, equestrian facilities and other recreational amenities that make Scottsdale a unique and desirable place to live.

- The Indian Bend Wash Greenbelt parks are now aged, and Task Force members agree that the city's aged parks are in need of rebuilding and revitalization to meet the community's interests, and with the increase in citywide park and recreational facilities, additional funding for on-going maintenance for all city parks is also needed for Scottsdale to remain a world class city.
- For the McDowell Sonoran Preserve, the Task Force believes that additional dedicated funding is needed to ensure the perpetual care and protection of the Preserve and its native plants and wildlife.
- For safety and security of the city's parks and the Preserve, the Task Force believes that an expanded Police park ranger unit and Fire fuel mitigation and technical rescue resources are priority needs requiring additional funding.
- The Task Force also considered drainage and shade improvements and other critical infrastructure improvements for WestWorld, a recreational event facility which includes open space for polo events, equestrian and other events, as needing funding.

The city's total local transaction privilege tax (or sales tax as commonly known) is at a 1.75% rate, of which a portion (the 0.20% Preserve Tax approved by voters in 1995) will expire in 2025. The Task Force explored the option of funding the above identified needs without increasing the city's overall tax rate, by extending and replacing the 0.20% tax rate expiring in 2025 at the same or reduced rate as a viable financial solution.

The Task Force retained EMC Research, an independent consulting firm to conduct a citizen survey to understand community priorities around parks and the Preserve, as well as resident's opinions around the city's fiscal environment. Results of the survey showed that an overwhelming super-majority of Scottsdale voters believe funding Scottsdale parks and recreation facilities and the Preserve without increasing the

tax rate is a good idea. With that information, and after twenty meetings over 12 months of studying and discussing the unfunded needs and funding options, the Task Force developed the following recommendations for Council consideration and action:

(1) Request Voter Approval to Extend and Reduce the 0.20% Tax Rate Expiring in 2025, to 0.15% for 30 Years, Effective July 1, 2025

The Task Force recommends that the Council request voter approval to extend the 0.20% tax rate at a reduced rate of 0.15% for another 30 years, effective July 1, 2025 to fund the unfunded needs identified and name the tax "2025 0.15% Tax".

(2) Unfunded Needs to be Funded by the 0.15% Tax

The Task Force recommends that the Council fund the following unfunded needs with the 2025 0.15% Tax:

- Improvements to aged city parks prioritizing the Indian Bend Wash Greenbelt parks
- Additional funding for citywide parks and recreation maintenance needs
- Maintenance, preservation and protection of the McDowell Sonoran Preserve
- Fire fuel mitigation and technical rescue for citywide parks and the Preserve
- Police park rangers and security for citywide parks and the Preserve
- Drainage, shade and other critical infrastructure improvements for WestWorld

(3) Distribution of the 2025 0.15% Tax Revenues for the Unfunded Needs

The Task Force recommends that the Council distribute the 2025 0.15% Tax revenues as follows:

Distribution of the 2025 0.15% Tax revenues after debt requirements are satisfied will be as follows:

(1) Payment of debt requirements. Annual debt requirements shall not be more than $4,500,000.

(2) After payment of debt requirements, the remaining tax revenues to be allocated by percentages as follows:

- 51% to Park improvement needs with an emphasis on aged parks
- 18% to Preserve maintenance and protection
- 14% to Citywide park maintenance needs
- 10% for Fire fuel mitigation program and technical rescue team
- 7% to Police park ranger unit

It is anticipated that the WestWorld improvements proposed will be funded by debt.

(4) Considerations for the 2004 0.15% Preserve Tax Expiring In 2034

The Task Force also considered whether the 0.15% Preserve Tax approved by voters in 2004 and expiring in 2034, can be used for funding the maintenance and protection of the Preserve if excess revenues remain from this tax after payment of current debt principal and interest. However, the 0.15% Preserve Tax revenues and any excess collected to date, are restricted by voter approval for Preserve land acquisitions and improvements only and cannot be used for maintenance and protection of the Preserve. The city could consider asking voters to authorize future excess collections to be used for maintenance and protection of the Preserve. However given that there will not be room on the November 2024 ballot for such a request to voters, and also given that the 0.15% Preserve Tax is still needed for future debt service and improvements or land acquisitions in the Preserve, **the Task Force recommends that the Council take no action on the 0.15% Preserve Tax expiring in 2034, but to ensure that there is a plan in place for any excess collections resulting after payment of debt principal and interest. And if there is no longer a need to continue collecting the 0.15% Preserve Tax, that Council consider asking voters to terminate the 0.15% Preserve tax.**

(5) Recommended Ballot Language

The Task Force drafted ballot language for voter approval and recommends that Council adopted the ballot language included in Appendix C.

Members of the Task Force believe that these recommendations will ensure the citizens' investment in our parks and the Preserve and Scottsdale's quality of life are protected, preserved and maintained for generations to come.

This report provides a summary of considerations by the Task Force including the results of a citizen survey that was conducted. For details on Task Force discussions including the data and materials studied by the Task Force, please follow the link to the Task Force meeting agendas and minutes: City of Scottsdale - Protect and Preserve Scottsdale Task Force (scottsdaleaz.gov)

(6) Adopt an Ordinance to Ensure the City Properly Distributes the 2025 0.15% Tax Revenues and to Ensure Official Oversight for the Spending of the 2025 0.15% Tax Revenues

The Task Force drafted an ordinance to ensure the city allocates the 2025 0.15% Tax revenues as contemplated. The Task Force recommends that Council also adopt the ordinance included in Appendix D to require City Council action to modify the revenue allocation. The ordinance will only take effect if the voters approve the ballot measure. The 2025 0.15% Tax would begin on July 1, 2025.

BACKGROUND INFORMATION

This section provides background information, the Task Force's mission, considerations and recommendations.

General Plan 2035

In November 2021, Scottsdale voters approved the city's General Plan 2035 which includes various elements to maintain, preserve and protect the city's parks and recreational facilities and the McDowell Sonoran Preserve. In FY 2021/22 City Council established strategic priorities to implement elements of the General Plan, including exploring extending the 0.20% Preserve Tax expiring in 2025 to fund the perpetual maintenance, preservation and protection of the Indian Bend Wash Greenbelt, McDowell Sonoran Preserve, public safety and other unfunded needs.

Link to voter approved General Plan 2035:
City of Scottsdale - General Plan (scottsdaleaz.gov)

The McDowell Sonoran Preserve Taxes (the Preserve Taxes)

In 1995 and in 2004, Scottsdale voters approved a 0.20% tax (the 0.20% Preserve Tax) to fund land acquisition only and a 0.15% tax (the 0.15% Preserve Tax) to fund land acquisition and improvements in the McDowell Sonoran Preserve. Revenues from the 0.20% Preserve Tax and the 0.15% Preserve Tax were used to acquire over 30,000 acres of land in the Preserve and to construct 12 trailheads and 235 miles of trails in the Preserve, and will continue to fund improvements.

The 0.20% Preserve Tax is set to expire in 2025 and the 0.15% Preserve Tax is set to expire in 2034. Revenues collected from these two Preserve taxes are currently used to pay debt service on Preserve land acquired. The debt issued to acquire Preserve land are structured to align with the expiration of the Preserve taxes with all Preserve debt maturing when the 0.15% Preserve Tax expires in 2034.

Master Planning Efforts for Indian Bend Wash Greenbelt and Scottsdale Parks and Recreation

In 2018 the city started master planning efforts for Indian Bend Wash Greenbelt parks as they were approaching 50 years old. The Indian Bend Wash Master Plan -Thomas to McKellips was completed and adopted by the City Council, Design Review Board, and Planning Commission in FY 2019/2020. The city is currently in the process of completing the Indian School Park master plan and the Scottsdale Parks and Recreation master plan.

TASK FORCE MISSION

The Protect and Preserve Scottsdale Task Force

The Protect and Preserve Scottsdale Task Force was established pursuant to Resolution No. 12532, dated September 13, 2022, to explore extending the expiring 0.20% Preserve Tax to fund the perpetual maintenance, preservation and protection of the Indian Bend Wash Greenbelt, McDowell Sonoran Preserve, public safety and other unfunded needs.

City Council selected nine City of Scottsdale residents at the December 6, 2022 Special Meeting to serve on the Task Force. The nine members consist of three residents from Scottsdale's North side, three residents from Scottsdale's South side and three residents from Central Scottsdale.

The City Council adopted Resolution No. 12722 on January 10, 2023 establishing a work plan for the Task Force to govern and guide the efforts of the Task Force to study, define and quantify the unfunded needs of the Indian Bend Wash Greenbelt and other city parks, the Preserve, and other community priority unfunded needs. The work plan also provided direction for the Task Force to conduct a community survey and develop specific recommendations to City Council including a recommended tax rate and suggested ballot language for voter approval if the Task Force recommendation was to replace or extend the expiring 0.20% Preserve Tax.

The Task Force held twenty meetings from February 2023 through February 2024 to study, discuss and evaluate unfunded needs presented by city staff, and to consider various financial strategies to fund the unfunded needs.

Link to Task Force meeting agendas and minutes:
City of Scottsdale - Protect and Preserve Scottsdale Task Force (scottsdaleaz.gov)

TASK FORCE CONSIDERATIONS

CONSIDERATION OF UNFUNDED NEEDS

The Task force received and considered presentations on the following unfunded needs from city staff as called for in the work plan, or at the request of the Task Force.

Parks Improvement Needs

As noted above, the city's Indian Bend Wash Master Plan -Thomas to McKellips (for Vista Del Camino Park and Eldorado Park) was completed and adopted by the City Council, Design Review Board, and Planning Commission in FY 2019/2020. The master plan identified significant improvement needs from improvements to the irrigation lakes and ponds to renovation of restrooms, ramadas and ballfields and other improvements. In 2018/2019, the city included the improvements to irrigation lakes and ponds in the Vista Del Camino Park in the Bond 2019 program approved by voters in 2019. All other elements of the Indian Bend Wash Master Plan – Thomas to McKellips for the Vista Del Camino Park (52 years old) and Eldorado Park (56 years old) remain unfunded.

The city is currently in the process of completing the Indian School Park Master Plan and the Scottsdale Parks and Recreation Master Plan which are anticipated to be completed in 2024. The Indian School Park is 43 years old. Significant community input has been received and continues to be gathered through these master planning efforts.

Based on these master plans and information provided by staff, the Task Force identified funding improvements to the aged Indian Bend Wash parks, currently estimated at $248 million, as the immediate top priority, as well as the need to ensure future funding for parks in central and north Scottsdale as those parks age over the next 20-30 years. The city currently has no identified funding for these master plan improvements desired by the community.

Links to city's park and recreation master planning efforts:
Scottsdale Parks and Recreation Master Plan (shapescottsdaleparks.com)
City of Scottsdale - Parks & Recreation (scottsdaleaz.gov)
City of Scottsdale - City Construction Projects - Indian Bend Wash Master Plan: Thomas to McKellips (scottsdaleaz.gov)

City-Wide Parks and Recreation Maintenance Needs

The Task Force also identified additional funding for on-going maintenance of city-wide parks and recreation facilities as a priority to ensure Scottsdale continues its high standards for its parks and recreation facilities. Funding for city-wide park maintenance is currently limited in the city's General Fund and a current estimate of $2.8 million was developed and proposed by Parks and Recreation staff as additional annual funding needed to enhance maintenance for city-wide parks and recreational facilities.

Public Safety for City-Wide Parks and the Preserve

The Task Force considered increasing public safety with additional Police park rangers as a priority to ensure the safety of the city-wide parks and the Preserve. The city currently has 3 Police park rangers funded with limited Proposition 207, the Smart and Safe Arizona Act allocations from the state. Expanding the Police park ranger unit and acquiring addition park security equipment would enhance park and Preserve security. Annual funding of approximately $1.7 million would be needed to fully support the expanded Police park ranger program.

McDowell Sonoran Preserve Protection, Preservation and Maintenance Needs

The Task Force considered increasing funding for wildlife habitat protection, invasive plant management, wildland fire fuel mitigation and other maintenance and protection efforts in the Preserve and other preservation efforts for the Preserve as a critical priority. The city currently has limited funding available through its General Fund and limited available grants for the care and protection of the Preserve. Given the city's investment in acquiring the Preserve and community interest in protecting the Preserve and its native plants and wildlife, a dedicated funding source to consistently fund on-going care and protection of the Preserve is needed. Annual funding of approximately $3.5 million was presented by staff and approved by the McDowell Sonoran Preserve Commission as the amount needed to fully support an expanded maintenance and protection program for the Preserve.

Fire Fuel Mitigation and Technical Rescue Team for Citywide Parks and the Preserve

The Task Force considered additional funding for the Fire department's fuel mitigation program as well as staffing additional Technical Rescue Team and resources as high priority for the community. The fire fuel mitigation program provides for city-wide fire fuel mitigation working in conjunction with the Preserve Management Objectives to ensure fire mitigation in and around the Preserve. There is currently limited grant funding and limited funding through the city's General Fund for these critical needs. Grant funding for fire fuel mitigation can only be awarded once to a specific area.

Annual dedicated funding of approximately $2.3 million was presented by staff to fully support the Fire department's city-wide fuel mitigation program and technical rescue efforts.

Public Art Preservation and Maintenance and Art Programs

The Task Force received presentation and public comments to fund public art preservation and maintenance and art programs. The city has a contract arrangement with Scottsdale Arts to fund preservation and maintenance of public art and various art and entertainment programs. Funding for the arts is available through the City's General Fund, Percent for the Arts ordinance and Transient Lodging Tax (as it relates to tourism). Given the city's contractual arrangement with Scottsdale Arts and the funding sources already available for the arts, the Task Force determined that public art and art programs should not be included as a priority for additional funding consideration.

West World Infrastructure Improvements

The Task Force considered funding for certain WestWorld improvements to address drainage issues, shade structures for year-round flex-use, paving and other infrastructure improvements as critical to the success of WestWorld. WestWorld is considered a recreational facility and portions of WestWorld must remain as open space in accordance with the city's agreement with the Bureau of Reclamation. The city has traditionally funded infrastructure improvements for WestWorld through a combination of WestWorld revenues, bond programs, transient lodging sales taxes and the General Fund. There is currently limited or no identified funding for the critical drainage and shade issues and other critical improvements needed for WestWorld, which staff estimated at $44.2 million.

FINANCIAL CONSIDERATIONS

The city has limited funding for the priorities identified by the Task Force. Grant funding is limited and inconsistent, and the city's General Fund resources are constrained due to funding needed for other core city services. No other sources of funding are currently available. Recent state legislative action to eliminate residential rental tax and reduce state income tax revenues further limits the availability of the city's General Fund to fund these priorities.

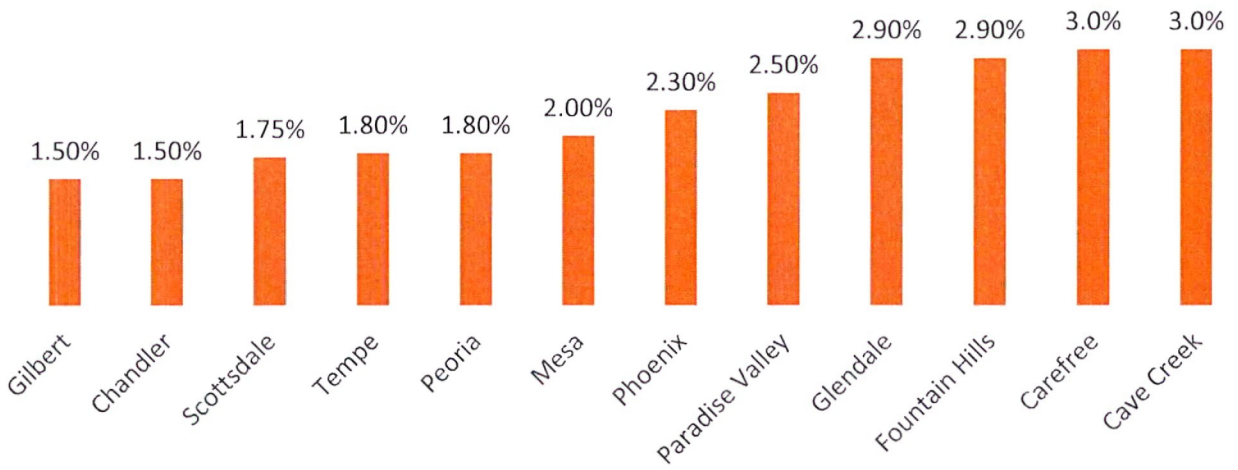
The Task Force considered extending and replacing the 0.20% Preserve Tax to fund the priorities listed above as a reasonable financial strategy to recommend to Council and present to voters. The Task Force reviewed expenditure projections for each priority identified and reviewed revenue projections at various tax rates (0.10%, 0.13%, 0.15% and 0.17%). The Task Force determined that extending the 0.20% tax rate at a reduced rate of 0.15% for 30 years would be a good financial strategy as it provides dedicated funding

for the priority needs identified and significant value to Scottdale citizens and visitors, while reducing the city's current total sales tax rate by 0.05% from 1.75% to 1.70%.

Scottsdale's Low Sales Tax Rate Compared to Other Cities in the Valley

The city has one of the lowest local sales tax rates in the valley and replacing the 0.20% tax rate with a 0.15% tax rate would ensure the city continues to maintain one of the lowest local sales tax rates in the valley.

Table 1: Comparison of Current Local Sales Tax Rates



Cost to Average Household

The 2025 0.15% Tax is estimated to cost an average household $3.71 per month which is a reduction from the current estimated $4.95 per month with the expiring 0.20% Preserve Tax.

Household cost estimates were based on the consumer expenditure survey published by the U.S. Bureau of Labor Statistics which reported that households in the Phoenix-Mesa-Scottsdale metropolitan area spent an average of $71,750 per year or $5,979 per month in 2021-2022. Categories of spending subject to sales tax totaled approximately $2,375 per month in 2021-2022 (or $2,473 per month in 2023).

Projections of 0.15% Tax Revenues

A 0.15% tax is estimated to initially generate $23 million to $25 million annually to fund the priorities identified by the Task Force. Over a 30-year term, the 2025 0.15% Tax is expected to generate sufficient funding for the needs identified and considered by the Task Force. The Task Force studied detail revenues

and expenditure projections based on assumptions of cost escalations and revenue growth. Please refer to the 11-06-23 Task Force meeting agenda for detail projections.

Example of Parks and Open Space Sales Tax in Other Communities

Dedicated parks and preserve sales taxes are utilized in other communities to fund parks and preserve needs. The following represents examples of other communities with a park and preserve sales tax.

City	Parks and Open Space Sales Tax Rate	Total General Sales Tax Rate
Boulder	0.77%	4.50%
Kansas City	0.50%	4.95%
Denver	0.25%	4.13%
Columbia, MO	0.25%	2.00%
St Louis	0.19%	3.07%
Scottsdale (Proposed)	*0.15%*	*1.70%*
Colorado Springs	0.10%	3.86%
Phoenix	0.10%	2.30%

Visitor Contribution

According to the Scottsdale Tourism Study – Visitor Statistics, about 12 percent of total sales tax collections in the city in 2022/2023 can be attributed to visitors (includes domestic and international overnight visitors and domestic visitors traveling more than 50 miles that are not part of a normal routine and do not involve an overnight stay).

Link to Scottsdale Visitor Report:
2023+Visitor+Report.pdf (scottsdaleaz.gov)

Consideration of the 2004 0.15% Preserve Tax Expiring in 2034

The Task Force also considered the potential use of the remaining 2004 0.15% Preserve Tax expiring in 2034, for on-going care and maintenance of the Preserve.

As mentioned above, the 0.20% Preserve Tax expiring in 2025 was for land acquisition only, and the 0.15% Preserve Tax expiring in 2034 was to acquire land and to construct improvements in the Preserve. Based on voter approval, these Preserve Taxes can only be used for land acquisition and improvements and cannot for used for on-going maintenance and care of the Preserve or city parks. Future excess collections may potentially be used for on-going maintenance only if voters approve an expanded use of *future revenues* for such purpose.

Revenues collected from these Preserve Taxes are currently used to pay debt service on the land acquired. When the 0.20% Preserve Tax expires in 2025, the remaining 0.15% Preserve Tax is still needed to cover outstanding debt that will mature through 2034 when the 0.15% Preserve Tax expires. Excess revenues collected from the remaining 0.15% Preserve Tax can be used for voter approved purposes or can be used to early retire debt. If debt is retired early and there is no longer any need to continue collecting the remaining 0.15% Preserve Tax, the city can request voter approval to terminate the 0.15% Preserve Tax earlier than 2034.

Given that there will not be room on the November 2024 ballot for such a request to voters, and also given that the 0.15% Preserve Tax is still needed for debt service and improvements or land acquisitions in the Preserve, the Task Force recommends that the Council take no action on the 0.15% Preserve Tax expiring in 2034, but to ensure that there is a plan in place for any excess collections resulting after payment of debt principal and interest. And if there is no longer a need to continue collecting the 0.15% Preserve Tax, that Council consider asking voters to terminate the 0.15% Preserve Tax.

CITIZEN SURVEY CONDUCTED BY EMC RESEARCH FOR THE TASK FORCE

The Task Force sought community input by conducting a statistically valid voter survey and also engaged the community through an open participation feedback tool to understand community priorities related to the city's parks and the Preserve as well as the current opinions of Scottsdale residents around the City's fiscal environment. The efforts involved two phases and included 1,733 Scottsdale voters and residents. Results of the survey indicate that Scottsdale voters and residents are supportive of funding parks and Preserve needs and believe that it is a good idea to extend the expiring 0.20% tax rate to do so. The statistically valid survey results showed that:

- 92% of voters agree that Scottsdale's parks and the Preserve improve quality of life and the local economy.

- 62% of voters believe the City needs additional funding to maintain, improve, and operate parks and recreational sites and facilities, and rate many aspects as high priorities for funding.

- 94% of voters respond positively that it's a good idea to fund parks, recreation and Preserve without increasing the tax rate.

An executive summary of the citizen survey is attached and a presentation of survey results, presented by EMC Research, can be found in the 12-18-23 Task Force meeting agenda.

TASK FORCE RECOMMENDATIONS

The Task Force developed and approved the following recommendations to City Council. **There was unanimous vote among current Task Force members on these recommendations.**

Recommendation #1– Request Voter Approval to Extend and Reduce the 0.20% Tax Rate Expiring in 2025, to 0.15% for 30 Years, Effective July 1, 2025

The Task Force recommends that the Council approve a replacement tax for the expiring 0.20% Preserve tax. The replacement would be a 0.15% tax rate (the 2025 0.15% Tax) effective July 1, 2025 for 30-years, for the preservation, maintenance, and police and fire protection of city-wide parks and the Preserve, and for improvements to aged city parks and recreational facilities including certain improvements to WestWorld. This recommendation will result in a reduction of the City's total sales tax rate from 1.75% to 1.70%.

Recommendation #2 - Unfunded Needs to be Funded by the 0.15% Tax

The Task Force recommends that the Council fund the following areas of unfunded needs for the City's parks and the Preserve with this 2025 0.15% Tax:

1. Improvements to aged city parks with a priority for the Indian Bend Wash Greenbelt parks
2. Additional citywide parks and recreation maintenance needs
3. Maintenance, preservation and protection of the McDowell Sonoran Preserve
4. Fire fuel mitigation and technical rescue for citywide parks and the Preserve
5. Police park rangers and security for citywide parks and the Preserve
6. Drainage and other critical infrastructure improvements for WestWorld

Recommendation #3 - Distribution of the 2025 0.15% Tax Revenues for the Unfunded Needs

The Task Force recommends that the Council appropriately allocate and distribute the 2025 0.15% Tax revenues as follows.

The Task Force recommends that the Council distribute the 2025 0.15% Tax revenues as follows:

Distribution of the 2025 0.15% Tax revenues after debt requirements are satisfied will be as follows:

(1) Payment of debt requirements. Annual debt requirements shall not be more than $4,500,000.

(2) After payment of debt requirements, the remaining tax revenues to be allocated by percentages as follows:

- 51% to Park improvement needs with an emphasis on aged parks
- 18% to Preserve maintenance and protection
- 14% to Citywide park maintenance needs
- 10% for Fire fuel mitigation program and technical rescue team
- 7% to Police park ranger unit

It is anticipated that the WestWorld improvements proposed will be funded by debt.

Recommendation #4 - Considerations for 2004 0.15% Preserve Tax Expiring in 2034

The Task Force recommends that the Council take no current action on the 2004 0.15% tax, which does not expire until 2034, because this tax is still needed and that the Council study the 0.15% tax annually to determine if the tax is still needed for Preserve improvements and land acquisition or if the debt service can be paid off early and, for Council to decide if this tax can be placed on a future ballot to sunset early. As part of this process, the City Treasurer will provide an annual update to the City Council and McDowell Sonoran Preserve Commission related to the 0.15% Preserve Tax, which will include information on the fund balance and current and projected funding needs.

Recommendation #5 – Ballot Language for 2025 0.15% Tax

The Task Force recommends the attached ballot language (Appendix C) to request voter approval at the November 2024 ballot.

Recommendation #6 - Adopt an Ordinance to Ensure the City Properly Distributes the 2025 0.15% Tax Revenues and to Ensure Official Oversight for the Spending of the 2025 0.15% Tax Revenues

The Task Force recommends the attached draft ordinance (Appendix D) which enforces distribution of the 2025 0.15% Tax revenues by law established by Council ordinance. The ordinance also provides for official oversight for spending of the revenues through the existing Parks and Recreation Commission and McDowell Sonoran Preserve Commission and annual reporting by the City Treasurer.

Appendix A – Task Force Work Plan

PROTECT AND PRESERVE SCOTTSDALE TASK FORCE
Work Plan
(1/10/2023)

Goal: develop a recommendation to City Council on a financial strategy to protect and preserve Scottsdale's open spaces and quality of life, through identifying and quantifying the unfunded needs for the protection, preservation and perpetual maintenance of the City's open spaces (e.g., Indian Bend Wash Greenbelt and McDowell Sonoran Preserve), public safety and other needs.

PHASE		TASK	DESCRIPTION	PRELIMINARY TIMELINE (subject to change)
Determine Community Priorities and Support for Replacing 0.2% Preserve Tax				
Phase 1	1.1	**Conduct Preliminary Community Survey**	Conduct preliminary community survey to determine community's priorities and support for replacing the 0.2% Preserve tax. Analyze survey results and findings.	Feb-Mar 2023
	1.2	**Review and Refine Workplan**	Based on results of community survey, refine workplan Phases 2-4 as needed. Significant changes to the work plan are subject to Council approval.	
Define and Quantify Priority Unfunded Needs				
Phase 2	2.1	**Identify and Quantify Unfunded Needs for the Perpetual Maintenance, Protection and Preservation of the Indian Bend Wash Greenbelt and Other City Public Parks**	Task involves studying and understanding the perpetual maintenance, protection and preservation needs of the Indian Bend Wash Greenbelt and other public parks in the city, in collaboration with the Parks and Recreation Commission, to identify, define and quantify critical funding needs. (note: The Parks and Recreation Commission may provide recommendations on the operation, use, care and maintenance needs of the city's public parks in accordance with their purpose as established in Scottsdale Revised Code Chapter 20, Article I)	Apr-Aug 2023
	2.2	**Identify and Quantify Unfunded Needs for the Perpetual Maintenance, Protection and Preservation of the McDowell Sonoran Preserve**	Task involves studying and understanding the perpetual maintenance, protection and preservation needs of the existing Preserve, in collaboration with the McDowell Sonoran Preserve Commission, to identify, define and quantify critical funding needs. (note: The McDowell Sonoran Preserve Commission may provide recommendations on the maintenance, protection and preservation needs of the Preserve in accordance with their purpose as established in Scottsdale Revised Code Chapter 21, Article II.)	

PROTECT AND PRESERVE SCOTTSDALE TASK FORCE
Work Plan
(1/10/2023)

PHASE		TASK	DESCRIPTION	PRELIMINARY TIMELINE (subject to change)
	2.3	**Identify and Quantify Other Community Priorities indicated by Community Survey**	Task involves identifying, defining and quantifying other community priorities indicated in the community survey.	
Develop Funding Recommendations				
Phase 3	3.1	**Explore Funding Options for Priority Needs Identified**	Explore and consider funding options for needs identified in Phase 1 & 2 (e.g., General Fund, grants, dedicated funding source including replacement of the 0.2% Preserve Tax expiring in 2025).	Aug – Nov 2023
	3.2	**Conduct Community Survey (if needed)**	If voter approval is required for funding option(s) considered, task force may consider conducting a community survey on voter support. If community survey is conducted, analyze survey results and findings.	
	3.3	**Develop Financial Strategy and Funding Recommendations**	Task involves developing financial strategy and funding recommendations for priorities and critical needs identified.	
Report and Present Recommendations to Council				
Phase 4	4.1	**Develop Report and Presentation for Council Consideration**	Organize and develop recommendations for City Council consideration. If voter approval is required, recommendation must include recommended ballot question(s), specific tax rate, etc. Recommendations are subject to City Attorney and City Treasurer review to ensure compliance with applicable laws and regulations and city financial policies and practices. Draft report and presentation to City Council.	Nov 2023 – Jan 2024
	4.2	**Report and Present to Council**	Participate in Council work study session to present findings and recommendations to City Council.	
Community Education and Outreach				
Phase 5	5.1	**Community Education and Outreach**	Assist in community education and outreach as directed and subject to applicable laws.	TBD

Appendix B – EMS Research Citizen Survey Executive Summary

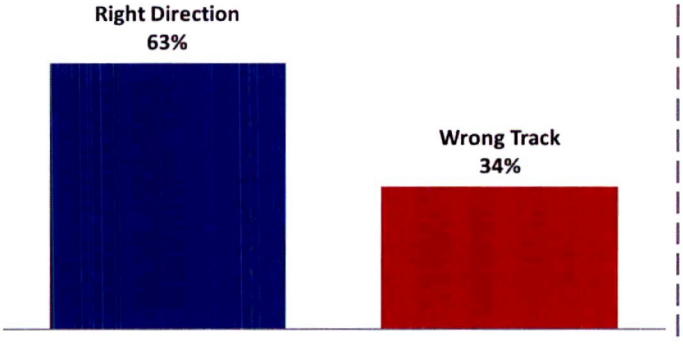
TO: Protect and Preserve Scottsdale Taskforce
FROM: EMC Research
RE: Survey Results
DATE: February 2, 2024

The following are key takeaways from research investigating community priorities related to Scottsdale's parks and recreation, the McDowell Sonoran Preserve, and the current opinions of Scottsdale residents around the City's fiscal environment. The research was conducted from October 19 to November 19, 2023 in two phases – a statistically valid survey, open only to invited Scottsdale voters using random sample methodology, and a public, open participation feedback tool that any interested Scottsdale resident could participate in. The key takeaways below highlight the results of the voter survey, while incorporating comparisons to the open participation feedback tool.

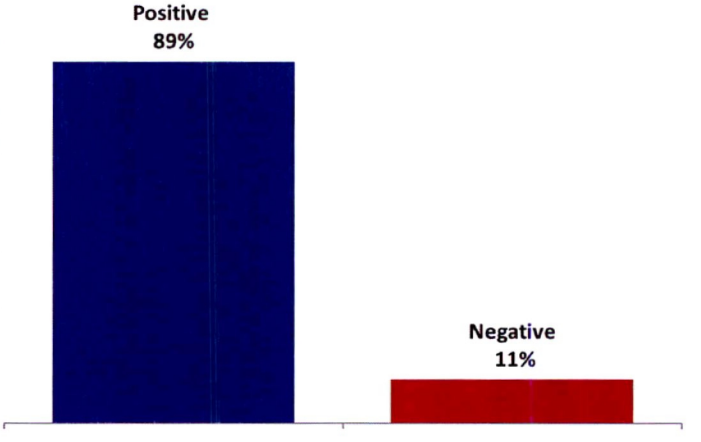
Key Findings

Voters are optimistic about Scottsdale's direction and the overall quality of life in the city. Almost nine-in-ten (89%) voters rate the city's quality of life positively, while six-in-ten (63%) say the city is going in the right direction. A majority also rate city government and the financial health of the city positively (67% and 74%, respectively), with about three quarters (78%) saying the city does an "excellent" or "good" job delivering services.

Do you feel that things in the City of Scottsdale are generally going in the right direction or do you feel things have gotten pretty seriously off on the wrong track?

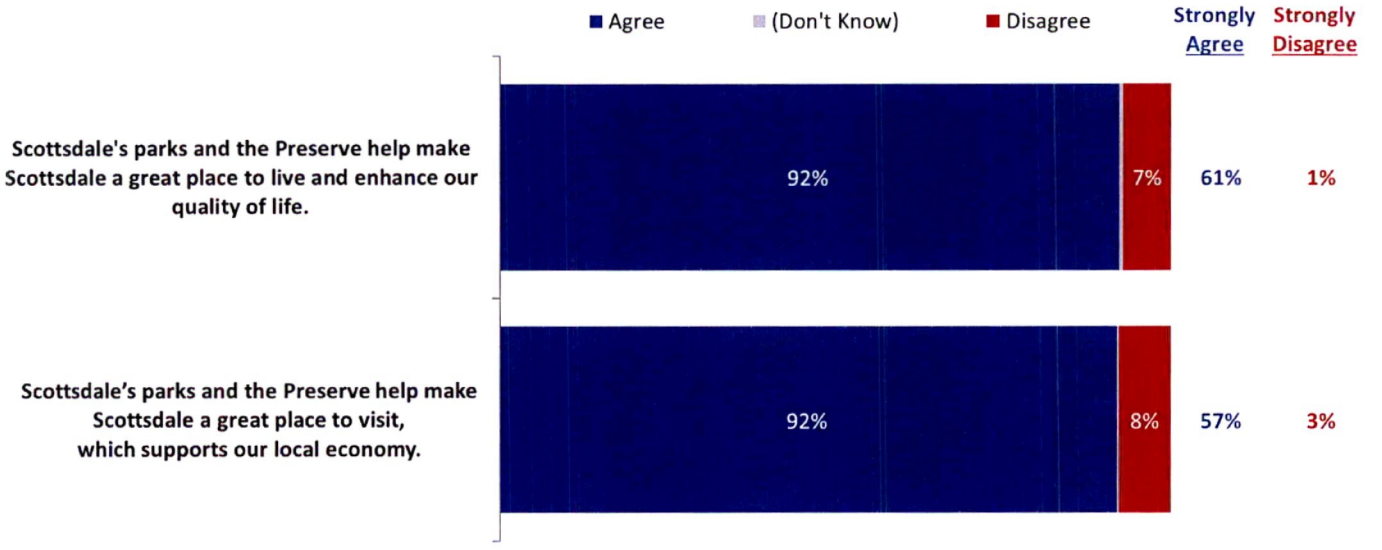


How would you rate the overall quality of life in Scottsdale?



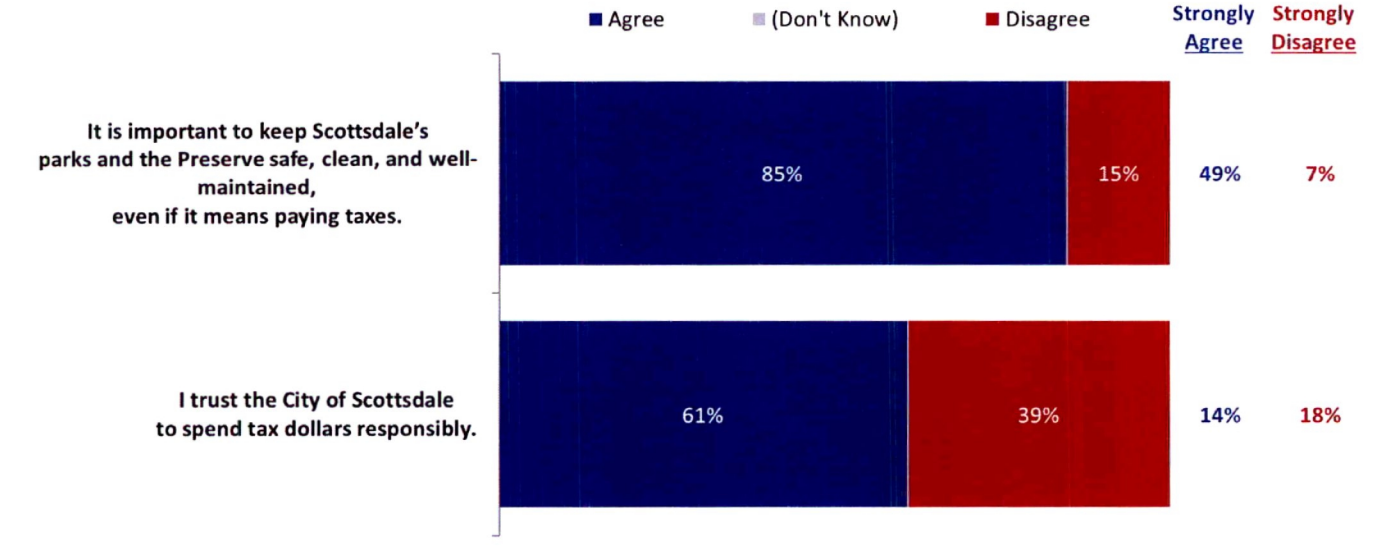
Overall, the **open participation feedback tool participants** held similar sentiments to voters and were positive (91%) about the quality of life in Scottsdale.

Voters see City parks and the McDowell Sonoran Preserve as a contributor to Scottsdale's high quality of life. Scottsdale voters are in near-unanimous agreement that parks and the Preserve help make Scottsdale both a great place to live and a great place to visit, enhancing the city's quality of life as well as its economy, with over nine-in-ten (92%) agreeing with both statements.



Open participation feedback tool participants held similar attitudes, with most agreeing Scottsdale's parks and the Preserve enhance Scottsdale's quality of life (96% agree) and enhance the local economy (92% agree).

Voters display some tax sensitivity, with around four-in-ten voters expressing hesitancy around the City's use of tax dollars. While most (85%) agree that parks and open spaces are important to maintain through taxes, fewer, though still majority (61%), show trust in the city to spend tax dollars responsibly.

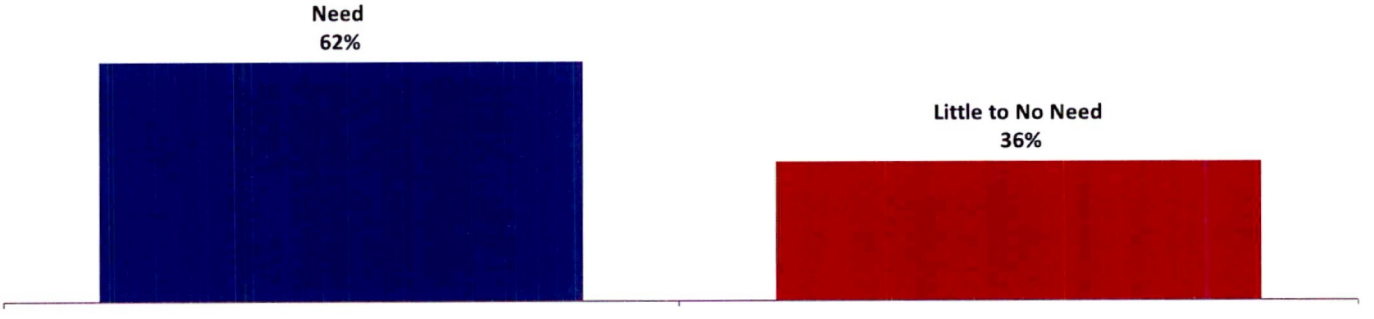


Among open participation feedback tool participants, there was even broader agreement that it's important to maintain parks and the Preserve through taxes (90% agree), and trust in the city to spend tax dollars responsibly was even higher (70% agree).

EMC research

A majority (62%) of voters believe the City needs additional funding to maintain, improve, and operate parks and recreational sites and facilities, and rate many aspects as high priorities for funding. Top priorities include protecting nature and wildlife habitats (48% very high priority, 83% total high priority), increasing fire prevention in the McDowell Sonoran Preserve (39% very high priority, 76% total high priority), and improving the city's parks that are in the worst condition (38% very high priority, 82% total high priority). Maintenance efforts are rated as less of a high priority.

As you may know, the City of Scottsdale owns a number of parks and recreational sites and facilities, including City parks, the McDowell Sonoran Preserve, Indian Bend Wash Greenbelt, and the WestWorld events center. How would you rate the City of Scottsdale's need for more funding to maintain, improve, and operate these sites and facilities?



While **open participation feedback tool participants'** priorities for parks were largely similar to voter opinions, participants in the open participation tool were more likely to express uncertainty when rating the conditions of the Preserve and City parks.

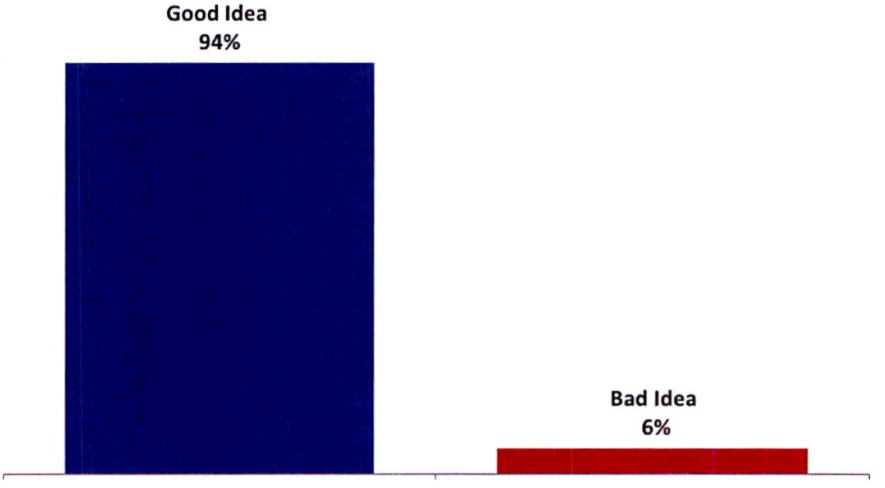
Scottsdale voters report frequently making use of the city's parks and open spaces. Two-thirds (67%) of Scottsdale voters report visiting a park or other facility at least monthly, and just under half (45%) report visiting one at least once a week. Only a third (33%) of voters indicate visiting a park or facility less than monthly. Among the most visited parks are the Indian Bend Wash Greenbelt with 34% reporting that they visit a few times a month or more. WestWorld events center was the least frequented facility with just 3% saying they visit often.

Similarly, **open participation feedback tool participants** said they visited the McDowell Sonoran Preserve most frequently, with a third (33%) visiting at least a few times a month, followed closely by 32% who report frequenting the Indian Bend Wash Greenbelt at least a few times a month. Overall visitation numbers were also similar to voters, with just under half (47%) visiting a park or facility at least weekly, another 22% said they visit at least monthly, and only about a third (31%) who visit less than monthly.

Voters respond positively (94% good idea) to the overall idea of funding the Preserve and other Scottsdale parks and recreation facilities without increasing the tax rate. Most voters also see the more specific potential mechanisms of replacing an expiring tax and expanding the allowable uses of another tax as good ideas, but enthusiasm declines slightly (87% good idea) after they learn more about the specifics.

The City of Scottsdale is facing a shortfall in the funding needed to maintain and improve the McDowell Sonoran Preserve and other city parks and recreation facilities and is looking for ways to fund those needs.

If the City found a way to fund maintenance and improvements to the Preserve and other city parks and recreation facilities without increasing the tax rate, would you say this is a very good idea, a somewhat good idea, a somewhat bad idea, or a very bad idea?



Like voters, those who participated in the open participation feedback tool approved of maintaining parks and facilities and believed funding them through replacing and expanding the existing taxes is a good idea. Initially, 91% of participants indicated funding maintenance and improvements is a good idea. However, when exposed to more information about mechanisms, support softens and the final ask resulted in 86% of participants saying it is a good idea.

Methodology

The findings in this memo come from a voter survey conducted by EMC Research from October 19 –25, 2023 among 400 registered voters in the City of Scottsdale. The multi-modal survey included live telephone interviews and email/text invitations to complete the survey online. Telephone interviews were conducted by professional interviewers, landline and mobile phones included. Data are demographically and geographically representative of voters in Scottsdale. The overall margin of error for the poll is ±4.9 percentage points.

Additionally, EMC Research collected and analyzed data from an online open participation feedback tool that was open to all Scottsdale residents October 27—November 19, 2023. The City of Scottsdale distributed the survey through the Polco platform, and 1,333 total responses were collected.

Appendix C – Recommended Ballot Language

RESOLUTION NO. 13092

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, SEEKING APPROVAL OF THE QUALIFIED ELECTORS AS TO WHETHER THE CITY COUNCIL SHALL BE AUTHORIZED TO EXTEND AND REDUCE THE EXPIRING 1995 MCDOWELL SONORAN PRESERVE TRANSACTION PRIVILEGE AND USE TAX RATE FOR IMPROVEMENTS, MAINTENANCE, AND PROTECTION OF CITY PARKS AND CITY RECREATIONAL FACILITIES, AND THE MAINTENANCE AND PROTECTION OF THE MCDOWELL SONORAN PRESERVE.

WHEREAS, the maintenance and improvement of City Parks and Recreational Facilities, and maintenance and protection of the McDowell Sonoran Preserve, including Police and Fire protection of City Parks and the Preserve, are of great importance to the community and its residents; and

WHEREAS, Article 6, Section 9 of the Scottsdale City Charter requires the approval of the qualified voters of the City for a tax rate change above 1%; and

WHEREAS, on May 23, 1995, the qualified electors of the City authorized the City Council to increase the transaction privilege and use tax rate of the City by 0.20%, for 30 years, for the purpose of acquiring land for the McDowell Sonoran Preserve; and

WHEREAS, it is the recommendation of the Protect and Preserve Scottsdale Task Force and the desire of the City Council to submit to the qualified electors a question as to whether the City Council shall be authorized to extend and reduce the expiring 0.20% tax rate to 0.15%, for 30 years, for the improvement and replacement of Citywide Parks and Recreational Facilities including WestWorld, and for preservation, maintenance, and protection of Citywide Parks and Recreational Facilities, and the maintenance and protection of the McDowell Sonoran Preserve; and

WHEREAS, on March 5, 2024, the City Council adopted Resolution No. 13065 calling a Primary Election for Tuesday, July 30, 2024, and if necessary, a General Election for Tuesday, November 5, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Scottsdale, Maricopa County, Arizona as follows:

Section 1. The question as to whether the qualified electors of the City authorize the City Council to extend and reduce the transaction privilege and use tax rate of the City shall be submitted to the voters of the City of Scottsdale, substantially in the form shown in Exhibit A, at the General Election to be held on Tuesday, November 5, 2024.

Section 2. The City Council hereby directs the City Clerk, City Manager, City Attorney, and City Treasurer to take such steps as may be necessary to include this measure on the General Election ballot.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona, this ____ day of _____, 2024.

CITY OF SCOTTSDALE, an Arizona municipal corporation

ATTEST:

_____
David D. Ortega, Mayor

_____
Ben Lane, City Clerk

APPROVED AS TO FORM:

_____
Sherry R. Scott, City Attorney

15264348

EXHIBIT A

Full Text

Question X (Proposition XXX)

Proposal Referred to the Voters by the Council of the City of Scottsdale

OFFICIAL TITLE: A CITY CODE AMENDMENT TO EXTEND AND REDUCE SCOTTSDALE'S EXPIRING TRANSACTION PRIVILEGE AND USE TAX RATE TO FUND: 1) IMPROVEMENTS AND MAINTENANCE FOR CITYWIDE PARKS AND RECREATIONAL FACILITIES; 2) MAINTENANCE AND PROTECTION FOR THE MCDOWELL SONORAN PRESERVE; AND 3) INCREASED POLICE AND FIRE RESOURCES RELATED TO CITYWIDE PARKS AND THE PRESERVE.

DESCRIPTIVE TITLE: Authorizes the City to extend and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years to fund the improvement, maintenance, and protection of Citywide Parks and Recreational Facilities, and the maintenance and protection of the Preserve as determined by ordinance.

A **"YES"** vote shall have the effect of authorizing the City to extend and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve, with all being more specifically determined by City ordinance.

A **"NO"** vote shall have the effect of denying the City the authority to extend and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve.

Tagline Text

Question X (Proposition XXX)

Proposal Referred to the Voters by the Council of the City of Scottsdale

SHALL SCOTTSDALE'S CURRENT 0.20% TRANSACTION PRIVILEGE AND USE TAX RATE, EXPIRING JUNE 30, 2025, BE REDUCED TO 0.15% AND EXTENDED FOR 30 YEARS TO FUND IMPROVEMENTS, MAINTENANCE, AND INCREASED POLICE AND FIRE PROTECTION OF CITYWIDE PARKS, RECREATIONAL FACILITIES, AND THE PRESERVE AS DETERMINED BY CITY ORDINANCE?

A **"YES"** vote shall have the effect of authorizing the City to extend and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve, with all being more specifically determined by City ordinance.

A **"NO"** vote shall have the effect of denying the City the authority to extend and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve.

Appendix D – Recommended Ordinance for Distribution and Oversight of 0.15% Tax

ORDINANCE NO. 4633

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, ADDING A NEW SECTION 16-52 TO CHAPTER 16, LICENSES, TAXATION AND MISCELLANEOUS BUSINESS REGULATIONS, ARTICLE III, PRIVILEGE AND USE TAXES, OF THE SCOTTSDALE REVISED CODE (CODE) TO DETERMINE THE SPECIFIC DISTRIBUTION OF REVENUES FROM THE 2025 0.15% TAX IF SUCH TAX IS APPROVED BY THE VOTERS ON NOVEMBER 5, 2024; AMENDING SECTION 20-1 OF THE CODE TO UPDATE THE PURPOSE, POWERS, AND DUTIES OF THE PARKS AND RECREATION COMMISSION TO INCLUDE OVERSIGHT OF THE 2025 0.15% TAX RELATED TO PARKS; AMENDING SECTION 21-7 OF THE CODE TO UPDATE THE PURPOSE, POWERS, AND DUTIES OF THE MCDOWELL SONORAN PRESERVE COMMISSION TO INCLUDE OVERSIGHT OF THE 2025 0.15% TAX RELATED TO THE PRESERVE; AND ESTABLISHING A CONDITIONAL EFFECTIVE DATE.

WHEREAS, on November 5, 2024, voters will consider whether to authorize the City to impose a 0.15% transaction privilege and use tax (the "2025 0.15% Tax") for 30 years, effective July 1, 2025, to fund the (1) improvements and maintenance for Citywide Parks and Recreational Facilities, (2) maintenance and protection for the McDowell Sonoran Preserve, and (3) increased Police and Fire resources related to Citywide Parks and the McDowell Sonoran Preserve, with all being more specifically determined by City ordinance;

WHEREAS, if the voters approve the 2025 0.15% Tax, the City Council will adopt a subsequent ordinance codifying the new tax rate, to be effective July 1, 2025;

WHEREAS, as contemplated by the 2025 0.15% Tax ballot question, in this Ordinance, the City Council desires to predetermine and codify the specific distribution of revenues from the 2025 0.15% Tax, if approved by the voters; and

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. A new Section 16-52 is hereby added to Scottsdale Revised Code, Chapter 16 (Licenses, Taxation and Miscellaneous Business Regulations), Article III (Privilege and Use Taxes) as follows:

Section 16-52. Use of 2025 0.15% Tax. All revenues generated from the 0.15% transaction privilege and use tax approved by City voters on November 5, 2024 (the "2025 0.15% Tax") shall be used to improve and maintain the City's Parks and Recreational Facilities (which includes limited WestWorld capital improvements), to maintain and protect the McDowell Sonoran Preserve, and to increase Police and Fire resources related

to Citywide Parks and the McDowell Sonoran Preserve, for the benefit of all geographic areas within the City, with an emphasis on restoring and updating the Indian Bend Wash Greenbelt and other aged Parks. Revenues from the 2025 0.15% Tax shall be distributed as determined by the City Council with the following specific ordinance restrictions:

A. After Section (C) is satisfied, all other remaining 2025 0.15% Tax revenues shall be distributed as set forth below:
   - 51% for City Parks improvement needs.
   - 18% for McDowell Sonoran Preserve maintenance and protection.
   - 14% for City Parks and Recreational Facilities maintenance (excluding WestWorld).
   - 10% to the Scottsdale Fire Department for Citywide related needs within the purposes of the 2025 0.15% Tax, which specifically includes, but is not limited to, technical rescue team(s) for the McDowell Sonoran Preserve and City Parks and for fire fuel mitigation around the McDowell Sonoran Preserve and in and around the City Parks for the protection and maintenance of the McDowell Sonoran Preserve and City Parks.
   - 7% for increased McDowell Sonoran Preserve and City Park Police ranger unit(s) and Park and McDowell Sonoran Preserve security.

B. At the end of each year, any unused 2025 0.15% Tax revenues in each category listed in Section (A) will be carried forward for use in future years within the same category.

C. Debt may be used to fund capital improvements in accordance with the City's adopted financial policies (for instance, debt will be issued for WestWorld capital improvements). Notwithstanding Section (A) above, on an annual basis, the 2025 0.15% Tax revenues will be used to satisfy any debt requirements as required by bond covenants. Debt requirements will be limited to no more than $4,500,000 of the 2025 0.15% Tax revenues on an annual basis.

D. Beginning with the 2025/26 fiscal year end audited financial results, and continuing for the term of the 2025 0.15% Tax, the City Treasurer will prepare an annual accounting of the 2025 0.15% Tax for the City Council.

Section 2. A new Subsection (c)(4) is hereby added to Scottsdale Revised Code, Chapter 20 (Parks, Recreation and Cultural Affairs), Article I (General), Section 20-1 (Parks and Recreation Commission), as follows:

(c) The Parks and Recreation Commission shall:

. . . .

(4) For the term of the 2025 0.15% Tax described in Section 16-52 of the Scottsdale Revised Code, serve as the citizens' oversight committee for the implementation of the 2025 0.15% Tax as it relates to the use of the 2025 0.15% Tax revenues for all park improvements, capital projects, and master plans relating to the use of the 2025 0.15% Tax with an emphasis on restoring and updating the Indian Bend Wash Greenbelt and other aged parks.

Section 3. A new Section (1) is hereby added to Scottsdale Revised Code, Chapter 21 (McDowell Sonoran Preserve), Article II (McDowell Sonoran Preserve Commission), Section 21-

7 (Purpose; powers and duties), as follows, with the existing Sections (1) through (8) being renumbered as Sections (2) through (9), respectively:

Sec. 21-7. - Purpose; powers and duties.

The McDowell Sonoran Preserve Commission, with the assistance of City staff, shall be responsible for making recommendations to the City Council on the following matters:

(1) For the term of the 2025 0.15% Tax described in Section 16-52 of the Scottsdale Revised Code, serving as the citizens' oversight committee for the implementation of the 2025 0.15% Tax as it relates to the use of the 2024 0.15% Tax revenues for maintenance and protection of the Preserve. Specifically, the McDowell Sonoran Preserve Commission shall review and recommend to City Council an annual budget proposal for use of the 2025 0.15% Tax revenues in accordance with master plans and strategies related to:

(a) Wildlife habitat protection:

(i) Invasive Plant removal and management in the Preserve,

(ii) Wildland fire fuel reduction and management in the Preserve, and

(iii) Restoration of disturbed lands in the Preserve,

(b) Ecological resource plan and natural resource studies, projects, and awareness in support of the Preserve; and/or

(c) Cultural resource protection and management in the Preserve.

. . . .

Section 4. If the voters approve the 2025 0.15% Tax, this Ordinance shall be effective as of July 1, 2025.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this _____ day of _____, 2024.

CITY OF SCOTTSDALE, an Arizona municipal corporation

ATTEST:

_____
David D. Ortega, Mayor

_____
Ben Lane, City Clerk

APPROVED AS TO FORM:

_____
Sherry R. Scott, City Attorney

15244239v1

Appendix E – Letters of Support

To: Cynthia Wenstrom, Chair & Raoul Zubia, Vice Chair
Protect and Preserve Scottsdale Task Force
3939 N. Drinkwater Blvd., Scottsdale, AZ 85251

From: City of Scottsdale Parks & Recreation Commission
3939 N. Drinkwater Blvd., Scottsdale, AZ 85251

Re: Recommendations from the Parks & Recreation Commission for Sustainable Funding for Protecting and Preserving the City's Open Spaces

Dear Chair Wenstrom, Vice Chair Zubia, and Members of the Protect & Preserve Scottsdale Task Force,

The Parks & Recreation Commission recommends that the Protect and Preserve Scottsdale Task Force recommend to the City Council that a sales tax be levied to support funding for protecting and preserving Scottsdale's Open Spaces. This includes the McDowell Sonoran Preserve as well as park and aquatic facilities operated by the City. Specifically, we recommend that the Task Force recommend Council levy a tax at a rate of at least .15%. This tax will provide benefits primarily to Scottsdale's residents, while the cost will be shared by tourists and residents.

At present, there is no financial strategy identified to address the City's, and the Department's, aging infrastructure. The General Fund cannot support these needs. A sales tax offers a clear financial strategy to match expenditures to revenues. It will support the City's current assets, repair them as they approach their end-of-life, and create assets to offer world-class amenities.

To continue as a world-class community with simply better service and a robust tourism industry, the City must provide world-class parks and open spaces. We recommend that tax revenue support current and future capital improvements and maintenance of the Preserve as well as the City's parks, recreation facilities, and aquatic centers. Tax revenues will support:

- **Continued investment** in Scottsdale's existing Parks and Recreation assets, including capital projects and improvements.
- **Future projects and improvements** that are identified in the resident-driven Parks & Recreation Master Plan (as reflected in the City's General Plan).
- **Maintenance needs and asset management**, including staffing, contractual services, and commodities.

To assure the City remains world-class, the Commission supports a Task Force recommendation of a .15% sales tax to City Council. If you have questions or concerns, please contact Kristen Parrish, the Chair of the Parks & Recreation Commission, via email (kristyparrish@gmail.com) or via phone (510.684.8697).

Thank you,

Parks & Recreation Commission

Chair Kristen Parrish, Vice Chair Teresa Kim Quale, Commissioner Michael Vreeland, Commissioner Eric Maschhaupt, Commissioner Maryann McAllen, Commissioner Susan McGarry

MEMORANDUM

To: Mayor and City Council and Protect and Preserve Scottsdale Task Force Chair, Vice-Chair and Members
3939 N. Drinkwater Blvd. Scottsdale, AZ 85251

From: City of Scottsdale McDowell Sonoran Preserve Commission
3939 N. Drinkwater Blvd., Scottsdale, AZ 85251

Re: **Recommendations from the McDowell Sonoran Preserve Commission for Sustainable Funding for Protecting and Preserving the City's Open Spaces**

Date: February 7, 2024

Mayor and members of the City Council, Chair Wenstrom, Vice Chair Zubia, and Members of the Protect & Preserve Scottsdale Task Force,

The McDowell Sonoran Preserve Commission recommends that the City Council support the Protect and Preserve Scottsdale Task Force recommendation for a sales tax to be levied to support funding for protecting and preserving Scottsdale's Open Spaces. This includes the McDowell Sonoran Preserve as well as park and aquatic facilities operated by the City. Specifically, we recommend that the Task Force recommend Council levy a tax at a rate of at least .15%. This tax will provide benefits primarily to Scottsdale's residents, while the cost will be shared by tourists and residents.

At present, there is no financial strategy identified to address the Preserve's long-term care and protection. Approval of this proposal would reduce the reliance on the General Fund for Preserve care and maintenance costs, while providing a clear financial strategy to match expenditures to revenues. The Preserve Commission for the past several years has been researching the yearly costs necessary to provide care and protection for the Preserve which when completed will represent over $1.6 Billion of investment from the citizens of Scottsdale. The Preserve Commission has provided the Preserve care and protection costs to the Protect and Preserve Scottsdale Task Force, which are fully included in this package being presented to the Council. This proposal will provide the yearly assurance of funding to support this valuable City asset and thereby keep the Preserve protected for generations to come.

To continue as a world-class community with simply better service and a robust tourism industry, the City must provide world-class parks and open spaces. We recommend that tax revenue support for the care and protection of the Preserve as well as current and future capital improvements and maintenance of the City's parks, recreation facilities, and aquatic centers. Tax revenues for the Preserve will support:

- **Year-round Care and Protection** in Scottsdale's McDowell Sonoran Preserve.
    - Protect Archeologic Resources
    - Preservation of Wildlife Habitat
    - Habitat Protection from:
        - Invasive Plants
        - Wildland fire fuel loads
        - Historic Scars/Disturbance

- **Maintenance needs and asset management,** including staffing, contractual services, and commodities.

The Commission supports a Task Force recommendation of a .15% sales tax to City Council.

If you have questions or concerns, please contact Steve Coluccio, the Chair of the McDowell Sonoran Preserve Commission, via email s cscoluccio.preservecommission@gmail.com or via phone at 847-207-0109.

Thank you,
Steve Coluccio
McDowell Sonoran Preserve Commission
Chair Steve Coluccio
Vice-chair Kerry Olsson
Commissioners Laurie LaPat-Polasko, Marsha Lipps, Mark Hackbarth, Jeff Smith and Savannah Engelking

Proposed Ballot Measure for Parks and Recreation and The Preserve

City Council Meeting
April 2, 2024

CITY OF SCOTTSDALE

Year-Long Study by Citizen Task Force

Protect and Preserve Scottsdale Task Force



www.scottsdaleaz.gov/boards/protect-preserve-Scottsdale-task-force

Full Report Submitted to Council

Detail Presentation to Council on February 27, 2024

Meeting Agendas and Minutes

What Is the Ballot Measure Asking Voters to Authorize ?

(To Extend or Replace) the 0.20% Sales Tax expiring in 2025

with a 0.15% Sales Tax for 30 years

for our Parks and Recreation and McDowell Sonoran Preserve

Repurpose A Component of Sales Tax

0.20%

30-yr tax expires 6/30/25

No Longer Needed for Preserve Land Acquisitions

30,500 Acres of McDowell Sonoran Preserve Acquired to Date

0.15%

30-yr tax expires 6/30/55

Proposed for Capital Asset Renewal and Replacements for Aging Parks

And

To Increase Maintenance and Protection of Parks and Recreation Facilities and the Preserve

Current

8.05%

State and County
6.30%

City
1.75%



Represents current sales tax rate applied to taxable purchases

With Ballot Measure

8.00%

Effective 7/1/2025

State and County
6.30%

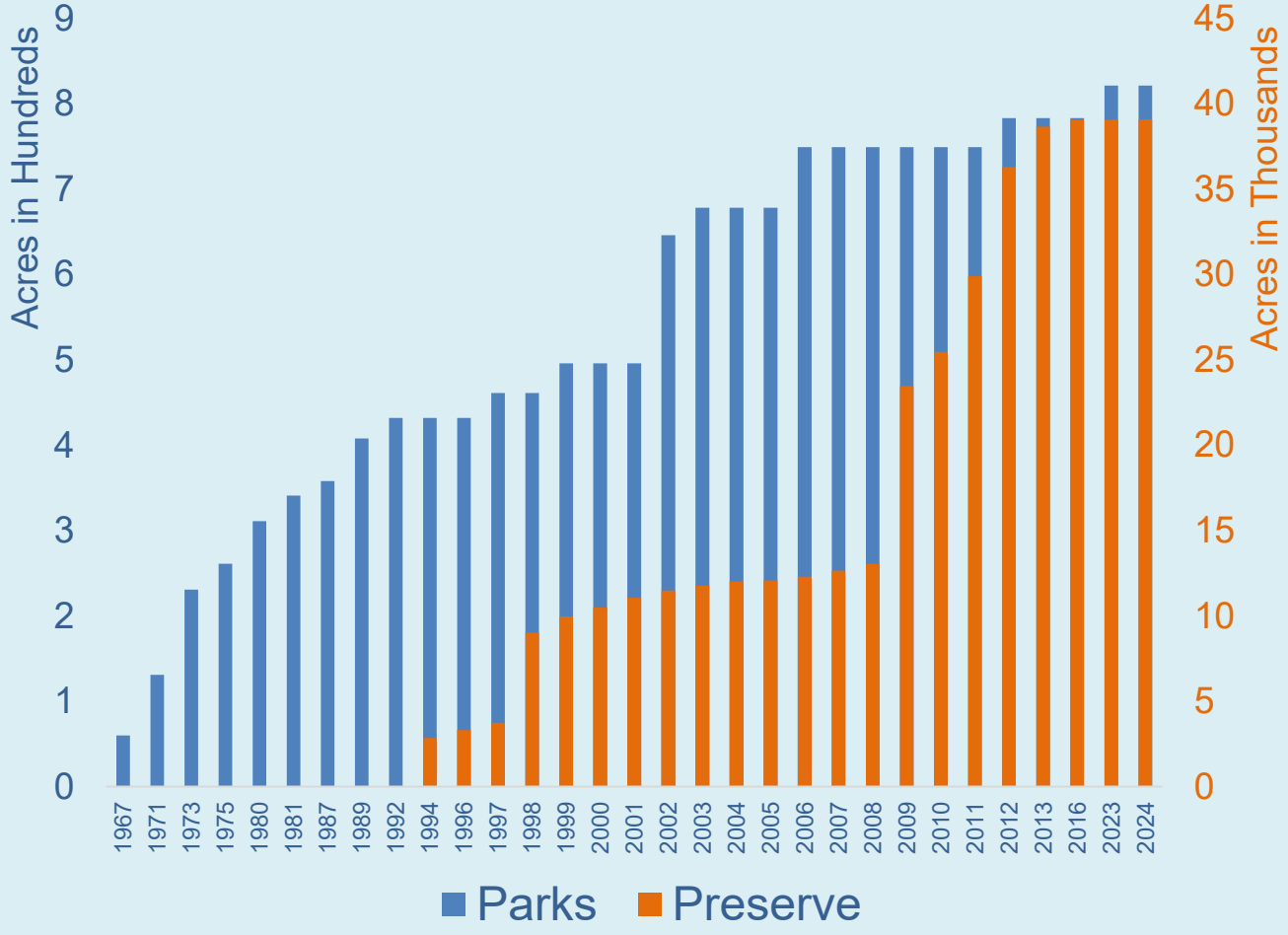
City
1.70%



Why is the 0.15% Tax Needed for the Next 30 Years?

Last 30 Years

Acquired Preserve and Constructed Parks & Recreation System



Next 30 Years

- Maintenance and Protection
- Capital Asset Renewal and Replacements
- Limited Funding from General Fund



Parks and Recreation System and Preserve

- 982 Park Acres
- 45 Parks
- 37 Playgrounds
- 4 Aquatic Facilities
- 6 Community Centers
- 79 Tennis/ Pickleball/ Racquetball Courts
- 74 Athletic Fields
- 35 Volleyball Courts
- 39 Basketball Courts
- 129 Miles of Paved Pathways
- 30,500 Preserve Acres
- 235 Miles of Trail
- 12 Trailheads

Aging Parks Over Next 30 Years

Community Parks	Year Constructed	Age
• Eldorado Park	1967	57
• Vista Del Camino Park	1971	53
• Chaparral Park	1973	51
• McCormick Stillman Railroad Park	1975	49
• Indian School Park	1980	44
• Mountain View Park	1981	43
• Cactus Park	1987	37
• Scottsdale Ranch Park & Tennis Center	1989	35
• Horizon Park	1992	32
• Thompson Peak Park	1997	27
• McDowell Mountain Ranch Park	1999	25
• Pinnacle Peak Park	2002	22
• Camelback Park	2003	21
• Scottsdale Sports Complex (CAP Basin Sports Complex at the time)	2006	18
• George Doc Cavalliere Park	2012	12
• Bell94 Sports Complex	2022	2
• Scottsdale Civic Center Plaza	2023	1

Current Priority for Indian Bend Wash Greenbelt Parks

Capital Funding for Major Asset Systems

Transportation System

- 0.20% Transportation Sales Tax
- 010% Arterial Life Cycle Sales Tax
- MAG Funding

Water and Sewer Systems

- Utility Rates
- Impact Fees
- 2% Asset Replacement Reserves

Parks and Recreation System and the Preserve

- General Fund
- Bond Programs
- Proposed 0.15% Sales Tax

How Will the 0.15% Tax Be Used?

Details available in Task Force Meeting Materials and Task Force Report
Detail presentation to Council on February 27, 2024

Details Presented in Council Work Study on February 27, 2024

https://www.scottsdaleaz.gov/scottsdale-video-network/council-video-archives/2024-archives

1. Capital Improvements for Park and Recreation Facilities



Renewal and Replacements Needed

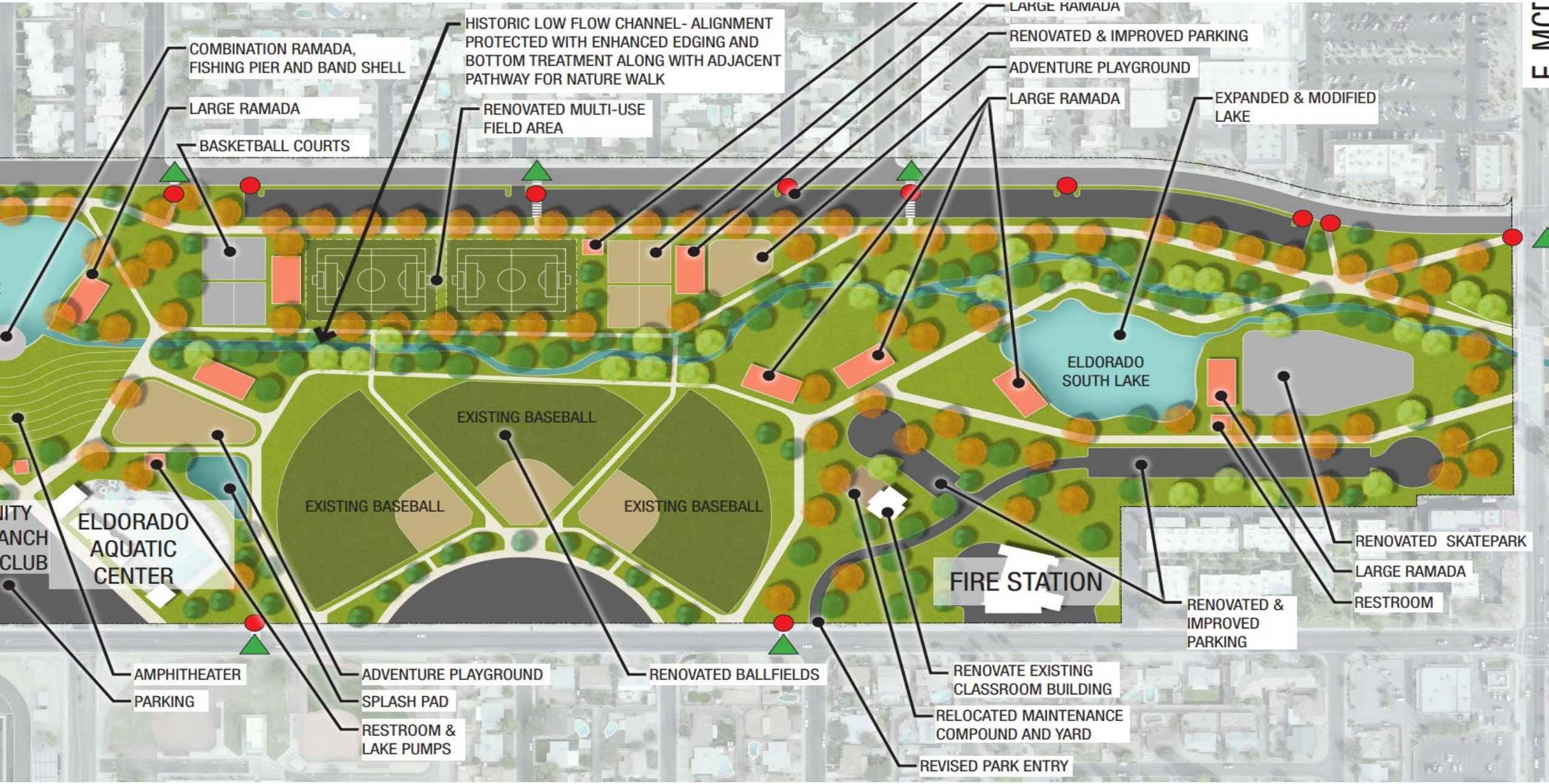


- Restroom remodel
- Multi-use path and ADA improvements
- New shade and mature trees
- New ramadas
- Renovate soccer and softball fields
- Replace skate parks
- Building consolidation/multi-generational center
- Adaptive/signature playground
- Splashpads
- Dog parks
- Tennis and Pickleball courts
- Sport court improvements (volleyball and basketball)
- Amenity and site improvements
- Irrigation repairs
- Landscaping improvements
- Parking lot improvements
- Wayfinding
- Park based security cameras
- Connectivity enhancements
- Other improvements identified through Master Plans

Priority for Indian Bend Wash Parks

- Eldorado Park (57yrs old) and Vista Del Camino Park (53yrs old)– Master Plan completed and approved in 2019/2020
- Indian School Park (44yrs old) - Master Plan underway, expected completion 2024
- Chaparral Park (51yrs old)
- Camelback Park (21yrs old)

Example List of Projects from Master Plan



One-Time Funding for WestWorld Critical Improvement Needs



Drainage

Shade

Paving

Access



2.

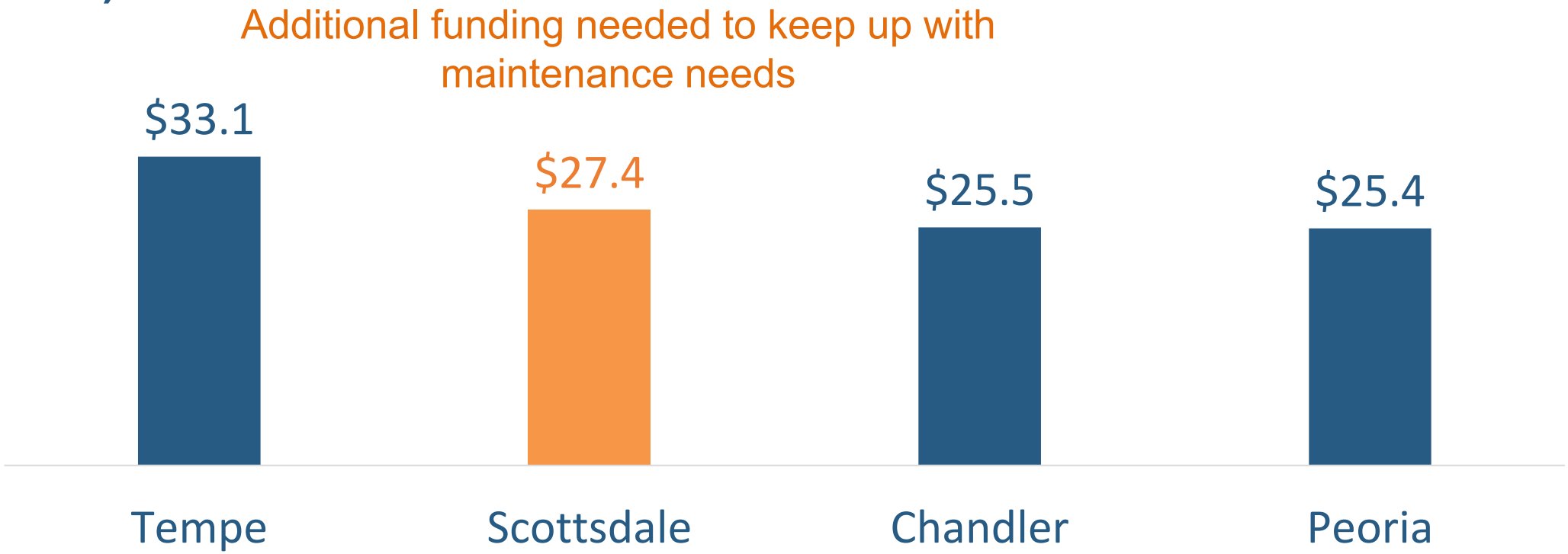
Additional Maintenance and Protection for Parks and Preserve





Parks and Recreation Operating Budgets (FY2024)

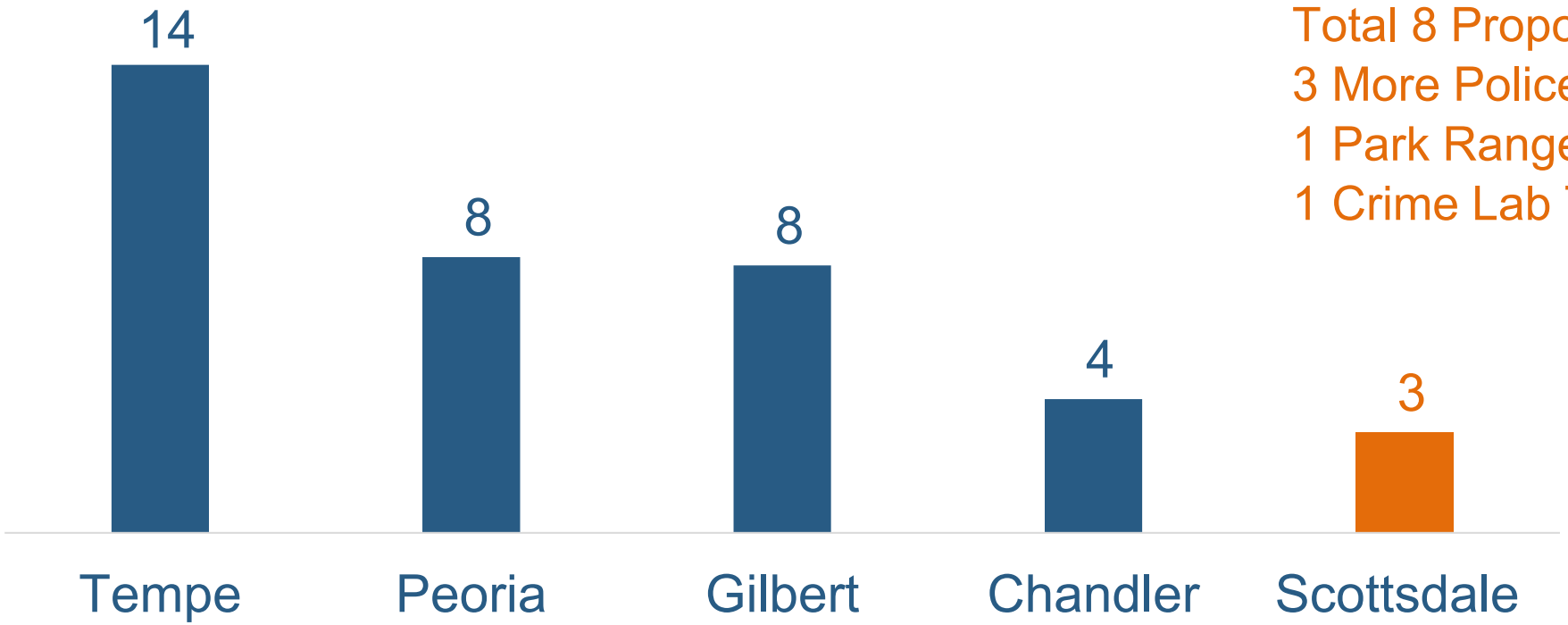
(in millions)



Total Park Acreage	1,519	982	1,317	593
Number of Parks	50	44	69	39
Comm./Rec Centers	7	6	5	2
Sports Courts	48	118	47	59
Aquatic Facilities	4	4	6	3
Stadium	1	1	-	1

Source: FY2023-24 Adopted Budgets and FY2022-23 Annual Comprehensive Financial Reports
Amounts exclude park administration, libraries, arts and cultural services, WestWorld and Preserve.

Current Park Ranger Program FTEs



Total 8 Proposed:
3 More Police Park Rangers
1 Park Ranger Sergeant
1 Crime Lab Tech

Total Park Acreage	1,519	593	693	1,317	982
Number of Parks	50	39	23	69	45
Preserve Acres					30,580

Source: Full Time Equivalents (FTEs) obtained from FY2023-24 Adopted Budgets and park acres obtained from FY2022-23 Annual Comprehensive Financial Reports

3.

Dedicated Funding For McDowell Sonoran Preserve and Fire Fuel Mitigation



30,500 Acres of Preserve to Care For











Wildlife Habitat Protection
Invasive Plant Treatment
Fire Fuel Mitigation
Archeological/Cultural History Protection
Daily Preserve Maintenance

On-Going Risks of Heavy Fire Fuel Loads and Technical Rescue Needs (Preserve and Citywide)



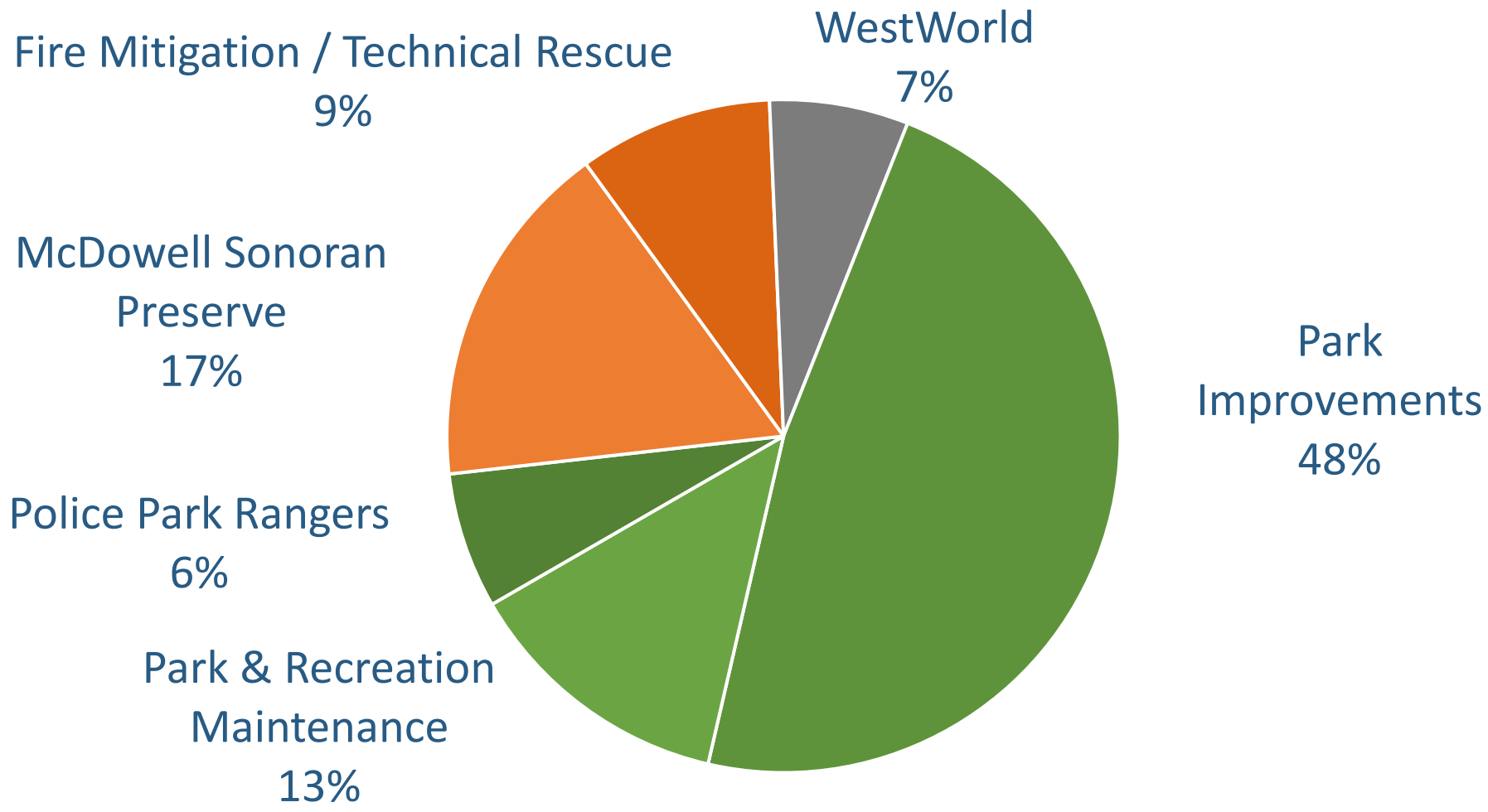


Brush Patrol
Chemical Treatment
Fire Fuel Management
Technical Rescue Team

How Will the 0.15% Tax Be Distributed?

Additional information provided in memo to Council dated March 4, 2024 regarding follow up information from February 27, 2024 Council work study

How 0.15% Tax Will be Used Over 30 Years



Based on 30-year forecast of revenues. Amounts may contain rounding differences

Annual Distribution By Ordinance

Amounts in Thousands

Current Annual 0.15% Tax Revenues*	**$**	**25,000**	
Annual Debt Payments for WestWorld**		(3,846)	
Net to be Allocated by %	**$**	**21,154**	
			Allocation %
Park Improvements		10,789	51%
Park & Recreation Maintenance		2,962	14%
Preserve Maintenance and Protection		3,808	18%
Police Park Rangers		1,481	7%
Fire Fuel Mitigation and Technical Rescue		2,115	10%
Total Revenues Allocated by %	**$**	**21,154**	**100.0%**

*Based on current sales tax revenues at a 0.15% rate

** WestWorld Improvements will be funded with 20 year Debt. Debt payments will not exceed $4.5M per Ordinance

What Is the Cost to Citizens?

Cost to Average Household

Current

$4.95/mth

current 0.20% tax



With Ballot Measure

$3.71/mth

proposed 0.15% tax



Source: Average cost based on Average Household Expenditures subject to sales tax of approximately $29,676 for FY2022-23 using Consumer Expenditure Survey for Phoenix-Mesa-Scottsdale MSA, U.S. Bureau of Labor Statistics September 2023 Release.

How Will Citizens Know that the Tax Will Be Spent As Approved by Voters?

Compliance and Controls

1. Restricted by Voter Approved Ballot and **Council Ordinance**
2. **Separate Fund Accounting** Required by Government Accounting Standards
3. **Oversight of Line-Item and Project Spending by Parks and Recreation Commission and McDowell Sonoran Preserve Commission**
4. **Council Approval of Annual Spending** through Budget Process
5. **Council Approval of Contracts** for Capital Projects
6. Year-end Audit by Independent CPA firm

What Happens If the 0.15% is Not Approved ?

Capital Funding for Major Asset Systems

Transportation System

- 0.20% Transportation Sales Tax
- 010% Arterial Life Cycle Sales Tax
- MAG Funding

Water and Sewer Systems

- Utility Rates
- Impact Fees
- 2% Asset Replacement Reserves

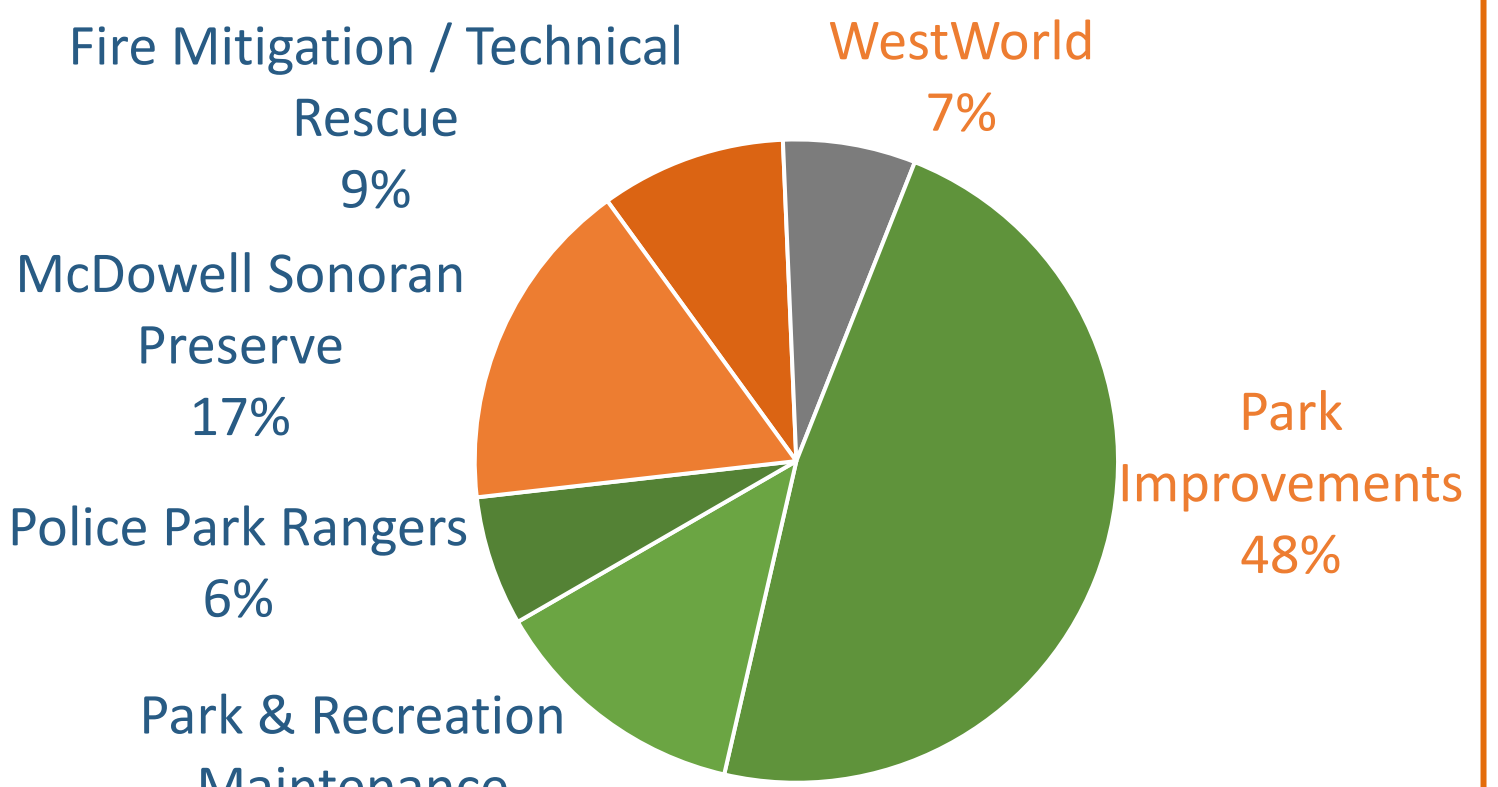
Parks and Recreation System and the Preserve

- General Fund
- Bond Programs
- ~~Proposed 0.15% Sales Tax~~

What If 0.15% Tax Is Not Approved?

Rely on General Fund

Cannot be Bonded



Rely on General Fund

Or

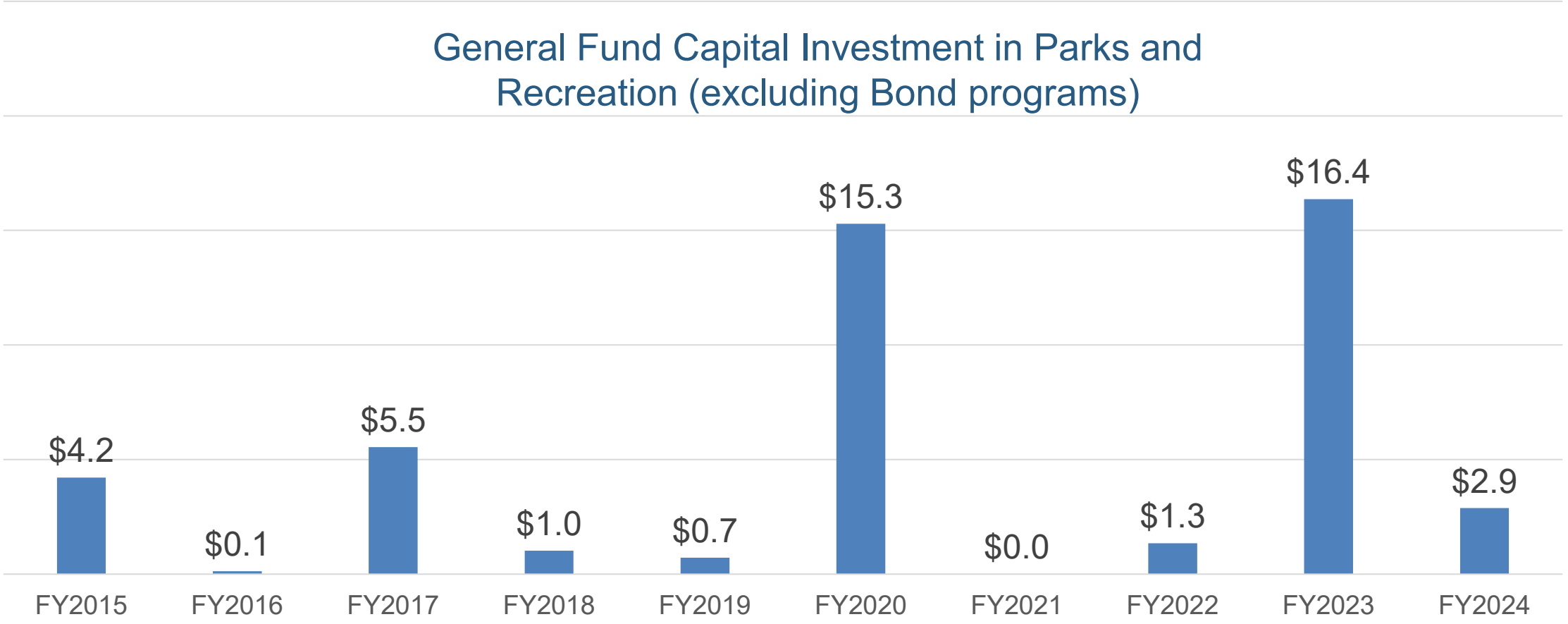
Future Bond Program

General Fund Limitations

1. Many competing needs, priority for core operations
2. Loss of residential rental tax revenues
3. Loss of state shared revenues
4. Limited growth in property tax revenues

Limited and Inconsistent Funding

Annual spending on capital replacements may not keep up with asset depreciation



Note: Amounts exclude stadium, senior centers, libraries, WestWorld and Preserve capital projects

Is There $200M+ of Surplus Money in the Preserve Tax Fund that Can be Used?

Preserve Tax Fund

- Fund Balance cannot be repurposed, must be used for land and capital improvements in the Preserve
- Preserve Taxes still needed for Debt Outstanding. Majority of debt at low interest rate of 1.3%.
- Voter approval required to repurpose future tax collections

Note: Information on Preserve Tax Fund Balance provided to Council in memos dated August 5,2022, February 23, 2024, and March 4, 2024

No Surplus Money
With Proposed 5-Year Plan for Preserve Tax Fund

	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
1995 0.20% Preserve Tax	$ 34	$ 33	-	-		can
2004 0.15% Preserve Tax	26	25	24	24	25	Sunset Tax
Interest earnings	2	5	4	3	3	1
Total Revenues	**62**	**63**	**28**	**27**	**28**	**1**
Debt Principal & Interest	(35)	(39)	(25)	(19)	(19)	(97)
Land/Capital Improvements*		(5)	(75)		-	
Total Expenses	**(35)**	**(44)**	**(100)**	**(19)**	**(19)**	**(97)**
Ending Fund Balance	**$ 137**	**$ 156**	**$ 84**	**$ 92**	**$ 101**	**$ 5**
Debt Outstanding at 6/30	**$ 185**	**$ 149**	**$ 128**	**$ 111**	**$ 95**	**$ -**

* Note: Amount and timing of land and capital improvements expenditures are based on current preliminary estimates and are subject to change upon final proposal of capital projects for Council consideration and approval.

0.15% Tax for 30 Years for Parks and Recreation and the Preserve

Ensures funding for capital reinvestment, and assures citizens and businesses of our commitment to maintain and protect these assets and the Scottsdale Quality of Life.

Current

8.05%

State and County
6.30%



City
1.75%



Represents current sales tax rate applied to taxable purchases

With Ballot Measure

8.00%

Effective 7/1/2025

State and County
6.30%



City
1.70%



Cost to Average Household

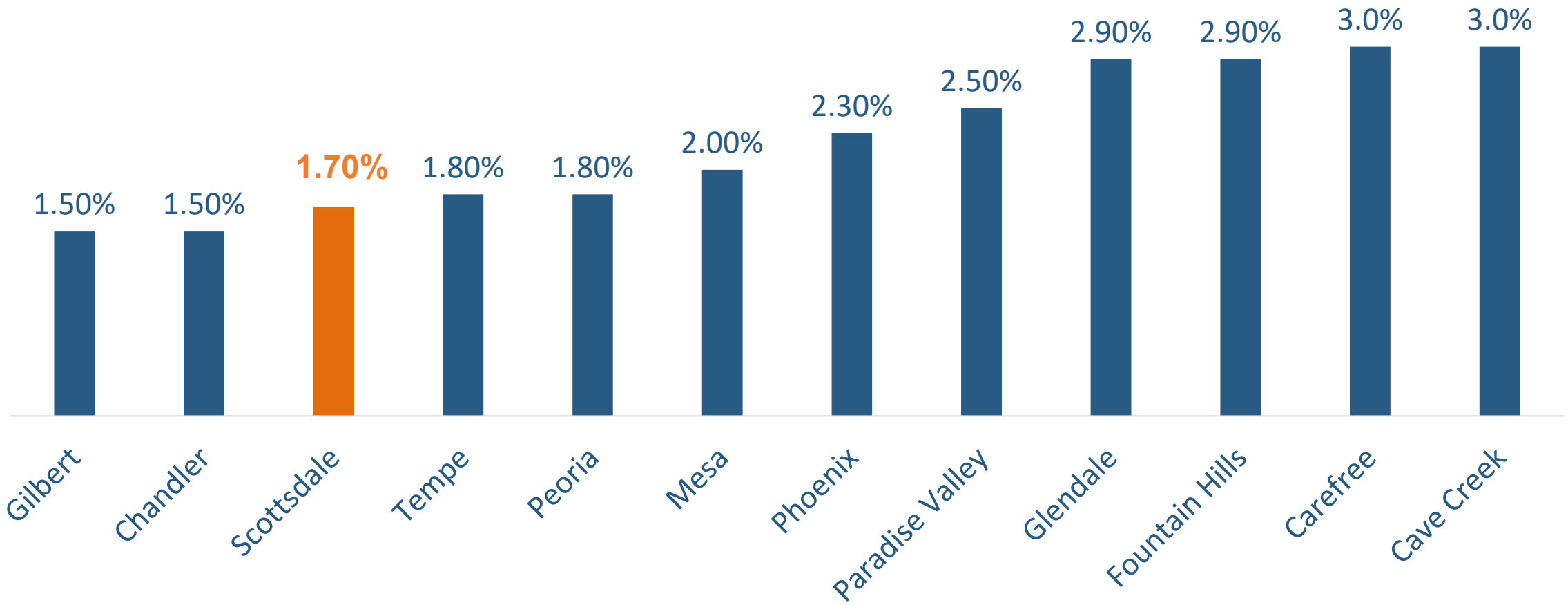
$3.71/mth



Source: Average monthly cost of 0.15% Tax based on Average Household Expenditures subject to sales tax of approximately $29,676 in 2022-23 using Consumer Expenditure Survey for Phoenix-Mesa-Scottsdale MSA, U.S. Bureau of Labor Statistics September 2023 Release.

City Sales Tax Rates With Ballot Measure

Effective 7/1/2025 assuming no changes in sales tax rates of comparison cities



Request Council Approve Resolution to Refer Ballot Measure to Voters

Ballot Language

Option A Full Text

OFFICIAL TITLE: A CITY CODE AMENDMENT TO EXTEND AND REDUCE SCOTTSDALE'S EXPIRING TRANSACTION PRIVILEGE AND USE TAX RATE SOLELY TO FUND: 1) IMPROVEMENTS AND MAINTENANCE FOR CITYWIDE PARKS AND RECREATIONAL FACILITIES; 2) MAINTENANCE AND PROTECTION FOR THE MCDOWELL SONORAN PRESERVE; AND 3) INCREASED POLICE AND FIRE RESOURCES RELATED TO CITYWIDE PARKS AND THE PRESERVE.

DESCRIPTIVE TITLE: Authorizes the City to extend and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years solely to fund the improvement, maintenance, and protection of Citywide Parks and Recreational Facilities, and the maintenance and protection of the Preserve as determined by ordinance.

A **"YES"** vote shall have the effect of authorizing the City to extend and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the sole purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve, with all being more specifically determined by City ordinance.

A **"NO"** vote shall have the effect of denying the City the authority to extend and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the sole purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve.

Option A

Tagline Text

SHALL SCOTTSDALE'S CURRENT 0.20% TRANSACTION PRIVILEGE AND USE TAX RATE, EXPIRING JUNE 30, 2025, BE REDUCED TO 0.15% AND EXTENDED FOR 30 YEARS SOLELY TO FUND IMPROVEMENTS, MAINTENANCE, AND INCREASED POLICE AND FIRE PROTECTION OF CITYWIDE PARKS, RECREATIONAL FACILITIES, AND THE PRESERVE AS DETERMINED BY CITY ORDINANCE?

Option B Full Text

OFFICIAL TITLE: A CITY CODE AMENDMENT TO REPLACE AND REDUCE SCOTTSDALE'S EXPIRING TRANSACTION PRIVILEGE AND USE TAX RATE SOLELY TO FUND: 1) IMPROVEMENTS AND MAINTENANCE FOR CITYWIDE PARKS AND RECREATIONAL FACILITIES; 2) MAINTENANCE AND PROTECTION FOR THE MCDOWELL SONORAN PRESERVE; AND 3) INCREASED POLICE AND FIRE RESOURCES RELATED TO CITYWIDE PARKS AND THE PRESERVE.

DESCRIPTIVE TITLE: Authorizes the City to replace and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years solely to fund the improvement, maintenance, and protection of Citywide Parks and Recreational Facilities, and the maintenance and protection of the Preserve as determined by ordinance.

A **"YES"** vote shall have the effect of authorizing the City to replace and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the sole purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve, with all being more specifically determined by City ordinance.

A **"NO"** vote shall have the effect of denying the City the authority to replace and reduce the current 0.20% transaction privilege and use tax rate, expiring in 2025, to 0.15%, for 30 years, effective July 1, 2025, for the sole purpose of: 1) improvements and maintenance for Citywide Parks and Recreational Facilities; 2) maintenance and protection for the McDowell Sonoran Preserve; and 3) increased Police and Fire resources related to Citywide Parks and the Preserve.

Option B

Tagline Text

SHALL SCOTTSDALE'S CURRENT 0.20% TRANSACTION PRIVILEGE AND USE TAX RATE, EXPIRING JUNE 30, 2025, BE REPLACED AND REDUCED TO 0.15% FOR 30 YEARS SOLELY TO FUND IMPROVEMENTS, MAINTENANCE, AND INCREASED POLICE AND FIRE PROTECTION OF CITYWIDE PARKS, RECREATIONAL FACILITIES, AND THE PRESERVE AS DETERMINED BY CITY ORDINANCE?

Ordinance

Ordinance No. 4633 mandates that all revenues shall be used to:

- Improve and maintain the City's Parks and Recreational Facilities (which includes limited WestWorld capital improvements)
- To maintain and protect the Preserve
- To increase Police and Fire resources related to Citywide Parks and the Preserve
- For the benefit of all geographic areas within the City, but with an emphasis on restoring and updating the Indian Bend Wash Greenbelt and other aged Parks

2025 0.15% Tax revenues shall be distributed as set forth below:

- 51% for City Parks improvement needs.
- 18% for McDowell Sonoran Preserve maintenance and protection.
- 14% for City Parks and Recreational Facilities maintenance (excluding WestWorld).
- 10% to the Scottsdale Fire Department for Citywide related needs within the purposes of the 2025 0.15% Tax, which specifically includes, but is not limited to, technical rescue team(s) for the McDowell Sonoran Preserve and City Parks and for fire fuel mitigation around the McDowell Sonoran Preserve and in and around the City Parks for the protection and maintenance of the McDowell Sonoran Preserve and City Parks.
- 7% for increased McDowell Sonoran Preserve and City Park Police ranger unit(s) and Park and McDowell Sonoran Preserve security.

Debt

- Debt may be used to fund capital improvements (for instance, debt will be issued for WestWorld capital improvements)
- Limited to no more than 4,500,000 annually
- Must be paid first pursuant to City policies

Oversight

- The City Treasurer will prepare an annual accounting of the 2025 0.15% Tax for the City Council for the life of the tax
- The Parks and Recreation Commission shall serve as oversight as it relates to the portion of the tax for Parks
- The McDowell Sonoran Preserve Commission shall serve as oversight as it relates to the portion of the tax for the Preserve
- The Council will have final approval within the confines of the ordinance and the ballot question language

Ordinance Effective Date

If the voters approve the 2025 0.15% Tax, the Ordinance shall be effective as of July 1, 2025.

Possible Additional Ordinance Provision

Section 5. This Ordinance cannot be modified except by an affirmative vote of at least 5 members of the City Council.

City Council Action Requested:

1. Adopt Resolution No. 13092

[Option A – “extend and reduce”

or

Option B – “replace and reduce”]

2. Adopt Ordinance No. 4633.

A. After Section (C) is satisfied, all other remaining 2025 0.15% Tax revenues shall be distributed as set forth below:
   - **51% for City Parks improvement needs.**
   - **18% for McDowell Sonoran Preserve maintenance and protection.**
   - **14% for City Parks, and Recreational Facilities maintenance (excluding WestWorld).**
   - **10% to the Scottsdale Fire Department for Citywide related needs within the purposes of the 2025 0.15% Tax, which specifically includes, but is not limited to, technical rescue team(s) for the McDowell Sonoran Preserve and City Parks and for fire fuel mitigation around the McDowell Sonoran Preserve and in and around the City Parks for the protection and maintenance of the McDowell Sonoran Preserve and City Parks.**
   - **7% for increased McDowell Sonoran Preserve and City Park Police ranger unit(s) and Park and McDowell Sonoran Preserve security.**

B. At the end of each year, any unused 2025 0.15% Tax revenues in each category listed in Section (A) will be carried forward for use in future years within the same category.

C. Debt may be used to fund capital improvements in accordance with the City's adopted financial policies (for instance, debt will be issued for WestWorld capital improvements). Notwithstanding Section (A) above, on an annual basis, the 2025 0.15% Tax revenues will be used to satisfy any debt requirements as required by bond covenants. **Debt requirements will be limited to no more than $4,500,000 of the 2025 0.15% Tax revenues on an annual basis**.

D. Beginning with the 2025/26 fiscal year end audited financial results, and continuing for the term of the 2025 0.15% Tax, **the City Treasurer will prepare an annual accounting of the 2025 0.15% Tax for the City Council.**

Section 2. A new Subsection (c)(4) is hereby added to Scottsdale Revised Code, Chapter 20 (Parks, Recreation and Cultural Affairs), Article I (General), Section 20-1 (Parks and Recreation Commission), as follows:

(c) **The Parks and Recreation Commission shall:**

. . . .

(4) For the term of the 2025 0.15% Tax described in Section 16-52 of the Scottsdale Revised Code, **serve as the citizens' oversight committee for the implementation of the 2025 0.15% Tax as it relates to the use of the 2025 0.15% Tax revenues for all park improvements, capital projects, and master plans relating to the use of the 2025 0.15% Tax with an emphasis on restoring and updating the Indian Bend Wash Greenbelt and other aged parks.**

The McDowell Sonoran Preserve Commission, with the assistance of City staff, shall be responsible for making recommendations to the City Council on the following matters:

(1) For the term of the 2025 0.15% Tax described in Section 16-52 of the Scottsdale Revised Code, **serving as the citizens' oversight committee for the implementation of the 2025 0.15% Tax as it relates to the use of the 2024 0.15% Tax revenues for maintenance and protection of the Preserve. Specifically, the McDowell Sonoran Preserve Commission shall review and recommend to City Council an annual budget proposal for use of the 2025 0.15% Tax revenues in accordance with master plans and strategies related to:**

(a) Wildlife habitat protection:

(i) Invasive Plant removal and management in the Preserve,

(ii) Wildland fire fuel reduction and management in the Preserve, and

(iii) Restoration of disturbed lands in the Preserve,

(b) Ecological resource plan and natural resource studies, projects, and awareness in support of the Preserve; and/or

(c) Cultural resource protection and management in the Preserve.

. . . .

Date: March 12, 2024

To: Honorable Mayor and City Council,
Sonia Andrews, City Treasurer, and
Jim Thompson, City Manager

From: Cynthia Wenstrom, Protect and Preserve Scottsdale Task Force Chair

Subject: Recommended Draft Ballot Language for 2025 0.15% Tax Rate Extension

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This memo is in response to a February 27, 2024 Council work study recommendation, where Council requested another draft option for the ballot language substituting the word "extend" with "replace".

In the February 27, 2024 Council work study, the Task Force recommended ballot language that described the proposed 2025 0.15% Tax as "extend and reduce Scottsdale's expiring transaction privilege and use tax". The language goes on to specify authority to "extend and reduce the current 0.20% transaction privilege tax and use tax rate, expiring in 2025, to 0.15%, for 30 years".

In the March 11, 2024 Regular Task Force meeting, members considered updates to the recommended ballot language for the proposed 2025 0.15% Tax.

The Task Force considered additional options and respectfully recommends that the Council use the previously drafted language. The Task Force consensus is that "extend" is appropriate, legal and easy to understand. "Extend" also implies the existence of a prior tax and the expanded purposes for which the proposed 2025 0.15% Tax would be used.

The Task Force determined that the word "replace" would imply that the tax is brand new and therefore an increase to the tax rate, which will lead to confusion.

Respectfully,

Cynthia Wenstrom

Cynthia Wenstrom, Protect and Preserve Scottsdale Task Force Chair

Kurth, Rebecca

From: Morgan McIlwain <mmcilwain7@icloud.com>
Sent: Thursday, March 28, 2024 7:56 AM
To: City Council
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ External Email: Please use caution if opening links or attachments!

Council Members -

Pleased support our parks and open space system by voting yes on this resolution. As an active cyclist, I am a regular user of our canals and paths and also feel it's facilities like these that make Scottsdale a special place to live, work and those who visit us.

Thank you for your attention to this important matter.

Morgan McIlwain
7127 E. Rancho Vista Dr. Unit 5008
Scottsdale, AZ

Sent from my iPad

Kurth, Rebecca

From: bpaynesq (null) <bpaynesq@aol.com>
Sent: Thursday, March 28, 2024 7:58 AM
To: City Council
Subject: City Patks

⚠ External Email: Please use caution if opening links or attachments!

Please keep preserves and recreational areas.
Barbara Payne
Sent from my iPhone

Kurth, Rebecca

From: Laura Schwartz <lschwartz27@gmail.com>
Sent: Thursday, March 28, 2024 7:59 AM
To: City Council
Cc: Mayor David D. Ortega
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ **External Email: Please use caution if opening links or attachments!**

City Council Members,

I was hiking from the Gateway Trailhead up to Bell Pass yesterday with out-of-town guests. We passed poppies, lupine, and numerous other wildflowers. We also passed at least two volunteer stewards of the park who were cheerfully moving rocks to re-direct the drainage of the next rain away from the trail.

The preserve and other city parks are in need of continuous investment to maintain the facilities and trails.

Please vote YES on Resolution 13092 so that voters have the opportunity to vote in 2024 to continue the funding for the exceptional city assets of the preserve, the green belt, and the parks.

Thank you,
Laura Schwartz

--
Laura Schwartz
602-881-7539

Kurth, Rebecca

From: Roz Wattel <bobnrozwattel@gmail.com>
Sent: Thursday, March 28, 2024 8:52 AM
To: City Council
Subject: Vote

⚠ External Email: Please use caution if opening links or attachments!

Hi,

I am a resident of Scottsdale. The parks and green areas surely enhance our quality of living. I urge you to vote yes on Resolution 13092.

Thank you. Roz Wattel

Kurth, Rebecca

From: Joan Jones <jrjones5949@gmail.com>
Sent: Thursday, March 28, 2024 9:08 AM
To: City Council

⚠ **External Email: Please use caution if opening links or attachments!**

Please vote yes on resolution 13092!!

Kurth, Rebecca

From: Ruth Landau <rlandau108@gmail.com>
Sent: Thursday, March 28, 2024 9:33 AM
To: City Council
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ External Email: Please use caution if opening links or attachments!

Dear City Council members:

I urge you to vote YES on Resolution 13092! There is no doubt that Scottsdale's Preserve, Greenbelt, parks, and open spaces are some of the defining characteristics of our great city. These are what will strongly contribute to attracting the individuals and businesses who will visit, reside at, occupy, and work in all those new homes, condos, apartments, hotels, office complexes, and medical facilities that are pouring into our city. They are widely enjoyed by and a source of great pride to our residents. We need to ensure through our tax planning that there will be sufficient funds in the future for their maintenance, improvement, and protection.

Thank you!

Ruth Landau
A long-time Scottsdale resident

Kurth, Rebecca

From: Raymond Lazar <rmlazar39@gmail.com>
Sent: Thursday, March 28, 2024 10:46 AM
To: City Council
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction"

⚠ **External Email: Please use caution if opening links or attachments!**

Please vote otpreserve our parks!

Thank you

Raymond M. Lazar

7121 E. Rancho Vista Drive
Unit No.4008
Scottsdale AZ 85251
Cell: 612-961-4761
rmlazar39@gmail.com

Kurth, Rebecca

From: SUZAN AUSTIN <suzanaustin@cox.net>
Sent: Thursday, March 28, 2024 10:57 AM
To: City Council
Subject: YES on Resolution 13092

⚠ **External Email: Please use caution if opening links or attachments!**

Scottsdale City Council members,

I hope that you will vote YES on Resolution 13092 to preserve the tax extension and reduction by authorizing the ballot question.

Thank you,

Suzie Austin, Chair of the Kingston Committee of Scottsdale Sister Cities Association
480-947-2089 home
602-980-3304 cell
suzanaustin@cox.net

Kurth, Rebecca

From: Monica Case <mcase0510@yahoo.com>
Sent: Thursday, March 28, 2024 12:59 PM
To: City Council
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ **External Email: Please use caution if opening links or attachments!**

Please Vote YES to protect our Scottsdale Parks and open spaces as they are part of what makes Scottsdale a great place to live!

Thank you,
Monica Case
6350 N 78th St Unit 256
Scottsdale, AZ 85250

Kurth, Rebecca

From: Dana Schneider <danaschneider24@gmail.com>
Sent: Thursday, March 28, 2024 5:48 PM
To: Mayor David D. Ortega; City Council
Subject: Sales Tax - Protect & Preserve Scottsdale

⚠ **External Email: Please use caution if opening links or attachments!**

Hello,

Please place the "Protect & Preserve Scottsdale" sales tax replacement and reduction measure on the ballot at the April 2, 2024 City Council Meeting.

Thank you,

Dana Schneider
4020 N 85th St.
Scottsdale, AZ 85251

Kurth, Rebecca

From: kip.merritt@gmail.com
Sent: Thursday, March 28, 2024 5:57 PM
To: Mayor David D. Ortega; City Council
Subject: Replacement Sales Tax

⚠ External Email: Please use caution if opening links or attachments!

Dear Mayor Ortega and Council,

Please support placing the “Protect and Preserve Scottsdale” sales tax replacement measure on the ballot.

Thank you,
Kip Merritt

Kurth, Rebecca

From: Vanessa <protour@aol.com>
Sent: Thursday, March 28, 2024 8:26 PM
To: City Council
Subject: YES on Resolution 13092 at the April 2nd Council meeting

⚠ **External Email: Please use caution if opening links or attachments!**

Please Extend Your Support for the Parks and Preserves by voting YES on Resolution 13092 at the April 2nd Council meeting

Scottsdale's preserve and open spaces are one of the reasons to LOVE Scottsdale, why I want to live here!!

Many thanks,
H. Vanessa Goldberg
2500 N. Hayden Rd.
Scottsdale, AZ 85257

Kurth, Rebecca

From: Erin Nicoletti <tinyfightsforamerica@gmail.com>
Sent: Thursday, March 28, 2024 8:40 PM
To: City Council
Subject: Vote Yes on Res 13092

⚠ **External Email: Please use caution if opening links or attachments!**

To whom it may concern,

Please vote YES on Resolution 13092 to preserve the tax extension and reduction by authorizing the ballot question. Our parks and open spaces are some of the most precious assets of our city. Without them we would lose so much beauty and uniqueness of our city.

Thank you for your time

Erin

Kurth, Rebecca

From: Susan Ansley <susanansley@gmail.com>
Sent: Friday, March 29, 2024 7:14 AM
To: City Council
Subject: Yes on the preserve

⚠ **External Email: Please use caution if opening links or attachments!**

Please vote YES!!!

Thank you,
Susan Ansley
7603 E Nogales Rd, Scottsdale, AZ 85258

Kurth, Rebecca

From: Ethelyn Cohen <ethelyncohen@gmail.com>
Sent: Saturday, March 30, 2024 1:55 PM
To: City Council
Subject: "Vote Yes on Res 13092 - Preserve Tax Extension and Reduction"

⚠ External Email: Please use caution if opening links or attachments!

Please do the right thing by voting YES. We are counting on you to protect our communities.

Ethelyn Cohen
Scottsdale, AZ. 85251

Kurth, Rebecca

From: Patricia <patricialbrooks@cox.net>
Sent: Sunday, March 31, 2024 7:20 AM
To: City Council
Subject: VOTE YES 13092

⚠ **External Email: Please use caution if opening links or attachments!**

Thank you for taking care of Scottsdale. I've live in Scottsdale 36years. I lived 12 years in Tempe before that, this is important to me and my husband. 🌵💛😊

Patricia L. Brooks, MAOM
President/founder
Scottsdale Society of Women Writers👠
www.brooksgoldmannpublishing.com

Award winning author of:

🍷Sick as My Secrets

💔Gifts of Sisterhood
journey from grief to gratitude

💋Three Husbands and a Thousand Boyfriends

480-250-5556
patricia@plbrooks.com
Sent from my IPhone‼

Kurth, Rebecca

From: Colleen Willhite <crwillhite@gmail.com>
Sent: Sunday, March 31, 2024 7:46 AM
To: City Council
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ **External Email: Please use caution if opening links or attachments!**

The McDowell Sonoran Preserve is a treasure- I hike there regularly and always take visitors for hikes there.

Please support this wonderful resource.

Colleen Willhite

Kurth, Rebecca

From: David Patchen <dpatchen@maintrax.com>
Sent: Sunday, March 31, 2024 7:58 AM
To: City Council
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ **External Email: Please use caution if opening links or attachments!**

Scottsdale's parks and open spaces increase the value of our properties and our quality of life. Please continue to support the funding necessary to maintain them.

David Patchen
11483 E. Beck Lane
651-470-7766

Kurth, Rebecca

From: Peggy Klein <peggyhklein@gmail.com>
Sent: Sunday, March 31, 2024 9:11 AM
To: City Council
Cc: Jared Klein
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction"

⚠ External Email: Please use caution if opening links or attachments!

Dear City Council members,

Please voter YES on Resolution 13092.

As Scottsdale residents, we value the preserve and parks as a major impetus for living in this city. These areas need to be protected and maintained for the enjoyment of all who use them as well as the overall economic health of our city.

Thank you for voting YES!

Jared and Peggy Klein

7161 East Rancho Vista Drive, #7005
Scottsdale. 85251

Kurth, Rebecca

From: Debra Owen <debraowen@usa.net>
Sent: Sunday, March 31, 2024 9:21 AM
To: City Council
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ External Email: Please use caution if opening links or attachments!

Dear Scottsdale City Council Members,

As a 40 year resident of Scottsdale I urge you to vote yes on Res 13092. The McDowell Sonoran Preserve and Scottsdale green space are a major part of what makes Scottsdale a desirable place to live and visit.

Debra Owen
7777 E. Heatherbrae Ave., #128
Scottsdale, AZ 95251
602-751-8631

Kurth, Rebecca

From: Gary Knopp <gwknopp@gmail.com>
Sent: Sunday, March 31, 2024 9:30 AM
To: City Council
Subject: Tax renewal

⚠ **External Email: Please use caution if opening links or attachments!**

Hello

We urge you to retain the tax supportive of our greenbelt and parks. Quality of life in Scottsdale is vital to our community. Please retain this measure. We can afford it.

Gary Knopp
41431 106th St
Scottsdale 85262

Kurth, Rebecca

From: Laureine Greenbaum <lkg029@gmail.com>
Sent: Sunday, March 31, 2024 9:37 AM
To: City Council
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ External Email: Please use caution if opening links or attachments!

Sent from my iPad

Kurth, Rebecca

From: koopgek@yahoo.com
Sent: Sunday, March 31, 2024 9:36 AM
To: City Council; Mayor David D. Ortega
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ **External Email: Please use caution if opening links or attachments!**

Dear Council Members and Mayor Ortega:

One of the main reasons for moving to Scottsdale was the parks and open spaces, especially the McDowell Sonoran Preserve. We often hike in that area and always bring visitors and guests there to show off our beautiful environment.

This should be be obvious to all of us Scottsdale residents, but please do all you can to help preserve and protect these city assets now and into the future. This tax extension is a very small price to pay for such an important feature of our town.

Sincerely,
Steven Coutinho

Kurth, Rebecca

From: Jan Perozeni <jpzenizeni@gmail.com>
Sent: Sunday, March 31, 2024 10:04 AM
To: City Council
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ External Email: Please use caution if opening links or attachments!

Protect the parks and open areas in Scottsdale.

Once the desert is gone…it is gone forever.

Thanks.

Jan Perozeni Corbus

Kurth, Rebecca

From: Jean Miyake <jean.miyake@yahoo.com>
Sent: Sunday, March 31, 2024 10:13 AM
To: City Council
Subject: Vote Yes on Resolution 13092 for Preserve and Parks

⚠ **External Email: Please use caution if opening links or attachments!**

As a Scottsdale resident I fully support the continued funding at the current levels for our Parks and Preserve.

I, like many other residents of Scottsdale, use the facilities for exercise and enjoyment. We the nearby Parks we don't have to travel miles. It is a health issue as much as it is for recreation needs.

Keep the funding where it is.

Jean Miyake, MD
Scottsdale

Kurth, Rebecca

From: Lois Sugar <loshug@cox.net>
Sent: Sunday, March 31, 2024 10:06 AM
To: City Council
Subject: Yes on Res.13092

⚠ External Email: Please use caution if opening links or attachments!

Dear City Council members,
My husband and I live in Scottsdale partly because of the wonderful open spaces and city parks. Whether it's tennis, swimming, or simply strolling through a "green" area in our community, we value this beyond measure. The quality of life in Scottsdale is deeply enhanced by our parks and natural environment.
Please keep the funding in place to support that.
Thank you,
Lois Sugar

Kurth, Rebecca

From: Judy Cunningham <jazzjudy826@gmail.com>
Sent: Sunday, March 31, 2024 10:42 AM
To: City Council
Subject: Res 13092

⚠ **External Email: Please use caution if opening links or attachments!**

Please vote YES on Res 13092- the Preserve tax extension & reduction. Thank you. Judy Cunningham, resident.

Kurth, Rebecca

From: eileen goldman <eyeleen45@gmail.com>
Sent: Sunday, March 31, 2024 11:10 AM
To: City Council
Subject: Vote Yes on Res 13092

⚠ **External Email: Please use caution if opening links or attachments!**

Our parks are wonderful, and provide beautiful and healthy ways to enjoy our community.

Eileen Goldman
13594 E Onyx Ct, Scottsdale, AZ 85259
eyeleen45@gmail.com

Kurth, Rebecca

From: Kim Hammons <khammons2@gmail.com>
Sent: Sunday, March 31, 2024 11:18 AM
To: City Council
Subject: Scottsdale Parks & Preserve

⚠ External Email: Please use caution if opening links or attachments!

I'm an a Scottsdale resident and thoroughly enjoy the facilities and beauty of the area's parks and open spaces. I also frequently hike in and love the McDowell Sonoran Preserve. I wholeheartedly urge you to continue to protects these assests that make our city the special place it is!

Thank you,
Kimberly Hammons

Sent from my iPhone

Kurth, Rebecca

From: Baron Smith <baronrunsfast@gmail.com>
Sent: Sunday, March 31, 2024 12:24 PM
To: City Council
Subject: McDowell Sonoran Preserve Sales Tax

⚠ **External Email: Please use caution if opening links or attachments!**

Dear Scottsdale City Council,

I am a longtime resident and regularly use the wonderful outdoor recreation areas we have at our doorstep - the McDowell Sonoran Preserve, Greenbelt and city parks. These natural resources are a significant part of our city's identity, character and culture of health. To keep them in good shape, we have to spend money on them. This is well-spent money - it is an investment in our present and future enjoyment of where we live. Please vote to extend the sales tax.

Baron Smith

Kurth, Rebecca

From: LAURA MILLER <lauramiller0704@icloud.com>
Sent: Sunday, March 31, 2024 1:25 PM
To: City Council
Subject: Vote yes on 13092

⚠ External Email: Please use caution if opening links or attachments!

Please vote yes on this resolution to protect Scottsdale parks.

Laura Miller
Sent from my iPad

Kurth, Rebecca

From: Katherine Martin <kemartin67@gmail.com>
Sent: Sunday, March 31, 2024 4:31 PM
To: City Council
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ **External Email: Please use caution if opening links or attachments!**

To Whom it may concern:

Please vote yes on this to help preserve Scottsdale's city and parks. I moved here in 2000 to be near the Greenbelt. My daughters spent many years swimming for Scottsdale Aquatics Club at Cactus Park and Aquatics center. We choose to send our kids to SUSD public schools at Anasazi, Mountainside Middle School and Desert Mountain high school in part because of their lovely setting at the base of the McDowell Mountains, and we have hiked Lost Dog Trailhead many many times.

Without these parks Scottsdale would not be the same.

Sincerely,

Katherine Martin

Kurth, Rebecca

From: NEIL RAYES <nrayes100@msn.com>
Sent: Sunday, March 31, 2024 9:49 PM
To: City Council
Subject: Please vote yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ **External Email: Please use caution if opening links or attachments!**

Please vote to place Res 13092 on the ballot so that Scottsdale's mountain preserves, green belts, city parks and open spaces will have a defined source of funding to assure their continued existence. Scottsdale wouldn't be Scottsdale without them.

Thank you.
Neil Rayes
23557 N. 80th Way
Scottsdale 85255

Kurth, Rebecca

From: Kathryn Heiser <kpheiser@gmail.com>
Sent: Sunday, March 31, 2024 10:11 PM
To: City Council
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ **External Email: Please use caution if opening links or attachments!**

Please vote yes on Resolution 139092.
Scottsdale's parks and open spaces, including the McDowell Sonoran Preserve, are such a treasure. My husband and I go hiking and biking every week, and are proud to take our many visitors to them as well

Kathryn Heiser
10040 E Happy Valley Rd #497, Scottsdale, AZ 85255

Kurth, Rebecca

From: Leslie Gordon <leslie.gordon@2m.com>
Sent: Sunday, March 31, 2024 10:38 PM
To: City Council; Mayor David D. Ortega
Subject: Please Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ **External Email: Please use caution if opening links or attachments!**

Please, please support the McDowell Sonoran Preserve!

As you all know, Scottsdale's McDowell Sonoran Preserve (MSP) is the largest urban preserve in the United States, encompassing over 30,000 acres of land set aside in perpetuity by the City of Scottsdale, Arizona.

That is a real treasure to preserve! It's not just the hiking, biking, education resource for our upcoming generations, scientific research through The Parsons Field Institute at the McDowell Sonoran Conservancy, it's life in the Preserve. It's the nocturnal migration passageway for animals in a very crowded Scottsdale. It's their survival and ultimately our physical and mental survival.

Please don't let us all down. The MSP needs to be protected, forever as it was intended.

Thank you all for your service and hard work. Your efforts are noticed and appreciated.

Warmly,
🙏🙏🙏
Leslie Meyerson Gordon *she/her/hers(why?)*
leslie.gordon@2m.com
480-215-0253

Kurth, Rebecca

From: Debbie Mitchell <mitchell9353@gmail.com>
Sent: Monday, April 1, 2024 7:18 AM
To: City Council
Subject: Vote Yes on Res 13092

⚠ **External Email: Please use caution if opening links or attachments!**

Vote Yes on Res 13092tge mountain preserve is the most important feature we have in Scottsdale. Everything else can be man-made in almost any location in the US.
Debbie Mitchell

Kurth, Rebecca

From: Karen Guinn <kagguinn@aol.com>
Sent: Monday, April 1, 2024 8:24 AM
To: City Council
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ **External Email: Please use caution if opening links or attachments!**

Good morning Mayor Ortega and Council:

Please protect the McDowell Sonoran Preserve with this initiative. I love walking my dachshunds at Browns ranch. It is so peaceful and a great get-away.

I love our parks and want to see them funded for the next 30 years.

In good health,

Karen Guinn
503-449-8997
Quality Travel Solutions
karen@qualitytravelsolutions.com

Kurth, Rebecca

From: L Leitner <leit735@outlook.com>
Sent: Monday, April 1, 2024 3:12 PM
To: City Council
Subject: FW: Protect and Preserve Vote

⚠ **External Email: Please use caution if opening links or attachments!**

Recently the residents of Legend Trail were introduced to a new ballot item funding for police, fire, and our parks. There were close to 100 hundred Legend Trail residents at this meeting and no one thought the small increase to implement this ballot item was an issue.

Legend Trail is a certified Firewise Community and protecting the preserve and neighboring homes from fire is a community priority.

I am very confident I speak for many in Legend Trail that want the Protect and Preserve measure on the November ballot so voters can decide on the funding for police, fire, and our parks.

Larry Leitner
Legend Trail Board of Director

Kurth, Rebecca

From: Larry Leitner <lleit65@gmail.com>
Sent: Monday, April 1, 2024 2:44 PM
To: City Council
Subject: Protec and Preserve Vote

⚠ **External Email: Please use caution if opening links or attachments!**

Recently the residents of Legend Trail were introduced to a new ballot item funding for police, fire, and our parks. There were close to 100 hundred Legend Trail residents at this meeting and no one thought the small increase to implement this ballot item was an issue.

Legend Trail is a certified Firewise Community and protecting the preserve and neighboring homes from fire is a community priority.

I am very confident I speak for many in Legend Trail that want the Protect and Preserve measure on the November ballot so voters can decide on the funding for police, fire, and our parks.

Larry Leitner
Legend Trail Board of Director

Kurth, Rebecca

From: Michael Klein <michaellklein@yahoo.com>
Sent: Monday, April 1, 2024 2:20 PM
To: City Council
Subject: 'm asking each Council member to vote YES this week to put the Protect the Preserve issue on the ballot

⚠ **External Email: Please use caution if opening links or attachments!**

To the Mayor and Council Members:

Please vote yes for the preserve tax issue to be on our ballot. The proposed cut and extension of the tax will ensure that our city continues to be one of the most attractive cities in the country for relocating individuals and families.

Further, by voting no to put the issue on the ballot, you are deciding to:
1.) Burden property owners with the entire expense associated with expenses and services the sales tax would pay for, or
2.) Allow assets of the city to languish because funds will not be available to maintain or make replacements as needed in our parks and open spaces.

Frankly, I have no idea why anyone would vote no on this issue when about 25% of our sales tax is collected from people that do not live in our city and a no vote is a explicit vote to shift cost of services to residents instead of tourists and visitors.

Sincerely,

Michael Klein

Kurth, Rebecca

From: Ron Coronato <rcoronato@gmail.com>
Sent: Monday, April 1, 2024 1:34 PM
To: City Council
Subject: Resolution 13092

⚠ External Email: Please use caution if opening links or attachments!

Please vote YES on the above as we Scottsdale residents need this to maintain a vibrant city. Our Parks and Recreation facilities and programs are wonderful. Thank you.
Ronald and Gail Coronato
5686 E Red Bird
Scottsdale 85266

Sent from my iPhone

Kurth, Rebecca

From: Cheryl Clarkin <clarkinwest@gmail.com>
Sent: Monday, April 1, 2024 9:53 AM
To: City Council
Subject: Vote yes on res 13092

⚠ External Email: Please use caution if opening links or attachments!

We use the McDowell Sonoran Preserve multiple times a week and take pride in the quality of the trails and trail heads. We also notice the steady stream of tourists that use it. It is one of Scottsdale main attractions. Please support its funding.
It is a small price to pay for the jewel of Scottsdale.

Cheryl Clarkin

Sent from my iPhone

Kurth, Rebecca

From: Amy Arnold <amyarnoldaz@gmail.com>
Sent: Monday, April 1, 2024 9:39 AM
To: City Council
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ External Email: Please use caution if opening links or attachments!

Councilmembers,

I support Resolution 13092 - Preserve Tax Extension and Reduction - that will be on the agenda for tomorrow night's meeting.

One of things I love the most about Scottsdale is the hiking trails in the preserve. I've been hiking these trails for decades and understand the importance of improving, maintaining and protecting them.

I also understand the importance of improving, maintaining and protecting the city's parks and recreational facilities. I've been a lap swimmer at the McDowell Mountain Ranch Aquatic Center for decades as well.

I moved to Scottsdale from Fountain Hills three years ago to be closer to these amenities, especially the aquatic center. If we don't protect them, the quality of life in Scottsdale will go down.

I love Scottsdale! Please keep it top notch. Vote yes tomorrow night!

Sincerely,

Amy Arnold
Scottsdale Resident

Kurth, Rebecca

From: David Vought <david.vought5@gmail.com>
Sent: Monday, April 1, 2024 2:15 PM
To: City Council
Subject: Restore S. Scottsdale Funding for Police, Parks, and Fire

⚠ **External Email: Please use caution if opening links or attachments!**

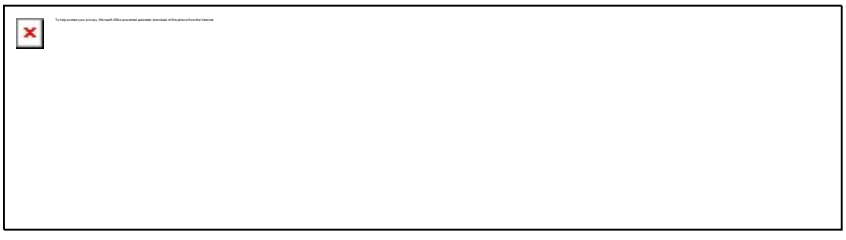
To Mayor Orgeta and the council members,

I have lived in S Scottsdale since 1987 and have seen plenty of change. As a long time Scottsdale resident, I am asking that you enthusiastically vote YES on Tuesday for both the Protect & Preserve and Expenditure Limit questions. The modest tax extension at a lower rate is needed to restore funding for S. Scottsdale parks, to add police presence in our parks, and fund fire department resources. Southern voters twice approved taxes to purchase and preserve the land in the McDowell Sonoran Preserve. We are now asking for the opportunity to vote on a tax extension that upkeep our parks and keep all residents safer with increased police and fire resources.

As a realtor that welcomes so many snowbirds to our magnificent city, I see and hear first hand what draws these folks to Scottsdale. It goes beyond the amazing events and spring training. They all want to be outside during our winters and all want to have safe, clean and well maintained parks with which to enjoy this crucial activity. Simply put, all residents like myself want the same.

I graciously ask for your support with these measures and to please support South Scottsdale residents by voting YES.

Respectfully,



From: Morales, Isol
Sent: Monday, April 1, 2024 1:23 PM
To: Kurth, Rebecca
Subject: FW: Please support resolution 13092 - Preserve Tax Extension and Reduction

From: Julie Karcis <jkarcis.az@gmail.com>
Sent: Saturday, March 30, 2024 10:09 AM
To: Mayor David D. Ortega <dortega@scottsdaleaz.gov>; Whitehead, Solange <swhitehead@scottsdaleaz.gov>; Caputi, Tammy <tcaputi@scottsdaleaz.gov>; Graham, Barry <bgraham@scottsdaleaz.gov>; Durham, Thomas <tdurham@scottsdaleaz.gov>; Janik, Betty <bjanik@scottsdaleaz.gov>; Littlefield, Kathy <klittlefield@scottsdaleaz.gov>
Subject: Please support resolution 13092 - Preserve Tax Extension and Reduction

⚠ **External Email: Please use caution if opening links or attachments!**

Hello -

One of the things that we especially enjoy about Scottsdale is the easy availability of outdoor open spaces. Please vote YES on resolution 13092 at the Council meeting on April 2.

Many thanks from a longtime Scottsdale resident.

Julie Karcis

7731 E Mariposa Dr

Scottsdale, AZ 85251

Kurth, Rebecca

From: Karen Marchi <ksm21@cox.net>
Sent: Monday, April 1, 2024 5:32 PM
To: City Council
Subject: Protecting Scottsdale's Green Space

⚠ **External Email: Please use caution if opening links or attachments!**

Please vote to place Res 13092 on the ballot so that Scottsdale's mountain preserves, green belts, city parks and open spaces will have a defined source of funding to assure their continued existence. As a resident, these spaces enhance life and provide many opportunities for staying active and healthy. Additionally, our beautiful open spaces and nature preserves draw visitors, who then provide revenue to local businesses.

Karen Marchi
23557 N 80th Way
Scottsdale 85255

Kurth, Rebecca

From: Victoria Kauzlarich <vkauzlarich@yahoo.com>
Sent: Monday, April 1, 2024 10:05 PM
To: City Council
Subject: Vote Yes on Res 13092 - Preserve Tax Extension & Reduction

⚠ **External Email: Please use caution if opening links or attachments!**

Dear Members of the Scottsdale City Council,

I'm writing to you to encourage all of you to vote "yes" on Res 13092 at tomorrow night's meeting.

I know that you've spent a long time getting to this vote. It's now time to turn the matter over to our voters to decide this question - whether to extend the tax increase many voters fought for so many years ago. Continuing this tax continues our ongoing investment in our community.

Your "yes" vote will enable voters to decide whether to invest in our future. We will get a return on that investment - of greater public safety in our parks and in the preserve.

If you vote to delay, that's is no better than a "no" vote.

Our voters are smart, capable and heavily invested in our community. They know intuitively that extending a tax at $3.71/mo represents a great value for the future of our city.

Our city parks and open spaces set Scottsdale apart from other communities in the valley. They are why my husband and I moved here. We need to protect and maintain these assets well into the future.

Thank you for your consideration and I welcome your endorsement of this initiative.

Victoria Kauzlarich, Scottsdale resident

Kurth, Rebecca

From: karen_russo@cox.net
Sent: Tuesday, April 2, 2024 10:11 AM
To: City Council; Mayor David D. Ortega
Subject: Vote Yes on Res 13092 - Preserve Tax Extension and Reduction

⚠ **External Email: Please use caution if opening links or attachments!**

Our Scottsdale parks and open spaces make this such a precious and beautiful place to live!
Karen

Karen Russo
5637 N 78th Way
Scottsdale AZ 85250
Karen_russo@cox.net
602.571.4859

Kurth, Rebecca

From: Steven Jackson <jaacson2014@gmail.com>
Sent: Tuesday, April 2, 2024 11:57 AM
To: City Council
Subject: Proposed Ballot Measure

⚠ **External Email: Please use caution if opening links or attachments!**

Good morning,

My name is Steven Jackson, I'm a Scottsdale resident, attorney, and currently serve on the Veterans Advisory Commission. I am asking that the council approve the recommendation from the protect and preserve task force in agenda item 14 to send the proposed ballot measure forward.

Kind regards,

Steven Jackson

From: Morales, Isol
Sent: Tuesday, April 2, 2024 11:16 AM
To: Kurth, Rebecca
Subject: FW: Waterfront Resident: Restore S. Scottsdale Funding for Police, Parks, and Fire.

From: peterpalmer2008@gmail.com <peterpalmer2008@gmail.com>
Sent: Tuesday, April 2, 2024 10:40 AM
To: Mayor David D. Ortega <dortega@ScottsdaleAz.gov>
Subject: Waterfront Resident: Restore S. Scottsdale Funding for Police, Parks, and Fire.

⚠ **External Email: Please use caution if opening links or attachments!**

Mayor Ortega

I understand you will be making decisions on the Scottsdale Funding for Police, Parks, and Fire. I've been following the both the protect and preserve as well as expanding the expenditure limits discussions. I personally support these efforts and would like to see them on the November ballot. So, requesting you vote yes and yes for both of these initiatives.

Fully understand you may have some concerns and before the November elections. If so I would like to understand your concerns to help me make a more informed vote this November.

Thank you for your continued efforts in leading our city.

Pete Palmer

E Pluribus Unum
Collaborate More Blame Less

From: davidnsmith2@aol.com
Sent: Tuesday, April 2, 2024 1:32 PM
To: Mayor David D. Ortega; Whitehead, Solange; Graham, Barry; Littlefield, Kathy; Durham, Thomas; Caputi, Tammy; Janik, Betty
Subject: Council Meeting April 2, 2024, agenda item #14
Attachments: 0.15% new Sales Tax.docx

⚠ **External Email: Please use caution if opening links or attachments!**

Mayor and members of Council,

I respectfully submit the attached comments for your consideration and for inclusion in the information packet related to Agenda Item #14 on your April 2, 2024 agenda.

Thank you.

David N. Smith

April 2, 2024

Mayor and members of Council,

I respectfully submit the following comments for your consideration and for inclusion in the information packet related to Agenda Item #14 on your April 2, 2024 agenda.

I recommend you **take no action** (reject or defer for further discussion) on the decision to impose a new 0.15% sales tax on July 1, 2025. The presentation you are relying upon is wrong and misrepresentative in at least three important respects:

1. Slide #38 is titled, "Cost to Average Household - $3.71/mth". In fact, the financial impact on the average Scottsdale household will be *substantially greater* than **$3.71/month!** Here's why:

    a. We're told to expect the new 0.15% sales tax will generate $24 million per year or about **$2 million/month**.

    b. Consider this: Scottsdale's citizen population is about 230,000, which computes to about **100,000 Scottsdale citizen households** *(assuming 2.3 individuals in each household, just to make the math easy!)*

    If all those Scottsdale citizen households pay $3.71/month, their payment will only amount to **$371,000** (100,000 x $3.71) – *less than 20% of the $2 million total we expect*!

    c. Who's going to pay the other $1,629,000?
    - **Snowbirds and visitors** will pay some…25% of the total tax at most, ~$500,000.
    - **Businesses** will pay some, but whatever they pay is passed along to their customers.
    - **Anyone else**?

    d. What's going on? **Read the footnote!**

    - To arrive at the *"average household expenditures subject to sales tax"* Scottsdale's expenditure demographics are **blended with Mesa and Phoenix** to develop a low-ball average.

    - But there is another, perhaps *greater distortion in the number*. Scottsdale households pay **sales tax on groceries**…which Mesa and Phoenix households do not. This taxable expenditure omission would add several thousand a year to every Scottsdale household's taxable expenditures.

    e. **Conclusion**: We don't know how much the monthly impact will be on our citizens…but it is certainly ***much, much more than $3.71!***

2. Slide #24 is constructed in a way to suggest the allocation of tax revenues to WestWorld will be 7% over the 30-year life of the new 0.15% sales tax. That is only true if it is disclosed that…

    a. The 30-year forecast of **revenues from the new 0.15% sales tax will total $1.188 Billion**…growing from $25 million in the first year at 4.5%/yr to $64.6 million by the 30th year.

b. The initial capital investments at WestWorld will be $48.55 million, financed over 20 years at 5%, resulting in **total payments of $79.6 Million** (principal and interest).

c. The 7% "share" displayed for WestWorld ranges from 15.4% in year one when the financing cost is $3.845 million, to 0.0% in year 30 when the financing payment is zero.

d. **Conclusion**: the 7% share for WestWorld is a comparison of their total 20-year debt service of **$79.6 Million** to the total expected tax collection of **$1.188 Billion**.

3. Slides #34 and #35 do not accurately indicate the options for the existing 0.20% or the existing 0.15% preserve taxes. Specifically…

   a. It is now disclosed (Slide #34) the preserve fund cash balance at June 30, 2025 ($160 million) will be greater that the total "preserve related" debt ($149), negating any argument to continue the taxes beyond that time **"…to provide debt service."**

   b. It is now disclosed (Slide #34) the City has identified **$80 million of new preserve investment** needs during FY25/26. It is curious what these unidentified needs may be, considering…

      The November 6, 2018 voter directive amended Article 8 of the City of Scottsdale charter, Sections 12A, to provide *"Preserve funds shall not be appropriated or spent by the City for any purpose other than the acquisition of preserve land [or] the building of new trails."*

   c. Slide #35 admonishes that…

      a. The Preserve Fund ***Balance*** cannot be repurposed…something that has not been proposed.
      b. Voter approval would be required (for the old 0.15% tax) to ***repurpose future tax collections*** and/or to ***sunset the tax***…which is true, but no different than the requirement to obtain voter approval for a new 0.15% sales tax.
      c. Preserve **taxes are still needed** for Debt Outstanding. There are no Preserve Authority Bonds (secured by preserve tax collections) outstanding. The only **"preserve related" bonds outstanding are General Obligation Bonds**, reliant on the full faith and credit of the City, secured by a pledge of all city revenues.

   d. **Conclusion**: Nothing precludes asking voters to ***expand the spending authorization of future receipts on the old 0.15% preserve tax*** to provide for preserve and park maintenance needs.

Respectfully submitted,

David N. Smith