

TOWN OF FOUNTAIN HILLS
MINUTES OF THE REGULAR SESSION
OF THE FOUNTAIN HILLS TOWN COUNCIL
April 21, 2026

A Regular Meeting of the Fountain Hills Town Council was convened at 5:30 p.m.

Members Present: Mayor Gerry M. Friedel; Vice Mayor Gayle Earle;
Councilmember Rick Watts; Councilmember Peggy McMahon; and
Councilmember Brenda J. Kalivianakis.

Councilmember Allen Skillicorn attended by telephone conference call.

Councilmember Hannah Larrabee was absent

Staff Present: Town Manager Rachael Goodwin; Town Jennifer J. Wright; Town
Clerk Bevelyn J. Bender



Post-Production File

Town of Fountain Hills
Town Council Meeting Minutes
April 21, 2026

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MAYOR FRIEDEL: I'd like to call this meeting to order. Would you please rise for the Pledge of Allegiance?

(Pledge of Allegiance recited)

MAYOR FRIEDEL: And if you choose to remain standing, the invocation will be provided tonight by Vicki Dirksen.

DIRKSEN: Please join me in pausing together in a spirit of gratitude and reflection. We give thanks, each in our own way, for this community we all choose to call home and for the opportunity to gather so we can make it a better place for tomorrow. We are grateful to wake up to the sunrise over Four Peaks, a place that has been sacred for generations before Fountain Hills came to be.

We are grateful to the passionate business owners who provide us with places to gather and meet our daily needs. We are grateful for the visionaries who bring new ideas that improve our well-being and sense of placemaking. We are grateful for leaders who are solution-oriented to help us overcome our challenges. And when night falls, we are grateful that we can still see the stars. May we be reminded that a meaningful life is one rooted in ser, compassion, and connection. And may we all be inspired to continue that work in our own way, strengthening this community for generations to come.

MAYOR FRIEDEL: Thank you. Town Clerk, can we get a roll call, please?

BENDER: Mayor Friedel.

MAYOR FRIEDEL: Present.

BENDER: Vice Mayor Earle.

EARLE: Present.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Here.

BENDER: Councilmember Watts.

WATTS: Here.

BENDER: Councilmember Larrabee?

Councilmember McMahon.

MCMAHON: Here.

BENDER: Councilmember Skillicorn.

SKILLICORN: Present.

MAYOR FRIEDEL: Thank you. We'll move on now to the summary of current events by Town Manager Rachael Goodwin.

GOODWIN: Thank you, Council. Good evening, everyone. I have just a few updates I wanted to share. This Saturday we'll be hosting our Spring Movie in the Park and the American Car Show and Parade as all part of the community celebration of America's 250th. The American Car Parade will begin at 5:30 on Saturday near Saguaro and Parkview.

The route will travel around the fountain, up and down the avenue, and then conclude on Saguaro Boulevard with cars remaining on display. A special thank you to the Fountain Hills Auto Club and Peter Volney for helping organize the event. The parade will feature 55 American cars in a red, white, and blue sequence, and the parade will be accompanied by rolling street closures and led by our own MCSO mounted unit. Following the parade, roughly 7:30, 7:45, we will show National Treasure on a 60-foot screen in Fountain Park near the amphitheater. Popcorn, hot dogs, and hamburgers and other goodies will be available on site.

So a good Americana celebration. One other update for the community is regarding the EPCOR mainline replacement work, which is now underway along Palisades and Shea Boulevard. If you've been over there, you probably noticed the traffic impacts. Residents should expect that those traffic impacts will be rolling throughout that project. We encourage folks to subscribe to the town's text alert system for

notifications regarding traffic changes or to visit the town's website for the most up-to-date information as the project progresses.

A reminder, this is a large project and will be several months, probably taking us at least through the end of the year, if not into the new year. So it is a very big project, but one that is very needed for that replacement. Mayor FRIEDEL, with that, those are my updates.

MAYOR FRIEDEL: No apple pie for the event? Just kidding.

GOODWIN: You know, you never know. You never know.

MAYOR FRIEDEL: Okay. We'll move on to presentations. Rachael?

GOODWIN: All right. First up, I believe we have Director Snipes. He's going to be doing a shared presentation between himself as well as Director Weldy. Both Community Services as well as Public Works sort of share our capital improvement project responsibilities, so Kevin's going to be reviewing those that are within our parks, and then Justin will be reviewing those that are outside throughout our community.

So with that, I will turn it over. And just a reminder, these are updates about our current CIPs. This does not forecast future CIPs, but just where we're at to date on the FY26 projects since we're coming into the last quarter of the year. All right. With that.

SNIPES: Right on. Thank you, and Council. We're here tonight to talk about the capital improvement projects and where we're at as we're coming down to the end. We have a lot of projects that are underway and many that have been completed as well. So some of these we've talked about earlier this year that are completed and were completed earlier. So we'll kind of move through those.

The Golden Eagle Playground replacement's done and open and operational. We added in the rest of the event receptacles on the avenue, got those taken care of as well as added the new shade structure. The community center, we did the fans and the lights that have made a huge difference over there. That's something that was completed right at the beginning of the year and has been a huge success for keeping the area

more consistently cool, as well as having better lighting in the entire facility. Here's kind of a breakdown of those costs. And again, we talked about these earlier, so I'm just kind of moving through those at a quicker pace.

SNIPES: We're out for bid currently. We'll be getting that bid back here by the end of April for Skyview Park. We're excited about having a lot of people involved in coming in for the pre-bid, so hoping to get a really good response on this one. We just started the lighting of the Centennial Shade project, which includes doing the shoebox lighting around the edges of the Centennial Pavilion area, as well as we added some down lighting to the outside of the shade poles that you can see there.

They're really slim to where they don't take up a lot of eyesight, I guess, for the area, but they'll still provide good lighting as well as being at a good light temperature for the neighbor next door with our Dark Sky Discovery Center. While we were doing this project, we found that the electric power box that was over in that area that supplied power to all the outlets and lights that were there was pretty risky when we got into it, and so we decided to go ahead and move that out of the walkway where it was originally and moved it into the granite area right next to the walkway to get it out of the way.

It ends up being an upgrade, but we were nervous about how close the electrical bars were to the outside of the box, so we made that upgrade as well during this process. They'll be back next Monday to continue on doing the strip lighting that goes up underneath and run all the wiring that needs to go to everything. So hopefully here in a couple of weeks, we'll have that area lit up with the new lighting.

SNIPES: We just completed the bid for the ramadas at Fountain Park yesterday. We haven't done an official announcement yet. We want to do some background on the company that was our low bid for that, but everything looks good so far. So we'll probably be doing that official announcement tomorrow to the company so that we can get that project moving as well.

For the Fountain Park shade pad lighting, we've been meeting with the vendors and have a design in place, and we're just waiting on some numbers to come in so that we can get those ordered and put in. The Desert Vista Dog Park improvements will begin last week of May to first week of June, and probably keep the dog park closed through the month of June.

So just a heads up to everybody that while we're in there doing that work, we won't be open so the contractors can do what they need to do. And the next one there, the Desert Vista and Four Peaks electrical building we talked about earlier, we're still working on trying not to have to use this design money at all. That's our goal, and just be able to use the design-build for next fiscal year. With that, I'll take any questions.

MCMAHON: Thank you, Mayor. What is the upgrade that's going to be done for the dog park?

SNIPES: So there's several things that are coming in. We've had a lot of issues around the splash pad area there with flooding and causing mud puddles, and so that's being taken out and a new drainage system put in to improve that. Leveling of the turf areas to help get the water and rainwater to wash out better, as well as just filling in the holes that are there.

And then we're going into each one of the shade structure areas and cleaning up those. The way they were originally installed made it to where everything was at different levels, and so we're going in to clean up those areas as well. And then there's a few other housekeeping things that are going on in there as well.

WATTS: Kevin, without disclosing -- without disclosing who the successful bidder was on the ramadas, are we at, below, or above our original estimate?

SNIPES: We were right just below it.

WATTS: Just below it. Nice. Because the other ones came in reasonably close, for the most part, under.

SNIPES: Yeah. We had some that were a little bit --

WATTS: A little.

SNIPES: -- way over and --

WATTS: Way over. I missed that one.

SNIPES: We had some way over ones too. Yep. So it's pretty typical. I mean, when you have -- I think we had 13 or so businesses that put in for it. So you get that sometimes too. But we were happy with the numbers. There were several that were right within that range.

WATTS: Good. Thank you.

MAYOR FRIEDEL: Thank you.

SNIPES: Thank you very much. Appreciate it.

It's all yours, sir.

WELDY: Good evening, Mayor, Councilmembers. A lot of the projects that we're going to take a look at tonight, we've discussed in the past. Some of them are multi-year projects and others are new projects. As we go through these, if you have any questions, please feel free to take a moment and we'll pause and we'll discuss it. The first one is a multi-decade project, and this is just another section of Shea that is currently underway. The renovations and widening to Shea began shortly after the town incorporated.

As a reminder, it was part of the agreement when the Department of Transportation from Maricopa County granted the Shea Boulevard to the town of Fountain Hills. The agreement was that the town would continue to use the tax funding provided by the entire State of Arizona through the transaction tax to continue to make those updates. So this one right here is just the most recent one. As you all know, the engineer's estimate for this was about twice of what the qualifying bid was for. We have made some minor changes out there to reduce the overall cost, some value engineering, but the project is currently about three weeks ahead of schedule.

WELDY: This was a council project right here, the full-depth repaving of Palomino. This project is substantially complete. The definition on that is that we can use it. There are going to be some temporary pavement markings in the form of waterborne paint in the coming days. We had to make some minor changes there. In about 35 to 40 days, the permanent, which is thermoplastic paint, will go down along with the reflective and/or raised pavement markers.

This is the marked pedestrian crosswalks throughout the downtown and other locations. For the Council's information, we have two additional locations that are slated for this year. One of those is on Saguaro at Monterey, crossing Saguaro. The other one is on Saguaro at La Montana. So those two locations there, we have sidewalk on either side at La Montana and Saguaro, and then we're going to discuss the sidewalk on Saguaro and Monterey here shortly.

WATTS: Can we go back, please? And looking at the budget and what's expended, do you anticipate there being any money left over? Because I think when we approved this, there weren't any sidewalks. And not to put you on the spot, but I was wondering if there are sufficient funds left over, if maybe we can revisit sidewalks, or once it's done, there's not going to be any room for sidewalks.

WELDY: Mr. Mayor, Councilmembers, so that discussion has passed, and right now it just wouldn't be cost effective to go back in and add that. And the people spoke clearly on behalf of that area and indicated they did not want them. The green number that you see here is what is available in the budget, so that will remain an unspent fund balance that'll go back into the budget and remain there. You're welcome.

WATTS: So Justin, when you say that's the unspent balance, the budget was 5.4. Construction bid was \$3.2, call it. So we've got \$2.2 left, all said and done. So how do we end up with the budget available of \$4?

WELDY: The budget available of \$4 was the entire amount approved by the -- and Council. We will subtract from that the bid, and then we anticipate based on some value engineering and minor changes that we will also be below the original bid amount.

WATTS: So we'll be something underneath, call it about 3.8, somewhere in that area.

WELDY: Right. In that general area. We're kind of ballpark right now. We won't know until we finalize some discussions with the contractor and get the final pavement markings down.

WATTS: Right. Thank you.

WELDY: You're welcome. This is a multi-year project. In the past week and a half, we upgraded and/or repaired the area on northbound Palisades at Westridge. This is a multi-year project that's underway. We currently have about eight that have not been installed. The plan is to install those in the next two to three weeks, and then after all of them are installed, town staff will take a look at them and make any additional necessary corrections to the text and/or the arrows and their orientation up, down, left, or right. When it's all finished, it will all be correct before we make final payment.

WATTS: Yeah, we have heard some of the signs are incorrect. And you say when it's finished -- can you just project finish dates and then when the corrections will be made?

WELDY: Mr. Mayor, Councilmembers, the end date is June 30th. They have until June 30th to complete it. We will issue a certificate of substantial completion. There will be 30 days beyond that date that they will be required to make any additional changes and/or upgrades. You're welcome.

WELDY: This is the Golden Eagle Impoundment Phase 2. Staff was in front of the -- and Council just a few short meetings back, asking for some additional funding to complete the design of Phase 2. As a reminder, the plans are currently in the hands of two state agencies, and the timeframe for completing that review is not yet known. We anticipate that the design will be completed by the end of June, but we'll see based on

their return. This is a couple of the stormwater rehabilitation projects that we have completed.

One of them is not yet underway. We had some minor challenges in regards to contracts. We did go to bid on this one for the construction, and then we solicited and received several qualifying surveying contractors, and then the scope was sent to them. So this one is probably about three weeks out before it gets started, the one down on Nielsen. This is the downtown streetscape improvements, Phase 1. We had several discussions about this, and in fact there was just an open house on this phase of it. Again, this is the design for that section. That was quick. Any questions? Awfully quiet.

GOODWIN: Mayor, our next presentation is by Justin as well. We just kind of completed our CIP outlook, so moving a little bit broader, Director Weldy is going to share with us a more Public Works update regarding the other elements going on around town this year.

WELDY: Thank you for the opportunity. This is an overall reaching update on Public Works and all of its divisions. The first thing we're going to focus on is paving. Now bear in mind that what we're going to be discussing tonight in regards to paving projects are not the capital paving project, which is on Palomino. This is all the rest of it approved by the Mayor and Council.

As you can see, with the monies approved by the Mayor and Council, we have completed up to date not quite a half mile, but by the time we're finished in June, we will have a little bit over nine lane miles paved. That's a considerable amount of paving for a small community. During this timeframe, and less noticeable to those, contractors have been out crack filling several of the areas that were approved by the Mayor and Council. The next portion of that is the preservative seal.

WELDY: We're going to move on now to the Street Department and some of their activities. We have certainly discussed in the past, and we're going to talk about it again here tonight, what Public Works and its divisions do go on around the clock, 24 hours a

day regardless. This is just an example: 138.5 hours. That's when Public Works staff was called out after all the buildings were closed to address numerous things, from water main breaks to help to clean up after crashes or to put up a sign after a crash.

There are a lot of things that we could come in for overnight. Oftentimes it may be a wild animal that was struck that is in the road. This is an initiative by the Mayor and Council to get out and take care of some of these potholes. It's a combination effort between town staff and a contractor. We've had a contractor under contract for the past few weeks.

They've been out every other week. Most recently they were on King Street. Prior to that, they were on Palisades between Saguaro and Fountain Hills Boulevard. Prior to that, for one of the first outings, they were on Fountain Hills Boulevard. So they'll be returning to Fountain Hills Boulevard north of Palisades next week to work on some additional stuff there.

WELDY: It's also important to note, and we brought this up in discussion a couple of times over the last two or three years, for the majority of the time after incorporation, very little additional landscaping has taken place, primarily on Saguaro. There are other sections such as Palisades between Shea and Golden Eagle Boulevard. Those were landscaped as part of a development agreement. Saguaro was existing at incorporation, but for monies collected in regards to insurance claims and/or damage for storms, little to no trees and/or shrubs were planted.

Under the current Mayor and Council and the Town Manager, we have changed that and began to spend some of the money that we collect through insurance via vehicle damage and/or storm damage and plant trees. Last year we planted, I think, 38 trees, and this year 45 trees went in. This is part of our effort to keep materials out of the washes and the alleys and from piling up around town. We have two dumpsters at the street yard. One of them is for green waste and the other one is for non-ferrous metals. These things fill up on a regular basis. They're not real big.

These are 20-yard dumpsters, but on average, we send them out about two times a month. The funds are not much, about \$500, but it goes back into the street fund and we use that for our sign program.

WELDY: We're going to move now to facilities. And oftentimes when we're discussing contracts for facilities, be it for maintenance and/or repair, we tend to focus on that and a little less on what the plant mechanics and the supervisors and their contractors take care of day in and day out. This is another division of Public Works where someone is on call around the clock regardless, because we need to keep all of the buildings on the Town Hall campus functioning. This was the chiller replacement. This was budgeted out of our facilities reserve funding.

Mayor and Council approved a contract for this two times. There was a little bit of a delay because of some shipping issues. These are some of the things that our two plant mechanics and the supervisor have completed over the last several months. And you'll note that the majority of these are directly related to first responders, the fire department being able to get in and out of their facilities. And then there's some other stuff that was past initiatives of the Council.

The electric vehicle charging stations, their card readers, and -- or we refer to it as the head -- had become obsolete and mostly inoperable. The other one, and this is important, there are a few members of the Council that recognize that these buildings have to have annual inspections from outside agencies and/or outside professionals. The fire alarm and the sprinkler annual reviews have been completed as part of that.

WELDY: Here's -- this is on to the environmental programs. This was the Household Hazardous Waste event held last November. As you can see, there's a considerable amount of material that was collected. Each of the items that are collected here are disposed of in the appropriate location under the guidelines of either the county, state, and/or federal government. None of these materials go into the landfill. They're treated in another manner. This is our electronics recycling: 10,620 pounds, well, five tons of material.

All of this material, with little exception, is repurposed and recycled. There is a small percentage of it, of the older TVs, that actually have to be shipped to California. They have a specialty facility there that processes those. So when residents ask if they'll take this type of TV, there's typically a fee for shipping it to that location. Any more questions? Awfully quiet. Thank you for the opportunity.

MAYOR FRIEDEL: Thank you. We'll move on now to proclamations, awards, and recognitions, and we're going to start out with the Mayor's Business Spotlight. And tonight, we're going to spotlight Saddle Bronc Grill. This month, it's my pleasure to recognize a true Fountain Hills favorite, Saddle Bronc Grill, as our 's Business Spotlight. Saddle Bronc Grill has been more than just a restaurant. It has become a beloved gathering place and a cornerstone in our community.

What began as Barb's role as a hostess in 2009 quickly evolved into an opportunity for ownership for Barb and Brad Tisch. In April 2016, and over the past ten years, their leadership and dedication have helped transform the restaurant into one of Fountain Hills' most cherished local establishments. Known affectionately as the Cheers of Fountain Hills, Saddle Bronc Grill offers more than exceptional food. It offers a connection, friendship, and a sense of belonging. With familiar faces at the bar each evening, longtime staff members and customers who feel like family, the restaurant has created a welcoming atmosphere that reflects the heart of our town.

Saddle Bronc is known for its fresh-made daily comfort food and classic American favorites, from cheeseburgers and ribs to chicken -- I'm sorry -- to chicken dishes and more. Anybody hungry yet? All paired with live music and warm hospitality. Its commitment to quality and consistency has earned multiple community recognitions, including Valley Favorites Award and being named Restaurant of the Year twice by the Fountain Hills Chamber of Commerce.

What stands out most is Saddle Bronc Grill's commitment to the community. Barb's belief in giving back to customers and treating every guest like family has created a lasting loyalty and a strong word-of-mouth reputation throughout Fountain Hills. On

behalf of the Town of Fountain Hills, we thank Barb and Brad Tisch and the entire Saddle Bronc team for ten years of outstanding ser, hospitality, and community spirit.

Congratulations on being recognized as this month's Mayor's Business Spotlight. Come on down, would you please?

TISCH: I just want to say thank you, Mayor and the Council, and everyone, for your long support. Ten years has flown by pretty quick, and we're looking forward to the next years to come. Thank you all for your support.

MAYOR FRIEDEL: And next up, we have the 's Veteran of the Month. So tonight, we're recognizing YN3 Sanford "Sandy" Borkin. Sandy was born and raised in Minneapolis, Minnesota, and is a graduate of the University of Minnesota. He enlisted in the United States Navy in 1969 and served honorably aboard the aircraft carrier USS Enterprise, where he was a CVN-65 -- and he can tell you what that is -- in the Tonkin Gulf during the Vietnam War, earning Vietnam service medals in recognition of his dedicated ser. He was honorably discharged in 1973.

Following his military service, Mr. Borkin built a distinguished career in management with Nordstrom's department store. In 2003, Sandy and his wife Faye made Fountain Hills their home. A life member of VFW Post 7507, Sandy has held numerous elected leadership positions and continues to provide outstanding volunteer ser in support of fellow veterans. He has also generously contributed his time as a volunteer with home-delivered meals, further demonstrating his enduring commitment to serving others and strengthening this community. Sandy, come on down and be recognized.

BORKIN: Well, it was a long time ago that I was in the service, but I'll tell you, I loved every minute of it. I didn't think I would when I first went. In fact, when I first got to the Enterprise, the ship scared the heck out of me. It was so big. But I'll tell you, I am so glad that I did it, and I'm so glad that I joined the VFW, and it's been a great ride. So to all my comrades, all my friends out there, thank you so much for coming to share this evening with me. I really appreciate it. Thank you. And thank you to the Council too.

MAYOR FRIEDEL: Thank you for your service. Okay, now we'll move on to our Consent Agenda. Did you want to remove something, Gayle?

EARLE: Yeah, I request that we move the Consent Agenda B, approving a request for Turf Paradise to operate off-track pari-mutuel wagering -- wagering -- I can't say it -- off-track betting at Parkview Tap House. I'd like to put that on the regular agenda.

MAYOR FRIEDEL: Okay, so that will become the first regular agenda item. So can I get a motion for the other --

MCMAHON: Motion to approve Consent Agenda A.

MAYOR FRIEDEL: Is there a second?

EARLE: I'll second that.

MAYOR FRIEDEL: We have a motion and a second for Consent Agenda. Roll call, please.

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Councilmember McMahon.

MCMAHON: Yes.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Councilmember Watts.

WATTS: Yes.

BENDER: Councilmember Larrabee?

Vice Mayor Earle.

EARLE: Aye.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, 6-0.

MAYOR FRIEDEL: Thank you. All right, moving on to the regular agenda item now. We have the previous Consent Agenda item approving the request for Turf Paradise to operate off-track wagering at Parkview Tap House. Go ahead, Gayle.

EARLE: Can we have some history on that?

MAYOR FRIEDEL: Rachael?

GOODWIN: Sure. I'm going to ask for John Wesley, whoever maybe has some details for us that can just give a brief overview. This one has been -- this is not a typical request. It's not something we see very often. So I certainly understand wanting to talk about it. Internally, it actually touches a number of different departments. So John has been helping with the support of both Bev and Paul Sollinger out of finance. So can you give us an update, John?

WESLEY: Yes, Mayor, Council, I'll be very brief because I don't have a whole lot to add, but we'll see what questions you have. So the state statutes allow for these off-track betting facilities to go into communities and requires the state approval. But part of the state approval is it also receives the local jurisdiction approval. So that's what we're going through this evening. There's nothing specific in our ordinances at this time that govern these.

And so the Council is kind of free in that regard to consider what the needs are. We did reach out to neighboring communities that might be impacted by this, the two Native American communities, and they sent back responses that they had no issues with it going in. So it's here with the recommendation for approval.

EARLE: Can you tell us, did they have this license before?

WESLEY: Vice Mayor, I'm not sure, actually. As we've discussed before, I believe they had it or at least applied for it, but I'm not sure if it ever actually was implemented. That's where I'm fuzzy.

GOODWIN: Mention is, it's been approved previously by this body, and whether it was implemented or it expired or not, but yes, it has been approved previously.

EARLE: Okay, thank you.

MCMAHON: Thank you. I haven't heard of this before, so I don't remember approving it in the last five years, but possibly we could have. This is gambling, correct?

WESLEY: Yes.

MCMAHON: It's betting on horses, dogs?

WESLEY: Horses, I believe.

MCMAHON: Okay. I've never really seen this. I know that it's in a couple other towns, but we have a casino a couple miles away that has the same betting. So I'm having difficulty understanding why we need this in town at a bar and a tavern, because I think that it's just going to open it up. If we say yes to one, then it's just going to piggyback. We're not going to be able to say no to other restaurants or bars that may want this. So I'm not going to be for this.

I'm very concerned about it. I don't think it fits within Fountain Hills. I don't think it fits within our image. And so I'm not for it. I mean, there's a casino that has huge restaurants, huge jumbotrons and everything where you can sit and bet there. And I don't think this belongs in our town. And that's my personal opinion. Thank you.

WATTS: Thank you, Mr. Mayor. This might be a little bit in the weeds. I know that the Tap House has had that in the past. And I don't really have any problem with it, but I do have a question, and that is normally when you bring gambling into a town or facility or reservation, there are programs designed for gambling addiction and money to be put aside.

So people that are a victim of too much gambling, they lose their homes and everything. Has that been accounted for here, that there'll be programs set aside for people that have gambling addictions based on us opening this facility in town?

WESLEY: Mayor, Councilmember, I'm not aware of anything specific associated with this particular facility coming in that something along that line is being done again specifically for this beyond what is just generally known and advertised, as you've mentioned.

WATTS: Yeah, if we could maybe reach out at this point, I'm going to vote yes. But if we could reach out and see if there's a provision for that, I would appreciate that.

EARLE: I don't believe there is. There's no requirement for them to have it. This is simply just the permit from the state to allow the activity offsite. Again, other facilities, as the mentioned, whether it's casinos or other large facilities, yeah, they do have those resources. That's not part of this conversation in regards to this off-track betting request.

WATTS: Okay. Because I know all the major gambling sites, they do have the disclosure here and there. And then if you are addicted, call this phone number and there's programs available. It'd be nice if there was some consideration given to that.

GOODWIN: Mayor, if I may, the applicant is here and may be able to help address that question if you'd like to hear from him.

UNIDENTIFIED SPEAKER: So John, I support this. I think Turf Paradise, having been there numerous times myself, they run a great operation. I think the off-track betting -- I'd rather have people sitting in a restaurant in our town buying food and so on and the sales tax. So I think it's -- but I do think that it also provides an opportunity for us to look at our ordinances for zoning and see how we can include them and minimize the impact. I don't want one on every corner. So maybe we should take a look at that, put it on the agenda for some time in the future.

WESLEY: Yes, Mayor, Councilmembers, I have noted in some other communities they have made provisions within the zoning ordinance. We haven't here, but we could look at that in the future.

MAYOR FRIEDEL: And I would just like to add that I think any enhancement that one of our businesses can have, why not? They're in business to make a living, and if it attracts more customers and we get sales tax revenue from them eating and drinking at any establishment based upon the service that they offer, I think that's a good thing for the town and the community.

They had it once before. I don't see a problem with it going forward. And I also think, to address councilwoman Kalivianakis' question, I'm sure there's certain disclosures that are inherent with this type of operation that will be provided to people if there's an issue. And that's probably state-regulated, is my guess on that.

KALIVIANAKIS: Do the casinos profit from this? I know I see that there's letters in here, but I don't know how that works. Do you know how that works?

WESLEY: Mayor, councilmember, no, I don't.

KALIVIANAKIS: Okay, could anybody answer that question?

GOODWIN: I don't believe that the request before you tonight is affiliated with either of the casinos, whether it be Salt River or Fort McDowell. We gave them more of a courtesy to let them know that this was coming before you to see if they had any objections. Obviously, their letters represent that they do not, so they are not opposing it. But no, they don't have any direct benefit from it.

KALIVIANAKIS: Thank you.

WESLEY: Are we going to allow any public comment on this since we changed this and let it come up to a regular agenda item? We didn't have time for any comment cards or anything, so I'll ask the Town Attorney, is there -- if there's somebody in the audience that wants to comment, should we -- can we allow that?

WRIGHT: I think the public comment, they're allowed to request to discuss the Consent Agenda item, but considering this was moved and maybe they didn't know they could request, I think that we could make a -- if that's up to the body. I mean, it's really maybe a motion to accept public comment.

MAYOR FRIEDEL: So I'll make a motion to amend the rule and I'll allow public comment on this item since we moved it from consent to regular. We'll need a second for that.

EARLE: Second.

MAYOR FRIEDEL: Okay, all right, can we get a roll call on that motion?

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Councilmember McMahon.

MCMAHON: Aye.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Councilmember Watts.

WATTS: Yes.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, 6-0.

MAYOR FRIEDEL: Thank you. So do we have anybody in the public that wants to make a comment? Step up, identify yourself, and then go ahead.

JOHNSON: Honorable Mayor, members of the Council, my name is David Johnson. I am the president of Turf Paradise. I also oversee the off-track betting operations there.

My residence is at 314 South 122nd Lane, Avondale, Arizona. So I am not a resident of the Town of Fountain Hills. What you have before you is a request for off-track betting.

This is, as John stated, this is an activity that was approved by the State Legislature many years ago, over 40 years ago.

Since it's been approved, we have operated over 100 locations, and out of those locations, we've only had two that have ever had any incidents. Everybody who is involved in this activity is going to be given a background check by the Arizona Department of Gaming. They are also going to be given an FBI background check. To answer some of the questions that were asked by Councilmember McMahon, the Indian tribes do not benefit from this.

This is not an activity that the tribes participate in. It's pari-mutuel wagering on horse racing, and the Indian tribes have elected not to have off-track betting. If they did wish to have it, they are always welcome to it, but it's just something that they haven't done. Fort McDowell used to have one many years ago, over 20 years ago, but they closed it down. To answer your -- and I'm sorry Councilmember, I can't pronounce that -- but yes, there are programs that we do work with the Arizona Department of Gaming, as far as self-help.

Those are the same programs that the tribal casinos use, as well as all of the sports betting companies as well. So our primary activity is between 11 a.m. to 6 p.m. So we're primarily a daytime activity. We don't conduct nighttime activity. And it's like you said, it's a business enhancer. It's going to help the local business. It's going to bring people to that facility that will eat and drink and generate tax revenue. But it will also keep people here.

I can tell you that a lot of the people that do business at my locations in Scottsdale are Fountain Hills members, town, they live here, they're residents, and they're traveling out of your town to do business in Scottsdale because this activity isn't provided for them anymore. It has been in the Parkview Tap House before. It operated without any incident. Unfortunately, the previous owner of Turf Paradise wanted to see more activity, so he decided to close it. We have new owners of Turf Paradise. We're trying

to grow. We're trying to do things right. And I've been asked to come back and see if it would be possible to return the activity here.

MAYOR FRIEDEL: Yeah. Thanks for coming all the way from Avondale and to illuminate a little further what would -- a Consent Agenda item turned into not. But I'm sure we all appreciate you coming here tonight and explaining in a little more detail.

JOHNSON: No, you're welcome.

MAYOR FRIEDEL: Thank you. We have another speaker.

UNIDENTIFIED SPEAKER: I don't know if it's necessary, but I did send an email earlier to some of you, and I just wanted to make a public statement because I don't see how there could be any reason to deny this. We serve alcohol in Fountain Hills. We serve cannabis. There can be addiction problems with both of those things. Betting, everybody knows there can be gambling problems.

But my bigger thing was, yes, let's keep the people in Fountain Hills who might be inclined to go out of town. And if you're going to come in, let's say to the Tap House, you may have a beverage, you may have a lunch if it's daytime, you may have an early dinner. All that sales tax for us. And I did read the two letters from both of the tribes, and neither one of them had a problem with it. So we're not anybody's nanny. So let people take responsibility for themselves. I say approve it. Thanks.

KALIVIANAKIS: I would like to make a motion to approve the request from Turf Paradise. Oh, is there another comment? Oh, sorry.

MAYOR FRIEDEL: Please come on up.

SCHLACHTER: Jean Schlachter, 31-year resident of Fountain Hills. And you all read my email today, I assume. And the two things that I wanted to make clear is, one, that it is an addiction, gambling, and that in fact suicide rates are highest among the addiction for gambling than any other mental health issue. So that's an issue, and we certainly don't want to encourage gambling as a community. And so I think that's a major issue to consider.

And also, as I indicated, that there's 12 cities and towns in Maricopa County that have off-track betting, and only one is smaller than Fountain Hills. They're all large cities that can support the infrastructure, the law enforcement, the addiction issues, and we can't do that. So that's why I wrote the letter. And I'm kind of disappointed in what I heard tonight. So thank you.

MAYOR FRIEDEL: Yes, sir. Sure, come on up.

BLECKER: Good evening, Mr. Mayor. Shelby Blecker. Good evening, Councilmembers, resident of Fountain Hills. Former resident of Los Angeles, California. There are plenty of small towns in and around the outskirts of Los Angeles that have pari-mutuel betting. They make revenue. It provides services for the town. It keeps people in the town. I don't see any reason why we should allow tax revenues and tax dollars to go out of town.

These small towns do not have necessarily gambling addiction problems. I mean, that's always going to be a case, and it can be a concern. I don't think Maricopa County Sheriff's going to have a problem with it. You've already heard from the applicant that said we removed it before because there wasn't enough business in town. If there's not enough business, then they'll remove it again. But if we can keep tax revenue in town, that's a major thing. If we can keep residents in town staying in town instead of going to Scottsdale, I think that's a major thing. And I think you should all approve this. Thank you.

MAYOR FRIEDEL: Thank you. Brenda, you had a motion?

KALIVIANAKIS: Yeah, my motion was to approve the application for the Turf Paradise to be located at the Tap House in Fountain Hills, Arizona.

EARLE: Second.

MAYOR FRIEDEL: Town Clerk, we have a motion and a second. Can we get a roll call vote, please?

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Councilmember McMahon.

MCMAHON: Nay.

BENDER: Vice Mayor Earle.

EARLE: Before I vote, may I explain? I just appreciate Mr. Schlachter -- if I said that right -- bringing this to our attention so that we could discuss it publicly and I could learn a little more about it. And I will approve it. Thank you.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, 5-1.

MAYOR FRIEDEL: Thank you. All right, we'll move on now to the rest of our regular agenda. Right now I've got -- I'm moving to approve Council Subcommittee B's recommendation to appoint two members to our Planning and Zoning Commission. So right now I'm going to move to approve Scott Schlossberg and Nick Proctor, both incumbents, for our Planning and Zoning. And I will ask if there's any comment cards on this.

BENDER: No, Mayor.

MAYOR FRIEDEL: Okay. And then is there any Council discussion on this? No. Okay, I'll request a second then on the motion.

KALIVIANAKIS: I'll second that.

MAYOR FRIEDEL: So we have a motion and a second. Can I get a roll call vote, please?

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Councilmember McMahon.

MCMAHON: Aye.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, 6-0.

MAYOR FRIEDEL: Thank you. And we'll move on to the next consideration. We've got approval of Council Subcommittee A recommendation to reappoint members to the Community Services Advisory Commission. And at this time, I'm going to make a motion to reappoint Craig Rudolphy at this time to that Council. Are there any comment cards, Town Clerk?

BENDER: No, Mayor.

MAYOR FRIEDEL: Okay. Any Council discussion on this? No.

KALIVIANAKIS: I'd like to second.

MAYOR FRIEDEL: Second. Okay, so we have a motion and a second. Can I get a roll call vote, please?

BENDER: Councilmember McMahon.

MCMAHON: Aye.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, 6-0.

MAYOR FRIEDEL: Thank you. And then the final one I've got is consideration and possible action on the approval of Subcommittee A's recommendation to appoint three members to the Strategic Planning Advisory Commission for a full three-year term, May 2026 through April 2029. And I'm going to make a motion to reappoint Jeff Yazetta, Joe Reyes, and Polly Bonnet. Are there any comment cards on this one?

BENDER: No, Mayor.

MAYOR FRIEDEL: Any Council discussion? Seeing none, can we get a second?

KALIVIANAKIS: Second.

EARLE: Second.

MAYOR FRIEDEL: And a roll call vote, please.

BENDER: Councilmember McMahon.

MCMAHON: Aye.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, 6-0.

MAYOR FRIEDEL: Thank you. And moving along, now we've got a public hearing that we're going to have in conjunction with possible action regarding the rezone of approximately 20 acres located 600 feet south of the southeast corner of Golden Eagle Boulevard and Nyack Drive from R1-35 to R1-10A to allow the development of 25 single-family residential lots. So I'm going to open a public hearing on that, and I'm going to call on the Town Manager. Go ahead.

GOODWIN: Mayor, I'm going to hand this off to our senior planner, Farhad Tavassoli. He's going to walk us through the details of this request as we get this project underway.

TAVASSOLI: Thank you, Mayor, councilmembers. Thank you for the opportunity. As you mentioned, , this is a rezone request filed by Toll Brothers to rezone a property from R1-35 to R1-10A to allow for 25 single-family lots. The subject property is a former future school site owned by the Fountain Hills Unified School District. As I mentioned,

it's about 20 acres. You can see its proximity to Golden Eagle Boulevard to the east, and in the far western portion of the property is a wash that runs through it. That is Ashbrook Wash.

TAVASSOLI: Incidentally, the segment of the wash to the north as well as to the south is owned by the town. This here is actually in escrow with Toll Brothers, but until now has been owned by the school district. And the purpose, as I mentioned, is to develop a 25-lot single-family subdivision consisting of single-story housing product. A little bit of background.

As I mentioned, the property has been owned by the Fountain Hills Unified School District. It's been designated a future school site since the '70s and was previously considered for school use until the District initiated a public disposal process in 2024, and the green light to sell the property was approved by voters in November 2024. And Toll Brothers has been selected as the preferred buyer for this property.

TAVASSOLI: I just wanted to provide, before going too far into the details of the project, a little bit of site context and conditions. The vacant property is surrounded primarily to the northeast and to the east by a very well-established single-family neighborhood with lots at a minimum being at 10,000 square feet.

As I mentioned, there is a large natural wash, Ashbrook Wash, running along the western side of the parcel. The wash and the surrounding floodplains constitute approximately nine acres of the site. I'll have a little bit more detail about that segment of the wash a little bit later, but the wash serves as a drainage and wildlife habitat functionally, and there is no construction proposed for the wash, as you'll see later.

TAVASSOLI: And also just want to provide a little zoning map here to give you additional context with regards to the zoning. As you can see all around it, the surrounding properties are zoned for single-family residential as well, to the east and -- or rather, to the west and to the south, although as you can see in the aerial, those are largely undeveloped.

TAVASSOLI: So the applicant is proposing a rezoning from R1-35. Currently R1-35 allows one dwelling unit per 35,000 square feet. So very low density residential. And the preferred zoning is R1-10A to allow for compatibility and flexibility of the housing product that they would like to introduce, which consists primarily -- or actually entirely -- of single-story homes.

Although the District, according to the zoning ordinance, would allow two-story homes. Typical lot sizes would be 80 by 130, which is approximately a little over 10,000 square feet. The building setbacks for the R1-10A district require a minimum of 20 feet in the front, seven feet on each side, and 20 feet in the rear. As I mentioned, the homes -- the product that Toll Brothers is proposing to introduce here is limited to one story.

The maximum lot coverage under the provisions of the R1-10A zoning district is 40 percent. The difference between the R1-10A and R1-10, which is actually more prevalent here in town, is the lot coverage maximum. R1-10A allows for 30 percent lot coverage. Maximum lot coverage for R1-10A is 40 percent, but otherwise the setbacks for both districts are the same.

TAVASSOLI: Now, the applicant submitted their original rezone request late last year, back in December, where the original request came in as a 29 single-family unit subdivision. And following some concern from residents and also a series of meetings, both large and small -- small ones being with individual members of the neighborhood -- the applicant's latest proposal proposes to remove the four lots to the north for a total of 25 units. And what the applicant is proposing in place of those four lots that have been removed is a natural open space area, which is expected to help with some of the drainage concerns. And there's also, as was part of the original plan, an open space area here further to the south.

TAVASSOLI: So the density that would be allowed in this parcel with the R1-10A rezoning is a little over four dwelling units, maybe 4.3 dwelling units per acre. What the applicant is proposing is 1.29 dwelling units per acre. That's gross, which includes the property in its entirety, but a density of a little over three to the acre net, which only

includes the developable area here, as you can see just east of the wash. The property will feature at least ten acres of permanent open space, including the natural wash, the northern edge, which was originally proposed for those four homes initially, and the smaller open space tract here further to the south.

TAVASSOLI: Looking at the general plan, we find that one of the provisions is in support of reuse of underutilized school district property, and therefore we find that also that the proposed development would be compatible with adjacent R1-10 neighborhoods, as I showed you, those neighborhoods to the east and to the north. With the proposal for single-story, with that restriction, the applicant's goal is to protect views and the neighborhood character, as well as preserving natural resources.

TAVASSOLI: I've included in your reports a citizen participation summary. Notices were mailed by the applicant well before -- actually shortly after the application was filed -- beyond the 300-foot minimum requirement for notification. That neighborhood meeting was actually held at the community center on January 20th, where there were at least 65 attendees.

There was some additional dialogue and outreach after that meeting. Some of the key topics that were discussed were density, drainage, wildlife, views, and traffic.

Community feedback was mixed at the meeting. Some were supportive while others had some concerns, particularly about traffic and drainage, and many were receptive to the idea of having a single-story product in the area to preserve those viewsheds, as well as preserving that wash. Correspondence was received actually not long before the Planning and Zoning Commission meeting, which I believe was on March 13th.

A petition of protest or petition of opposition was received on March 5th. Going through the petition, we found that there were 123 residents opposed to the rezone. Three were open to some form of rezoning of the property, given the fact that it is essentially on the market, but they were opposed to the Toll Brothers proposal. Since the petition was submitted, we received ten letters of support, one particularly

describing a positive experience with Toll Brothers, but still had some remaining concerns, particularly with the traffic.

TAVASSOLI: So the reason looking at the petition is important is we need to determine whether or not a supermajority vote would be required by Council, and the zoning ordinance has very specific steps in making that determination. And so what's required is that we look at the names on the signature -- names on the petition, and then look at the 150-foot buffer surrounding the parcel, 150 feet outside the parcel boundaries, to determine how many of the names on those petitions are within that 150-foot buffer.

And so we found that there were 19 owners, and we verified that they were owners of the property, which is required. 19 owners of the 28 properties within that 150-foot buffer, including the subject property, were protesting. And so that's 67, almost 68 percent of the owners within that buffer area. However, those protesting landowners own about 10.7 percent of the land within that buffer area, again including the subject property.

So both must have met the 20 percent threshold in order to require a three-quarters vote, and we've determined that -- and by the way, these are the signatories of the petition that were within the buffer area. We've determined that threshold was not met. And I do want to stress that the 150-foot buffer would not only include the properties that are entirely within the buffer area, but also those that include just portions of the property.

TAVASSOLI: So in our analysis, staff believes that the rezoning maintains the single-family use consistent with the area. The design responds to the natural wash constraints, and there is a stipulation that you will see in the report that addresses that, as well as a stipulation about the single-story restriction to protect neighbors' views. It does generate fewer trips than a school would, and it supports a broader educational reinvestment through the property sale by the District.

Commission and staff recommendation with regards to the one-story limit, we've included a stipulation which would require the applicant to include a note on the final plat stating that restriction, as well as a note establishing a non-developable area which would include the floodplain and erosion setback area surrounding Ashbrook Wash. And as I mentioned earlier, that constitutes about ten acres of the property, as well as a stipulation to cap the number of lots at 25, as depicted in the exhibit in your packets. And we've also included and agreed on a stipulation to include a sidewalk spanning the frontage along Aspen to basically create a safe corridor for the pedestrians.

TAVASSOLI: So our suggested motion is to move to approve the ordinance that would be the rezone request of approximately 20 acres from R1-35 to R1-10A, subject to the four conditions listed. We are well aware -- I am well aware of the many concerns related to traffic as well as drainage.

We do have at least a couple members of the Public Works Department who are ready to address those concerns as well, if need be. And with that, I'll close my presentation and open up to questions before I hand it over to our applicant who has also prepared a presentation. Thank you.

WATTS: Can you go back to the slide with the 20 percent on it?

TAVASSOLI: Oh, this one here, right?

WATTS: So we got 28 properties within the 150-foot buffer and plus 25, so a total of 53.

TAVASSOLI: Actually, no. Mayor, Councilmember, within this buffer area there are 28 properties. 28 properties, not the 25 if you're referring to the lots being split up, but as a single parcel.

WATTS: I'm trying to understand, must meet both for the 20 percent threshold to require a three-quarter vote?

TAVASSOLI: Correct.

WATTS: Three-quarter, 20 percent vote, or 20 percent threshold, applies to the total of the houses within the zone and the 150-foot. Can you do the math for me?

TAVASSOLI: Okay, so Mayor, Councilmember, so within this 150-foot buffer area, 28 properties are included within this property, or within this blue area, either in their entirety or just a portion. So 28 properties. And then we looked at the signatures that were provided on the petition. These are the 19 properties within that buffer area that were on the petition. The other names were outside this buffer area, but 19 were included.

And so 19 owners out of the 28 within this area, it's about 68 percent. So that threshold is met because it's well over 20 percent. The other threshold that needs to be met is that the protesting landowners need to own 20 percent of the land within that buffer area, including the subject property and including all rights of way.

And so with our math, we've determined, you know, looking at the acreages and square footages, that those landowners own a little over ten percent of the land within this buffer area. WATTS: So looking at the protesters being 68 percent, it's really the remaining 32 percent that exceeds the 20 percent threshold for not to require. Does that make sense? Am I looking at it wrong? I see the 68 percent and I'm saying, well, we got more protesters than we do.

TAVASSOLI: Yeah, if we look at individual landowners, yes, pretty much. I do want to mention one thing. It's worth stressing that this is a very conservative figure here because the landowners here to the north, they actually rescinded their opposition, and the applicant has actually interacted with these landowners, and they'll have more to say about that. But these landowners here own 10.7 percent of the area that's within this blue shaded area. And so that threshold is not met, but the first threshold is met. Both need to be met in order to require the supermajority vote.

WATTS: All right, thanks.

MAYOR FRIEDEL: Do we have any comment cards? Oh, okay. Applicant.

MARSH: Good evening, Mayor, members of Council. Ashley Marsh from Gammage and Burnham, 40 North Central, for your records. I will try to be brief in my remarks. Mr. Tavassoli did a great job giving an overview of our initial application and some progress we made, but that is a zoning attorney's dying last words, so bear with me for a few minutes as I highlight a few things from our application.

Before I really get going, I would like to just take a minute to thank members of the Fountain Hills community, our neighbors. We spent a lot of time with them going over our proposal. We had big meetings, small meetings, as Mr. Tavassoli mentioned. They gave us some great feedback. We made some revisions. We earned the support of those immediately adjacent neighbors through those revisions and those conversations. So I know a few of them are here this evening, and I want to thank them very much for their participation because we came up with a great site plan.

And I also really want to thank town staff. You heard a great presentation from Mr. Tavassoli, but we had conversations with your Public Works, with your engineers, with your planning director, with your town manager, with members of the Council, with members of your planning commission. So we really touched a lot of different points on this, got a lot of different feedback, and I just want to thank everyone for those comments.

MARSH: So without further ado, again, my name is Ashley Marsh. Our team is here today. I've got Colin Phipps. He's actually the VP of land for Toll Brothers. He's had a great working experience with the Town of Fountain Hills through their projects. Toll is a committed partner and land developer, home builder in the Town of Fountain Hills, and has had a really amazing experience and hopes to do a few more projects, this one included, in your town. We also have Dennis Newcomb of my office.

He is a senior land use planner. And our awesome civil engineers, Ryan Rabb and Fani Koglegatla (ph.), if there's any technical conversation that needs to be had, I'll refer to them, especially on civil. I know enough about civil engineering to be dangerous, but not the expert.

MARSH: So as we mentioned, as you're familiar with, this is about a 20-acre site on the northwest portion of your town. The site itself, Mr. Tavassoli went into detail, but it is -- I think I skipped a slide there. It is zoned R1-35.

It has always been zoned that way since the initial planning in 1972, which was actually earmarked as a future school site. It inherited the R1-35 zoning, but around it, it's really built up as R1-10 community. So if you look at the site here, you do see some larger land use designations, but when you really drill into what's been developed, it's really R1-10 zoning. Those hash marks are topographical mountain features.

You see the wash corridors in blue there, and I just highlight that to show that this is a historic property. It was 1972 planning for a future site, but what's been developed around it within the limitations of the topography really is an R1-10 home product, that 10,000-square-foot lot, which is what we're proposing here. This is just a site example so you can see what I'm talking about. Where we've proposed our development is relatively flat terrain, and then at the back of that, that about ten acres does have some topographical consideration.

MARSH: Mr. Tavassoli mentioned this, and I know you're all familiar, but this site was one of two sites that the school district owns and put up for sale in its 2024 special election. If approved, the sale is to fund and to reinvest into buildings, into transportation, into really supporting the operations of the school district, which is much needed for the health of the District.

This ballot measure was overwhelmingly approved by the residents of Fountain Hills. I think we went back and saw 69 percent of your voters approved this measure. And as Mr. Tavassoli mentioned, Toll was unanimously chosen as the potential buyer and developer for these two sites and is in escrow to purchase them.

MARSH: So we went over this in a little bit of detail, but just to kind of give you a little bit more history on our initial proposal, which we submitted in November or December

of 2025, Toll -- I give them all the credit in the world. I really have enjoyed working with them.

They thought very hard and very thoughtfully about what we could build here that would fit within the fabric of the existing neighborhood, still bring that quality luxury product that Toll is known for, and really try to thread the needle and honor that there are existing properties and an opportunity to develop a vacant piece of property. So when Toll initially went to the drawing board, they came to me and said, "Ash, we want to do 29 single-story lots on this property. It's really important for us to preserve this wash corridor.

We understand it's significant in terms of drainage patterns with the town. It also has some wildlife considerations. We don't feel like it's appropriate to engineer over this wash corridor, so we want to leave that alone." And again, emphasize that single story was really important to them, and they said, "What kind of zoning do we need to get this done?"

So we looked at that R1-10A land use category to be able to provide those single-story homes and fit in with what's already existing there, which is that R1-10, which we showed you. All that R1-10, that big capital A, allows us to do that's different is to have a little bit more lot coverage so that the square footage of the home is spread across the lot versus built up. And there are two stories in this neighborhood. As you saw, there's a stipulation on our zoning case that would just have for that single-story product across the board.

MARSH: And so I give Toll a lot of credit. This was already a great site plan. I've seen a lot of them. I don't want to say that every site plan I've seen is a great site plan, but this was a really good one. Preserved approximately ten acres in open space, developed about nine-ish acres of that 19-acre site, and preserved that wash corridor and viewsheds with the single story. Another thing that they worked really hard on with their design team is to mirror the circulation.

So if you look at our site plan in the neighborhood to the north, that circular drive is pretty apparent on each side, right? So again, just how do we thread the needle between what's existing and how we can bring a new community onto this piece of property?

MARSH: As I mentioned, and Mr. Tavassoli mentioned and showed this to you already, we had a lot of engagement with the neighbors and heard concerns about viewshed corridors, about traffic and density, about the wildlife that traverses this area.

And to Toll's credit, they looked back at their development plans and said, "What can we do in terms of creating additional open space to address concerns about grading, about drainage, about density, create additional open space, and really take another look at the most impacted neighbors, which are those neighbors to the north, the only property owners that we are sharing property lines with, and how can we make adjustments to our site plan to address a lot of these concerns?"

This was a 29-unit site. So from a development perspective, that's a fairly modest site. So by removing these four lots, that's over a 14 percent density reduction to help address those concerns about grading, drainage, and general density. And in doing so they're still remaining committed to the single story that the rest of the neighborhood was promised.

So trying to thread the needle, make concessions where we could in terms of revising our site plan, having tough living room conversations. We went and sat in living rooms, we had Zoom talks, we really listened to that feedback and tried to come back with something that was reflective of those conversations.

So before Planning Commission, we did make quite a substantial change to our plan on that north portion by removing those four lots and creating an additional 1.3 acres of open space on that northern perimeter, again to address density, to address grading and drainage, to address some viewshed concerns, still maintaining the single-story commitment that we've made to the neighborhood, opening up this corridor, and now

providing about 11.5 acres of open space. So that's about 58 percent of the total site as dedicated open space for this 25-unit community.

MARSH: And this is a conceptual rendering of what this will look like. Again, just kind of tucking into this facing vacant piece of property. It's a little outdated in that it shows the 29 lots, but just to give the Council perspective of how it just really blends in with where that vacant lot currently sits.

Toll does a great job. They build beautiful homes. We did receive some feedback on making sure that there would be some traditional elevations along with some modern ones. Just to let the Council know, with the single-story product, we are still offering four different floor plans with four different facades and then additional colors from there. So it will be 25 lots with a variety to choose from within that single-story programming.

MARSH: And to kind of address the elephant in the room here, we have heard some criticisms on traffic on Aspen Drive and some concerns that I'm sure you'll hear from folks from this evening as well, that there is quite a bit of volume on Aspen. We worked with CivTech. They are one of the prominent civil -- excuse me, traffic engineers in the State and asked them to look at volumes. And that's really what you're looking at when you're looking at road capacity and any type of roadway improvement is what type of volume is this traffic going to generate.

And as we've touched on a couple of times, this site was really envisioned and planned and programmed for a school, right? That's what the platting says. That's what your streets were designed to accommodate, was school traffic. So our traffic engineer looked at if this were developed as the intended school, what would that look like?

The charter school and an elementary school produce hundreds of volumes more than our 25 units. And another thing we wanted to point out, which I'll show you in the next slide, is a little bit easier to read. We looked at what would the traffic volumes be if this were developed for single-family residential under the current zoning, which is a larger

lot and would allow for 15 lots instead of the 25 we're proposing. And as you'll see, those numbers are really negligible. In the peak times, it's six more trips in the morning and ten more trips in the evening.

And I reference those peak times because that's when you feel traffic, right? Over a 24-hour period, maybe four trips per hour. But on the peak times when you're trying to get to work, trying to get to school, whatnot, it's really negligible. It's six more trips than what would be entitled by right, whereas it's a reduction in hundreds for the school use as proposed. And I put this in a bar graph so you can just see.

I know those tables get a little convoluted, and I'm used to looking at them, but so that it's easy to digest, you can see that charter school in blue producing hundreds of volumes similar to that elementary school in orange producing hundreds of volumes, and then those residential uses coming in much, much less, with what we're proposing, the 25 over 15, which would be entitled by right, negligible numbers in the difference in traffic volumes.

MARSH: Along with that feedback we got on Aspen, we heard a lot of people enjoy walking their dog, take advantage of this -- you know, what Fountain Hills is, is naturally beautiful, but this really pretty corridor, a lot of people riding bikes and whatnot. As part of the town's ordinance, we will be required to put a sidewalk on our frontage, and that's really great. That's a great thing for this community, which we've heard is very pedestrian-friendly, because it's going to get folks outside of what I've showed you is just roadway and onto a street.

And in working with your Public Works Department, we've committed and they've agreed to allow us to do a sidewalk extension on what is a little bit of a town-owned property that's currently undeveloped. So now the entire frontage along Aspen that is currently undeveloped will have sidewalks. So I want to thank the neighbors for that feedback and for Public Works for being receptive to us making that improvement to your property so that we can get folks off the road, and we're really excited for that to be a benefit to the community.

MARSH: Last couple things that we've heard, our feedback on grading and drainage. Just to let the Council know, we do have a pre-plat pending, and as part of that, we are required to do an engineered grading and drainage study. So our folks, again, Ryan and Fani here to answer any questions, have already studied what grading and drainage looks like in this area. We understand that there are concerns how Aspen gets just toppled over with water.

And part of that is because those flows are coming through and not being really directed anywhere, right? It's just overtopping a road onto an undeveloped piece of property. So with Toll's proposal, we are going to be improving the drainage picture along this road. What you see in red are some of those existing conditions that our engineers have studied, and we've gathered some feedback from the neighbors. At the northern part of our property, there is an existing drainage channel that's filled with silt. That is the town's channel.

It needs some improvement. So we're going to go in there and do some regrading to get those low points and convey water to the wash where we now have an open space area. Those were homes proposed before, but there's an open space area now. There is an area where there is some ponding and that open space will be regraded where necessary just to make sure those flows are properly captured and getting out to the wash as well.

And then, as I mentioned, if you look on Aspen, currently stormwater is just topping over the existing ribbon onto the property, and now we'll have curb along Aspen to increase street capacity and then convey it down into a stormwater basin that will get into the wash. So that's the last slide. So improving this property will help those existing grading and drainage conditions where water is just currently flowing.

MARSH: The last kind of critique that we've heard is that our lot sizes are not compatible with what's existing in the neighborhood. We took a hard look at that to see what is existing in the neighborhood. It's all our R1-10 zoning, as I showed you in

previous slides. So that's that 10,000-square-foot lot. Our lot sizes are compatible with all those along Aspen Drive.

You will see some larger lots further kind of north of Aspen as the topography also goes up. So if you're familiar with this stretch of road, everything along Aspen is flatter, and then your larger lots have some topography concerns, so it makes sense that they're a little bigger because of those considerations. But for the most part, we are completely consistent with the neighbors around us.

MARSH: So just to wrap it up, I know you've heard a lot of information. I tried to go brief so we could get to the grill. It sounded delicious as Mayor Friedel rattled off their menu. But just a summary of our request: we are very excited to propose an R1-10A zoning district to accommodate those 25 from 29 single-family residential homes. As we've pointed out, this is development of the school-owned land to bring additional housing stock to Fountain Hills.

Every opportunity for a new home allows someone to move in and move out of their home, so that helps with housing. More opportunities for home ownership increases your tax base. We will be participating in impact fees along with that, so additional revenue to the town. Again, we are nearly identical to the adjacent zoning. Really important, and something that was important to the neighbors we discussed with, is that this piece of property will be sold. You have a voter initiative that was passed.

The school district will be selling this, and this really creates certainty as to what could be built there versus those by-right uses, which could be schools, charter school, elementary school, churches, maybe something more intrusive to the neighborhood than our 25-unit proposal. Preservation of those open spaces, commitment to single-story development. The stipulations Farhad read off to you, Mr. Tavassoli, that we are completely supportive of, and we're happy to work with town staff on making sure that we are all in alignment.

We have staff support, and I'm really thankful to your Planning Commission for a unanimous recommendation of approval as well. So with that, I'm happy to answer any questions or come back as you hear from members of the public. But really, again, appreciate the feedback we've received, the revisions we've made, and working with the community and town staff on what we feel is a great rezoning request.

MCMAHON: Thank you very much for your presentation. I appreciate all the considerations that you have taken into looking at this unique piece of property and making the necessary changes. You know, talking with the neighbors, listening to what they say, reducing the amount of homes at great cost to Toll Brothers, et cetera, paying attention to the topography, paying attention to the lot size so they conform to the same size in the neighborhood, similar buildings, one-story, et cetera.

So I really appreciate that. I appreciate the 11 acres of open space. The designs look like they're thoughtfully done. I like the traffic calming measure of the sidewalk and how long you're doing it there because people do have concerns about the curb, et cetera. But I do think personally that building it out, having that traffic calming measure instead of it being commercial, you know, a school or whatever, I think that based upon all that I've heard and considered in this whole thing, I think that it is a smart development for that particular area.

And looking at the revenue it'll bring to the town, I think that's important. That's not the only consideration given the stipulations you've agreed to. You know, I think it's a very good development. So thank you for your presentation. I appreciate it.

MARSH: Thank you, Councilmember.

WATTS: I think I've asked 1,000 questions already, but I've got three more. One, I want to make sure that we only have sidewalks on Aspen. We don't have any interior sidewalks into the development at all, right? No -- no frontage road frontage.

MARSH: Yeah. Thank you. Through the Mayor, we will have sidewalks on ours as well. I just highlighted along Aspen. So there will be a sidewalk network along our internal

street. Let me see if I can get the site plan up, but I wanted to highlight that sidewalk extension for you. So you'll see kind of our road. Those will have sidewalks as well. The internal roadway, the U-shape, for lack of a better term.

WATTS: On both sides of -- on both sides of the street on that?

MARSH: Yes, that is correct.

WATTS: Both sides. Okay. Thank you. The landscape areas where you took the four houses out and the open area down below, and there's a little walk corridor, it looks like, between lots 11 and 12, those are all going to be on your landscape plan, is that correct? That's your responsibility?

MARSH: Through the Mayor, Councilmember, yes, those will be HOA-owned tracts. We will remain those in vegetative state, the natural state, as much as possible, but those will all be owned and maintained by the HOA.

WATTS: Okay. And the final question is -- and we talked about it, but I don't see a comment about it. Any costs that are incurred to do the grading and drainage on the property to the south, you're willing to take that responsibility up to the extent of the development fees and use it as a credit towards the development fees. I'm kind of paraphrasing what we talked about.

MARSH: Through the Mayor, Councilmember Watts, it's our understanding that the town is in very preliminary planning stages for a park to our south, and we are happy to have additional coordination with the town. We haven't been asked of anything specific. We've had some general conversation about what coordination might look like. We're happy to continue those coordination conversations. And yes, we would anticipate impact fee credit for any of that work we are able to achieve.

WATTS: Yeah, that's really what I was getting to. Whatever cost we incurred, we'd use it as a credit towards your impact fees, not to exceed the impact fee total, whatever that calculates out at. So as long as that's still on the table and we're talking about it, I would like to see a note, comment somewhere where -- I know it's preliminary. I talked

to Kevin before the meeting and we have some concept, but I want to make sure that we're covered and that we're going to get that taken care of and we're not going to incur the cost for it. So that's my --

MARSH: Through the Mayor, Councilmember, we are absolutely willing to continue those conversations. To your point, we haven't nailed down anything. We've talked to Kevin as well.

We would anticipate any work we are able to achieve would come through an impact fee credit, and we're excited to continue that conversation with your parks director and your town manager about what that might look like. I think it's preliminary for the town and for us as well, but we understand both of the town's planning is in process or our planning is in process. There could be efficiencies made there. There's impact fee credit for parks, and so that might be a great opportunity for us to work with the town.

WATTS: Right. For now, a pinky promise will work. So I'm okay with that.

MARSH: Thank you. Appreciate it.

KALIVIANAKIS: Thank you. And just briefly, and not really a question, but I really appreciate the effort that you guys did on the north side to remove the four homes. I think that that would have been a problem because those people would have really been impacted, that would live right above there, because there's no street barrier like Aspen. And so I do applaud you to make that huge accommodation, to do more open space so there isn't any sightline problems, because in Fountain Hills sightlines are very important.

And so I've been tracking this ever since the beginning too, and I know you guys have made a lot of concessions. I know you've worked a lot with our community, and I think we all up here appreciate that. And we appreciate all that you've done to accommodate the concerns. It might not be perfect for some people, but it's a pretty good project, and there's a lot of community input in here. So I want to appreciate and thank you for that.

MARSH: Through the Mayor, thank you, Councilmember.

MAYOR FRIEDEL: Seeing no more questions, I'll ask if there's any comment cards.

BENDER: Yes, Mayor, we have four cards. One is not speaking, and they wanted to let you know that they were for the project. The other three are Richard Rakowski, followed by Anna Kelleher, and the last speaker will be Ron Wald.

RAKOWSKI: Good evening, Mayor and Council. I'm Richard Rakowski. This summer will be 25-year resident of Fountain Hills. I'm also president of the Fountain Hills Unified School District Governing Board, although please note that I'm speaking for myself and not as an official representative of the board here tonight. I totally support the proposed rezoning of the Aspen property, and I'll highlight a few reasons and excuse my repetition of what has been said a few times already. So as mentioned, Fountain Hills voters expressed their will to sell the property, 69 percent to 31 percent, so the District is listening to and acting upon the will of the voters.

The sale to Toll Brothers, of course, is contingent upon this rezoning of the proposal. Toll Brothers, as noted, has made significant concessions in the development plan to gain the support of the neighborhood homeowners. The sale will be of significant financial benefit to our District schools, the students and parents, by generating funds to keep our school buildings in safe and proper condition and to address needed things such as roof replacement and HVAC replacement -- the systems that are awaiting attention at the facilities.

The sale repurposes vacant property which is not and will not be needed in anticipation of dramatic -- the absence of dramatic growth in town going in the future. It will not be needed for our future school building. The rezoning plan, as mentioned again, preserves the wash and significant open space in the entire parcel. It matches the density of the existing homes on Aspen and the adjacent streets, and as again mentioned, single-story homes to preserve views.

As also mentioned, on March 9th, Planning and Zoning unanimously approved the proposal. So I urge you to vote for the proposed rezoning, and thank you.

MAYOR FRIEDEL: Thank you. Next speaker, please.

KELLEHER: Good evening. My name is Anna Kelleher. I've been a part of Fountain Hills since 1981. We've built two houses in the community. The first home that we built was up on TPI Drive. Our family moved away from Fountain Hills for a few months. We decided we loved it so much, we moved back again within a year, and we built a second house on Aspen Drive. I really love Fountain Hills. I love a lot of the things that this community has become.

You know, back when we moved here in '81, we never thought a lot of this stuff was possible. One of the things that concerns me about the upcoming project is that it's taken away the original spirit that Fountain Hills was developed on. My mom worked at Community Bank when we first moved here. There were two banks, Community and Valley Bank, and the people that built this neighborhood were small family builders. We had architects out here.

We had Carl Malamon (ph.), men who studied personally underneath Frank Lloyd Wright. We have so much talent. And to see a billion-dollar company like Toll Brothers come in here and do a cookie-cutter job -- the area that they're so proud of saying they took the houses away from, there's two huge cactus back there. Each one of those cactus has over 1,000 years of growth on it. There's a whole community of wildlife that is centered around those cactus in that area. Yesterday driving down the street, I had a roadrunner run across the street in front of me with a fresh lizard in its mouth.

I believe with the density of this development, with all the sidewalks and everything, I think the density is going to put a lot of stress on the natural environment. And that's one of the big reasons why we all moved out here. I know every night when I drive home, I get up to the four-way stop sign and I'm like, "Phoenix is behind me, man." And I do a little bit far and I start going up Golden Eagle and I'm back home.

I'm back in our little place of serenity where people have been for a while. They've put thought into their houses, and I'd love to see what 13 or 14 architects could do on that land now. We have so many construction possibilities out there, and there's so much talent. I would love to see some breakthrough projects on there. And you know, that's all I got to say. This looks like Phoenix.

I just passed the new Toll Brothers development on Tatum Road. This isn't going to look -- they're going to be practically the same. This isn't Fountain Hills. This is Phoenix. If I want to live next to a development like this, I should just go down to Desert Ridge. But I don't want to do that. Our house, my grandmother's died in, my mom has died in, my dad is 90, and he's about to die in it too. And the house is coming to me and it will go to my family afterwards. That's all I have to say. Thank you. God bless everybody.

MAYOR FRIEDEL: Thank you. Next speaker, please.

WALD: Thank you, Council. My name is Ron Wald. I live on Aspen Drive. My concerns is with the traffic. I don't think there's been enough evaluation of the traffic out there. I'm a walker, and I walk that area daily, and I'm always concerned about being hit by cars, by people not obeying the speed limits or anything. I've sent countless number of complaints to the police department, and they have came out and jumped up ser and everything like that. And we keep continuing hearing from the developer that if this was zoned a school that they wouldn't have to do anything.

They would have to do it. You have to have double lanes for school. You have to have parking, everything. You can't compare a housing tract to a school zone. There's no comparison in it. And the City also -- they also put signs out here. You're going to park cars. This is where they put a traffic sign for to check the speed out here. This is my truck park. These are where people are going to be able to park your car. How are you going to get two cars through that area? And you guys are going to go ahead and inundate this area, same as down the street.

Another -- my truck parked here, a car that's parked on the sidewalk over there. There's 15 feet. There's not even enough room for a fire truck. You have to have 24 feet for a fire lane, and you guys are going to go ahead and just pass this? And the other thing is concerned about, is I don't understand the City math regarding the 67 percent. That is, I just don't understand that math.

There's a ten percent bust in there. And then where the developer's talking about extending the curb all the way, they're extending the flowline curb so they don't have to justify where the water goes down in there, where you guys have your sewer lines and everything. They got to have access to the sewer line. I've spent a lot of time in this area. I walk this area. I know this area. You guys got to take in consideration for the safety of the residents, not just for the pocketbook of the City or the school district. The school district should be able to fund itself. It also was voted -- it was an R-35 when it was voted, and now they're changing it.

Why would the voters -- didn't put it up for a revote and see if they'll pass it as an R-10? You can't just do that. And then I just -- it's just unacceptable. You guys, you need to take consideration for why the people moved here. And I would still like to have the City math explained to us. You guys had questions, and to me it's just wrong. And Toll House -- they have a lot of stuff they have to do.

Their traffic impact -- they said in the last meeting they don't have to do a traffic impact. Same as their dust permits, all their soils report, all their EPA permits, everything. So I think you guys need to consider this and go from there. And remember, we people need to be represented out here too. Thank you.

MAYOR FRIEDEL: Thank you. I'm going to close the public hearing, and then see if there's any more discussion from the Council.

WATTS: Mayor, seeing as how there's no additional discussion, I'd like to move to approve the plan as submitted.

MCMAHON: I'll second it.

MAYOR FRIEDEL: That's subject to those stipulations, is that correct? Okay.

SKILLICORN: Mr. Mayor?

MAYOR FRIEDEL: Yes, Allen, do you have anything to say?

SKILLICORN: Yeah, may I make a comment before you do a roll call?

MAYOR FRIEDEL: I did not do a roll call.

SKILLICORN: No, before you do a roll call, may I have a comment?

MAYOR FRIEDEL: Please do.

SKILLICORN: Thank you, Mr. Mayor. So really, I've got three concerns about this. First, you've got 123 residents that did file the protest against it. That is a majority. The second one is a two-thirds majority of the people that live within 150 feet do still oppose this.

And then number three, the current zoning would allow for 15 homes, you know, so it would be lower density than what's proposed. It still allows development there. It still allows the property to be sold and developed, but just at a lower density. And because of those three facts, I really don't have any choice but to oppose this, because if it does fail, it retains the current zoning, which is 15, 15 homes, and I would support that over 25. That's all.

MAYOR FRIEDEL: Thank you. We have a motion and a second. Can we get a roll call, please?

BENDER: Councilmember McMahon.

MCMAHON: Aye.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Councilmember Skillicorn.

SKILLICORN: No.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, 5-1.

MAYOR FRIEDEL: Thank you. Okay, moving on to Item E on the agenda. We've got a public hearing with the consideration and possible action relating to an ordinance amending the Zoning Ordinance, Chapter 27, Downtown Overlay. I'm going to open a public hearing on this. Rachael?

GOODWIN: Thank you, Mayor. This, as you mentioned, is regarding the density for the downtown area, specifically for the residential development. John is going to be leading us through this conversation as the Development Services Director, but I do know that our Economic Development Director, Amanda, is here to kind of chime in, as I know she's been very involved in this conversation as well. So with that, John, I'll turn it over to you.

WESLEY: Thank you, Manager. Mayor, Councilmembers, I'll walk through a presentation here of these items. First of all, you do have two items on your agenda tonight to deal with the downtown area. First one is Item 9E with regard to the Downtown Overlay. This is before you because a few months ago when you were considering the rezoning, which is Item 9F on your agenda, some questions came up about the maximum density that was allowed in the area.

And so you sent the overlay district itself back to the P&Z Commission to have them look at and consider whether or not that density that was in the approved ordinance should be changed or not, potentially lowered, is what I believe the Council was looking

for at the time. And so then your second item -- I don't want to get these confused -- is Item 9F, where you'll actually consider the rezoning itself. So first is the overlay district -- are we making any changes to it? And then second, rezoning the property.

WESLEY: So with that in mind, back in June 2025, the P&Z Commission did finish its review of a new chapter to our zoning ordinance, Chapter 27, Downtown Overlay, and included in their recommendation to the Town Council that overlay district that would allow up to 50 units residential by right before you need a special use permit to do anything higher than that.

In September, then, the Council considered that ordinance to create that new overlay district, but in doing so, the Council determined to reduce that density down to 35 units per acre. And then, as I said a minute ago, in December, when we came to Council with the rezoning to remove the two existing overlays in the downtown and apply the new overlay district, the Council had heard some comments from the public with some concerns about that density, so it was sent back to P&Z for consideration of that.

WESLEY: Some of the concerns that were stated by the public with regard to the 35 units per acre is that with that level of density, that it would be hard to achieve economic development goals. The developers would come in and purchase a lot of the properties and even some of the existing commercial properties and take that out and develop more of the residential, and doing so would lose some of the character of the area and potentially choke it with traffic from the residences, that we need to save land for businesses, that should reduce the density back to the eight per acre and let Park Place be that entertainment district.

WESLEY: So looking at that and some response to those, I want to make sure it's clear that with the overlay district there's no ground floor residential at all on the Avenue, and in the business district only with approval of special use permit. So Council maintains control and can keep that commercial ground floor throughout the area. The common parking areas must remain.

Those are owned by all the owners of Plat 208 in common, and as part of the whole zoning concept, those parking areas are needed for the development of the individual lots so they don't have to provide their own parking. Business vibrancy does depend upon customers, and having customers who live nearby is very helpful for that business vibrancy. Residential generates less traffic than commercial development does.

As you've seen from many of Director Jacobs' presentations on the town, we have low vacancy rates in our multifamily developments in town, suggesting a need for more housing of that nature in town. And right now, the character of the downtown is marred by having the scattered vacant lots throughout there. And if we can get those developed and cleaned up, the whole downtown will look much better. Any upper floors in this area are unlikely to have commercial.

Maybe you get some second-floor offices, but they're even unlikely. And so if we're going to have the second floors really do lend themselves to becoming that residential use. And we also did a review of several of the apartment complexes in the downtown area. And finally, they do have a high percentage of year-round residences in the 90 percent-plus range. So the idea that residents of apartments are just part-time residents doesn't bear out with the facts.

WESLEY: So one of the concerns and issues here, I think, has been it's challenging to understand and apply density concepts when you're talking about small tracts. So, Mayor, hopefully this doesn't take too much time, but I want to step through an understanding of density and what it means and how it applies in this case. So you just saw the rezoning on Aspen and had some discussion there about density, but just real quickly, you have one house on one acre, that's one unit per acre.

Take that same one acre and put six houses, six units per acre. It's pretty easy to understand in those cases. In a multifamily setting, I'm going to use Luna Fountain Hills over here off of Fountain Hills and El Lago as an example, about 150 units on 9.7 acres. So that's 15.5 units per acre. That's on the whole tract. That includes the parking, the open space, and the amenity areas that are part of that development.

In this case, we're talking about downtown because the parking is separate. We're really talking about a lot. And so if we did the same calculation here for Luna Apartments and just take the building and the area under the building, you're at about 82 units per acre in a comparable type of scenario. So that density -- and when we start talking about 35 or 45 or 50 units per acre in the downtown area, you got to keep that type of ratio in mind.

WESLEY: So transitioning then to the downtown area and Plat 208 and the lots and the densities here. So for the most part, we have 6,000-square-foot lots. There's some smaller, a few bigger, but that's the predominant number. And so based on that, with only the individual lot, on a 6,000-square-foot lot, if you have one unit on 6,000 square feet, that's 7.29 units per acre. Then you can see the rest of the numbers in the table here. So we've been talking about, you know, 25, 30, 45 units per acre.

So six units on a 6,000-square-foot lot, that's just under 45 units per acre. So what does that look like using one of the vacant lots downtown and some of the adjacent building massing? If we had one 12,000-square-foot apartment unit, which, as I did some research, is the larger end of the average for a two-bedroom apartment unit in Fountain Hills. So if we had one of those, that's what that might look like. If you go to four or if you go to six, you can see it's really not very imposing. You can do that in a couple of floors and still have some vacancy left over.

WESLEY: It still allows for the ground floor commercial to happen. And so six units or 45 units per acre, again, doesn't seem to be very imposing. One of the other concerns has been a total block. So what does that do to a total block if somehow somebody were to purchase a total block, which is about 11 acres on the existing platted lots as they exist today at 35 units per acre? The average density on that total block would be about 15 units per acre. So again, very similar to what we saw over at Luna. Or if we were allowing 45 units per acre, that would average about 20 units over the whole block. Again, that would be clearing what's there, building it all as residential.

WESLEY: So what does it take to have the type of vibrant downtown that we've been looking for? Studies show that to really get to that level of activity and interest in a mixed-use commercial area, you want to have between 12,000 and 15,000 residents per square mile.

So that's sort of a much larger area than we're talking about here. So when we bring that down to the area of downtown and it's kind of walkshed area, we're talking about 1,500 to 1,800 people, which then translates into someplace between 750, 900 dwelling units. Currently, there are approximately about 350 dwelling units within the area shown. So we need to add someplace between 400 to 500 dwelling units within that area to get that kind of vibrant activity in our downtown area.

Within Plat 208, currently there are 11.5 acres of vacant land, so not touching anything that's already developed. So you can see here the numbers at different densities, how many units we could potentially get if all of those vacant lots were built at the higher densities. And will that happen on all of them? Probably not. Will there be some redevelopment of existing lots to add some residential?

Yes, we've seen some of that. It's a bit challenging from the building code, but it has happened and could happen. So again, you can see if we're trying to target someplace between 400 and 550 additional dwelling units in the downtown area to get that vibrancy we're after, those higher density numbers are what we should be using.

WESLEY: Using one more example here, just taking a block of lots over here off of Parkview. We've got eight lots, six different owners, five existing buildings, 48,000 square feet. So if you have 1,200-square-foot units, I calculate you could probably have about 28 per floor on that block if somebody bought that whole block, cleared it, and started putting multifamily on it.

So two floors would be 56 units. You can see the densities at 35, even 45 units per acre. You can't put that many units at that size. Now, you could put smaller units and get more, but using kind of that average size that we see in town. And again, you'd still

require the ground floor residential -- unless the Council were to approve having the residential on the ground floor.

WESLEY: So there's also been some comments and questions about what staff's recommendations have been along the way and how this has evolved. So again, the current ordinance allows eight units per acre, which is one unit per 6,000 square feet. We round down on these things. So when I started reviewing this new overlay, I thought, gee, would the community accept doubling that? So let's look at 15. So that's what I put in my initial report. But after getting that out and really examining it in a little bit more detail, by the time I got to the P&Z Commission, I was saying that really doesn't add anything to the town.

We really ought to double that again and talk at least 30 units per acre. So that's where the Planning Commission really started, was with that. As they continued their discussion, they again came up with 50 units per acre as being appropriate. And you can see again, that would allow six units, because that 6.85 would be rounded down to six units maximum allowed on a 6,000-square-foot lot.

WESLEY: So some other projects have previously been approved. Across the street, we have the Belvedere Suites at 38 units per acre. We have the project over here by Chase Bank. Originally came in as a 43-unit-per-acre project, then sold to somebody else who came back with larger units and fewer at 21. We have another project down there behind Sofrita's. It's a small property, so again, the density goes up fast, and so it's 69 units per acre on that. And Park Place is at 45.

WESLEY: Recommendation. So P&Z, in their review, got a little bit sidetracked maybe in talking about some of the peripheral issues of other uses and so forth and ended up not really making a recommendation. There was never really any discussion about lowering the density. It still stayed around that 35 to 45 units per acre in their discussion. So from the staff perspective, again, we've been talking about and wanting to encourage -- and through the updates to the strategic plan and so forth, the community has talked about having a vibrant downtown.

A "fun zone" has been used. 15 units per acre, staff feels, won't get us there. We need the higher density. And we need to make the desired development the easiest thing to do. We do that by not requiring somebody to go through the four or five months of a special use permit to get what they want. So staff recommends at least keeping the 35 units per acre that's in the current code as it exists.

WESLEY: So some options for motions tonight, Mayor: one would be to deny the ordinance that was attached to the staff report. That's what we took back in consideration of any changes. And that would just maintain the ordinance as it is today with 35 units per acre. Another option is to adopt the ordinance as attached. The one change it makes from the current ordinance is it adds a cap to the total block.

So just in case somehow somebody did really buy up a whole block and start trying to change the existing parking, this would put that cap in place so you couldn't really get that 35 units per acre on the full 11 acres. And then obviously the Council, as you discussed it this evening, may have some other options you want to consider in terms of the density, whether it's higher or lower, or to add any other provisions into that. So that's a third option that you have in any motions. Mayor, any questions you have for me at this time?

EARLE: Yeah, I do. I do want to approve this with the 35 units per acre with that provision where the density of the block cannot exceed 20 units per acre. But I do have a question about -- if we're doing -- this is for the overlay over to the business area too, you said, not just the Avenue, correct? So I'm curious about the -- do we have a requirement that the first floor be predominantly commercial outside of the Avenue?

WESLEY: So I got a map here. Sorry. So Mayor, Councilmembers, in the Avenue District of the three districts we have in the downtown overlay, the Avenue District allows no residential on the ground floor under any circumstances within 50 feet of the street front.

EARLE: Okay.

WESLEY: And so in the Business District, you can have ground floor residential only through approval of a special use permit. So you can have it, but it takes Council approval. And then in the Innovation District, it allows basically no residential at all except through special use permit at any density.

EARLE: Okay. So is it possible to amend it that it would be predominantly -- if we want to really get this mixed use everywhere -- to have a predominantly commercial on the bottom?

WESLEY: Sure. So Mayor, Councilmember, you're referring to the business district. And so is there some provision to say predominantly -- probably wouldn't be a good term in terms of trying to implement -- but to say a percentage, 25 or 30 or 50 percent of the ground floor always has to be non-residential. Sure, it's possible to put that in. Right now, since it's always going to have to come back to Council for consideration of anything other than commercial on the ground floor, you'll always have that opportunity.

It's hard to say what an appropriate number might be given some of the different lot options available. I know we just had the one -- we have the one that's going through currently on Parkview that had just, I'm going to say, 500 square feet on the ground floor. And as P&Z Commission reviewed it, came back with, "That's not sufficient. We really need to have more of that ground floor commercial."

So that's where it gives us the opportunity on the individual basis to look at it and say what's appropriate given the area. Another location, it might be appropriate to even have all the ground floor to be residential because that's not -- it may not be quite as prime a commercial location as that one. So we start to limit ourselves when we do put a percentage on that ground floor, but certainly it could be done.

EARLE: Okay, because I'm just -- we're wanting to bring more revenue, so needing more business, correct?

WESLEY: Yes.

GOODWIN: Mayor, Councilmembers, if I may just kind of add to that a little bit. Part of what we battle a little bit here again is the market, and what we're understanding from the developers, to build the commercial, it really does take the residential piece. They're going to be able to rent those and get their revenue, generate the money they need from that.

The commercial is often a little bit more challenging to have a market to fill the commercial. And so as times change, we might be booming more and it's easy to get the commercial on the ground floor. Other times it might be a little more challenging. So again, it gives us a little more flexibility if we just leave it open to the individual case through each SUP to see what's appropriate in a given location.

EARLE: Okay, I'm curious to see what the rest of the Council thinks.

MAYOR FRIEDEL: I agree with that. I don't think you can throw a blanket over the whole thing. It comes back to the Council anyway, so we can make a decision on it based on what's being presented. So let me get the next person up here. Thank you.

MCMAHON: Boy, oh boy, this is confusing to me, but I'll do my best. Okay, so we're talking about downtown building residential units up to 35, right? And instead of it being 20 per block, it's going to -- if it stays at 35, it'll be 15.

WESLEY: Mayor, Councilmembers, so the ordinance, 2602, as it came to you, as we had studied at P&Z, at 35 units per acre, the comparable for a whole block is 15 units per acre.

MCMAHON: Okay. And then you'll define what a whole block is, correct?

WESLEY: Yeah, it's understood what a block is through zoning and planning rules.

MCMAHON: Yes. Okay. And I know this isn't Avenue of the Fountains, but on Avenue of the Fountains, I thought we required, or, you know, there was an agreement or whatever you want to say, that the bottom floor is commercial or a certain percentage of the building needs to be commercial, like the one that is going next to Chase Bank.

So we're not having the same requirement for these dwellings, or is that something we're going to look at later after we decide the density?

WESLEY: Sure. Mayor, Councilmembers, again, in the Avenue District, which is along the Avenue and Verde River, the ordinance requires the ground floor to be non-residential. In fact, it requires it to be active commercial, retail, entertainment, restaurant, those types of uses on the ground floor. Again, in these areas, unless the property is at least 50 feet back from the public right-of-way. So when you have -- with primarily these two little pocket park areas, the back portions of those could be ground floor residential, but it would take the --

MCMAHON: Oh, I see. Yeah, okay.

WESLEY: But other than that, ground floor cannot be residential on the Avenue or on Verde River.

MCMAHON: Okay, so the setback's more than ten feet, right?

WESLEY: 50 feet.

MCMAHON: Okay, it's 50.

WESLEY: Yes.

MCMAHON: So upstairs is more the residential, and that's really what we're talking about, correct?

WESLEY: Yes.

MCMAHON: Okay, and the town is comfortable with 35?

WESLEY: Yes.

MCMAHON: And then a maximum of what it said on there, 15 per block, right?

WESLEY: So if somebody were to purchase an entire block, cleared of all the buildings, own all the parking lot, then 15 units per acre is the maximum they could build there. I will say also, though, our whole zoning definition and overlay are based on that current

configuration of common parking, and the overlay really doesn't work if somebody really buys it. And I think we would be into some larger rezoning process really at that point.

MCMAHON: Okay, so two more things. Thank you. The height, is it three feet? Is it three stories?

WESLEY: Mayor, Councilmembers, 40 feet. And so you can get three stories in. Four is possible, but it's a challenge.

MCMAHON: Okay, so if someone doesn't -- if this is the rule and someone doesn't buy the whole block, how are you going to figure out the maximum of units if you have two different buyers or builders?

WESLEY: So Mayor, Councilmembers, again, it'll just be the lot by lot application of the code at whatever the density is that the Council sets. So at 35 units per acre, somebody has, you know, one of these 6,000-square-foot lots, they could then do up to four units by right on that lot. If they want to do more, they'd be back here for a special use permit. If they happen to combine two or three or four of those lots, then, you know, whatever size that is, we just do the calculation. That's what they could do by right.

MCMAHON: Okay, I think I understand. Thank you.

SKILLICORN: Mr. Mayor?

MAYOR FRIEDEL: Yes, Councilman?

SKILLICORN: Thank you, Mayor. A couple questions. First off, did the Vice Mayor suggest the motion, or did she actually make a motion?

MAYOR FRIEDEL: Go ahead and answer.

EARLE: I was hoping to have made a motion, but I thought we were in discussion right now. So yeah, we're in discussion, but if I could make a motion, that's what it would be.

MAYOR FRIEDEL: Councilman Watts?

WATTS: So John, I just want to be clear on -- the original intent, I thought, was retail. We keep saying commercial, and when you talk about a special use permit and being rejected by Planning and Zoning, it's because there's such a minimum coverage. Somebody comes in and they want to store cars in there.

That doesn't generate anything except maybe some sales tax on the rental. Nothing significant. Not like a restaurant, not like a clothing shop. So do we have a minimum there that we want to coverage? Have we established that yet? That has to be some type of sales tax generation similar to, you know, whether we call it the fun zone or whatnot. Restaurant entertainment factor as opposed to just open floor space?

WESLEY: Mayor, Councilmember Watts, again, on the Avenue, certainly all the ground floor, whatever size, with the restriction that we put in place with the overlay for that, would over time phase out offices and they could all be retail-generating, revenue-generating uses on those ground floors. That's what's expected there. In the Business District, that's where today it will allow whatever uses on the ground floor that the C-2 zoning allows.

There are a few restrictions in terms of some of the items allowed by special use permit in the current code, such as mini storage is not allowed in that Business District. And I can't remember what all of them are off the top of my head right now to go over those. And so that's what would be allowed in terms of uses on the ground floor and be the expectation of the full ground floor unless, through a special use permit, Council approves something different.

WATTS: So I'm wondering -- I'm fine with the Avenue the way it is. It seems pretty straightforward. I'm concerned about the Business District being commercial and not having any restrictions on the amount of sales tax generating operation that could be in those particular facilities. Can we put some sort of a restriction on them?

WESLEY: Mayor, Councilmembers, we could do something similar to what was done on the Avenue, but that's not part of this discussion of this text amendment as it's been advertised. That would have to be something we'd do in the future.

WATTS: Okay. Second one is when we get to that 15 units per acre, that's roughly 2,900 square feet, as opposed to the 1,250 square feet that you've got right now for dwelling units per acre at 35 dwelling units per acre. So can we put a minimum residential restriction on that? It has to be a minimum of 1,250 square feet.

WESLEY: As far as individual apartment units themselves having a minimum size on that, again, that's something that could be added into the ordinance if the Council chooses. I've had the opportunity to think about that a little bit and can propose how that might be worded into the ordinance if the Council would like to look at that.

WATTS: I think the 15 dwelling units per acre as a maximum, pretty much -- we had talked a little bit about 1,500 square feet per unit as a residential area, bumping it up a little bit, making it larger. But I think the 15 covers that from the standpoint of per acre. My only question there is if I have multiple owners, is the last guy that's buying the acreage, the last piece of the acreage, restricted by the 15, or is it on an individual unit-by-unit basis? So did I confuse you?

WESLEY: No, I understand what you're saying, Councilmember -- trying to think of the best way to respond to that. So the purpose of that 15 per acre, that's for the full block, if somebody's bought the full block, including the parking. And so you're dealing with one owner at that point of everything anyway. As we've calculated it today, if each lot as it exists today is built at 30 units or 35 units per acre, that's the average density you're going to get overall. So there shouldn't be an issue of some last person coming in and exceeding that. But if it did get there, then that just kicks them into a special use permit at that point to get it approved.

WATTS: Yeah, your example of having five or six buildings and having, you know, that's going to cover an acre roughly, right? And by the time I got the last one, if everybody

else was building out to the maximum they could build out, do I get shortchanged because now I'm restricted by the 15 units per acre? Or is something we should consider, John? Wouldn't we be looking at that anyway on an individual basis with that final, so we could make a consideration at that point, right? That if we ever got there.

SKILLICORN: Mayor?

MAYOR FRIEDEL: Yes, Allen.

SKILLICORN: Thank you so much, Mayor. I actually would support development at that 35-15 level, 35 units per acre. And, you know, if it's 15, if it's the whole block, one owner, that's fine. But I really like Councilman Watts' suggestion about retail. I don't believe that we need more office space. And frankly, office space doesn't create any sales tax revenue.

And office space is something that is so last decade. The economy has moved on. People work from home. Less office space is needed. I don't want to see more vacant buildings. And that's really my concern there. So I would also encourage that motion to include mirroring the retail requirement of the Avenue of the Fountains. And that's what I think would be a great idea. And that's what I would support.

WATTS: I don't know if I go that restrictive, to Councilman Skillicorn's point. If we mirrored what was on the Avenue, I'd like something in between what we've got now, which is carte blanche. You can really come in and put car storage in there and virtually use very little percentage of the floor space.

But if we had a requirement that was 50, 60 percent of the floor space has to be for retail or equivalent, then does that satisfy that little niche as well? Would that be – Councilman Skillicorn, does that fit, or you want the whole retail like the Avenue? I know, no cross-talk.

SKILLICORN: Councilman, what about a compromise of 70 percent?

WATTS: I'm open. I'm looking for John to say yay or nay.

WESLEY: Mayor, Councilmembers, my primary response still is we're not advertised for that type of change. If you would like us to consider that, that would be something we would have to come back with.

As we have worked on this, however, over these last year-plus, as we envisioned the Business District, it really -- what has been intended -- is to be a more comprehensive mix of uses of commercial-type activities. So the ones we are trying to move off the Avenue, where are they going to go? We pictured them moving to the Business District.

SKILLICORN: Mayor?

MAYOR FRIEDEL: Yes, Councilman.

SKILLICORN: Thank you, Mayor. So I really think it is the role of the Council to set that direction, and I believe this would be appropriate. It'd be good for the town. But furthermore, like, some of the things that were brought up this evening, like, there was a vision for 400 additional units in this area. That is not something I support. I think that that would actually undermine the charm of this area and undermine the values of our town. Higher density, bringing 400 more units, I don't think brings vibrancy. I think it brings more issues to our town, and I would actually disagree with that.

So I really think that these are the types of things that the Council should actually set a policy on this and actually weigh in. Now, we may not need to do that this evening, but that is going to be my opinion, is that there is an avenue for additional mixed use so that the property owners can actually use their properties and actually make them more economically vibrant and viable.

But I also don't think changing the character of our town with so many additional residents and additional units and parking and traffic and everything that higher density brings. I do not want us to become Scottsdale. We are Fountain Hills, and we're Fountain Hills for a reason, because we have elbow space here. We have big lots and we have low density, but there is potential for this 35-15 agreement, and I still think

there should be some direction on a, you know, a minimum amount of retail in this area.

MAYOR FRIEDEL: Also, I want to remind everybody that this is discussion -- I'm sorry, this is question period right now, not discussion. So if you have a question, then we'll hear that. But let me get to the next person in the queue, which is our Town Manager.

GOODWIN: I do have a question, Mayor. Thank you. And it's just a clarification because there's been some questions. So you highlighted, John, that you are proposing a 35 and 15. Is that right?

WESLEY: Yes.

GOODWIN: I'm just asking because the staff recommendation is different in the packet, which identifies a 20. It highlights a minimum of 35 and not to exceed 20 units per acre. So I just want to make sure we're considering the right thing so that there's no confusion.

WESLEY: That would be a good idea.

GOODWIN: And I believe, if I'm wrong, Vice Mayor, I believe that's the numbers you mentioned when you were bringing it up. So I just wanted to, again, I don't want any confusion out there what numbers we're really working on here.

WESLEY: Right. Yeah, I believe if we look at the actual ordinance, 2602, it is 35 and 15.

GOODWIN: Okay, thank you.

WESLEY: And so the 20 went with the 45, and so probably got some numbers transposed maybe there in the staff report. Yes.

KALIVIANAKIS: Thank you, Mr. Mayor. Yeah, and I don't want to put words in your mouth, so if I say something wrong, please correct me. You know what we're doing, I think it's pretty important tonight. I think what we're not doing is trying to say that they're going to have residential on the ground floor by right. I think tonight is what

we're talking about, trying to increase retail usage in this new Downtown zone. Is that what we're doing, right? Trying to encourage retail?

WESLEY: Correct.

KALIVIANAKIS: Right. And so would you say that this is kind of reverse logic, but if we want more retail, we have to be more generous with residential? Isn't that what's in your report?

WESLEY: Mayor, Councilmember, yes. The common term is, retail follows rooftops. And so when you have the population through the residential development, that's when the retail will come to serve that population.

KALIVIANAKIS: Yeah, and I would agree with that, because when we put Park Place in here, the residential was the economic driver, and then it took years to backfill with the retail. Is that correct?

WESLEY: Correct.

KALIVIANAKIS: And is that what we're trying to accomplish tonight by incentivizing developers to build buildings in empty lots so that we can have a vibrant downtown -- general plan, strategic plan -- by incentivizing developers to spend their money building lots that are primarily going to have retail on the bottom?

But they're going to incentivize them because, as we know, Arizona is pretty sparse in the summer, and then there's a lot of activity in the winter. But if they had six units, maybe at 35 or 40 per, then they would get that rental income all year long. And then even if the summers are -- you're still incentivizing developers to build on those lots because there's still going to be profits coming in.

WESLEY: Yes.

KALIVIANAKIS: Is all that right?

WESLEY: Yeah. I'll make one clarification, Councilmember. That's when you said retail on the ground floor. It's commercial on the ground floor, particularly in the Business

District. So it might be retail, but it might be office, it might be something else in the Business District. But it is non-residential on the ground floor.

KALIVIANAKIS: Well, in the original overlay -- I don't think there'll be any American Family Insurance or office buildings. I thought it was supposed to be a certain type of business.

WESLEY: Mayor, Councilmember, on the Avenue District, that's true. But in the Business District, it's more open.

KALIVIANAKIS: So it would be open to other types of businesses, but it would still give them the opportunity to move in there, again, based on the fact that it's economically viable based on residential being on top.

WESLEY: Yes.

KALIVIANAKIS: Yeah, I would be for 35 or 45, as the packet says, to increase that to incentivize it so we can get a lot more retail and fill empty lots, which is what everybody's talking about, you know, when's this downtown going to look full. So that's -- thank you very much.

MAYOR FRIEDEL: I'll just add that I think every time we have a renter that stays here year-round, it's over \$500 a year in sales tax revenue that's generated versus somebody that just visits. Councilmember?

MCMAHON: Thank you very much. Not to cloud the issue, but piggybacking on Brenda's understanding, that's my understanding too. So right now what we're deciding on is density, and later on, you know, knowing that we're going to have commercial down on the bottom floor, and later on depending upon who the buyer is, the builder, blah, blah, blah, we'll take a look at what they want to build, what they want to put in, if there's an SUP, et cetera. So right now we're deciding on density?

WESLEY: Correct.

MCMAHON: Okay. Thank you.

WATTS: Thanks. So I'm still stuck on the clarification of the 15 units per acre that -- 35. See, told you I got 35 dwelling units per acre, 15 units max per acre per block. Well, how big is the block then?

WESLEY: 11 acres.

WATTS: 11 acres. Okay. I think it's pretty close. I just think the wording has to be real clear, and I'm not sure it is in the recommendation at this point. And the other thing is that I still would like to do something to push the retail as opposed to commercial.

MAYOR FRIEDEL: That's going to come later.

WATTS: I don't need the help, thank you very much. So if we could have a minimum eventually of something in the area of 15 to 75 percent to satisfy -- we haven't done any calculations on it. We haven't got any feedback from Economic Development on, you know, what the likelihood is. So I'm a little concerned about that as well. So with that, I don't have any more questions.

MAYOR FRIEDEL: Seeing nobody else has anything, do we have any comment cards on this, Town Clerk?

BENDER: Yes, Mayor, we have one card. Crystal Cavanaugh.

CAVANAUGH: Yeah, it's confusing. I'm with you, Peggy, because I came in to say, plain and simple, regarding the density, we can always zone up. But you can't come back down once we make it into too large of a number. But the more this is being discussed, you know, at 35 units per acre, I get it better than the last time it was discussed, because even at that time, you guys thought 16, you know, would be a more logical number.

And so that's when it went back to Planning and Zoning. But then surprisingly, the majority didn't decide on the 35, and they did express that there was actually an ASU interest in helping to create, you know, some overview of options, and I think they were even going to do that for free to give us some type of district. And so my thoughts were apartments don't keep us from growing stagnant, but creative businesses do.

So I didn't want to zone us out of possibility. And even when John Wesley, of all people, John, said 15 units per acre initially, I thought that actually sounded pretty reasonable considering it started at eight. And I was worried whether someone would come in and merge the parcels. So I'm transitioning in my brain here to the 35 units per acre with that cap if someone did come up and buy a whole block of it, because I like that protection.

Because currently, it's zoned -- Plat 208 is zoned as the entertainment district. And so I always worried if you approve the larger ones, you're going to zone away the options and opportunities. And when apartments take the priority, entertainment and dining options go out the window, and that's tax revenue for us. Because, for example, I know you're trying to put these businesses on the bottom, but let's take, uh, Park Place -- the ice cream shop. They've had complaints because it's too busy, too noisy. There's customers, and that's an ice cream parlor.

So then I worry about how restrictive any solicitation and recruitment of other businesses for some of these apartments will be. And I also liked the aspect before when it was 16 units per acre, thinking it was going to make them smaller and more fitting for a charming downtown area. And so that's where I've come kind of full circle. As long as you do have some of these protections in place, I could support the 35 and then get an SUP in case special circumstances come up. So that's all I have to say.

EARLE: There you go. Thank you, Mayor. Before I want to make a motion, but I want to say this was very confusing for me as well as everyone here, and I appreciate the multiple meetings and communication to understand and learn this. And when I asked John, "Could you talk to us like we're kindergartners, show us some pictures," that kind of helped me too. So thank you very much, John, for your presentation. I would like to make a motion --

MAYOR FRIEDEL: Before you make the motion, let me close the public hearing.

EARLE: Hello.

MAYOR FRIEDEL: Is that all right?

EARLE: Okay.

MAYOR FRIEDEL: Yeah. Okay. All right. I'm going to close the public hearing. Vice Mayor?

EARLE: Okay, thank you. I'd like to make a motion that we keep the original at a minimum of the 35 units, but with the provision of the overall density of a block that cannot exceed 15 units per acre.

MAYOR FRIEDEL: 15 or 20?

EARLE: John clarified it was 15.

WESLEY: Yes, Mayor. Yes, 15 at the 35. 20 if you went up to the 45, which we discussed in the staff report because it had been brought up by P&Z.

EARLE: But it was a little boo-boo there.

WRIGHT: Yeah. And I think probably the easiest motion is to adopt Ordinance 2602 with the density as listed. So the density listed on the sample ordinance is 35 units per acre, provided the -- I'm sorry, 35 units per acre above ground floor per lot, provided the average density of the total block does not exceed 15 units per acre. So that's exactly what you said. So approving Ordinance 2602.

EARLE: Can I just say what she said? Is that what will be recorded? Okay, then we just need a second.

SKILLICORN: Mr. Mayor?

MAYOR FRIEDEL: Yes, Councilman?

SKILLICORN: Thank you, Mr. Mayor. Would the Vice Mayor be open to amending it to add instructions to limit non-retail in the instructions, and it could be open to discussion, you know, something 50 percent, something 60 percent, something 70 percent, something like that. Would the Vice Mayor be open to that amendment?

EARLE: Allen, that has to be discussed at a different time, so I'm open to that at another time. Oh, Jen. Oh, the attorney will speak.

WRIGHT: Yes, Councilmember Skillicorn, that's a very good point to want to bring up, but that's not agendized for this meeting. So we can add that as a new ordinance at a different meeting because we did not properly agendize limiting the type -- changing the district to limit the type of commercial development.

KALIVIANAKIS: I'll second her motion.

MAYOR FRIEDEL: Okay, we have a motion and a second. Can we get a roll call, please?

BENDER: Councilmember McMahon.

MCMAHON: Aye.

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: Mayor Earle.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, 6-0.

MAYOR FRIEDEL: Thank you. Moving on, John, I see you're on deck for the public hearing and consideration of possible action for rezoning the area bounded by La Montana and Saguaro Boulevard to remove the existing entertainment and planned

shopping plaza overlay districts to the area bounded by the same streets. I'm going to open a public hearing. All yours.

WESLEY: Okay, thank you, Mayor, Council. So now that we know what the overlay district is going to say, it's time to consider the rezoning of the downtown area to remove the two overlays and put the new one in place.

And so the 's just again stated the area south of Palisades is where we have the two overlays that we will remove, and then the full area of the downtown overlay would be rezoned to have those uses allowed. And so through the process, we did earlier on go through the citizen participation process as well as the notice process for all property owners in the area and around the area and publish the notice.

WESLEY: So here's the graphic representation of the zoning change showing the existing zoning with the overlays and what's being proposed with the rezone. I'll go through these fairly quickly because we've had a lot of discussion, but if I need to stop or you want to have questions later, we can come back.

So the overall ordinance again has three districts: Avenue District, the Business District, and the Innovation District. Basic components of the Avenue District are that it has the retail commercial uses allowed, not the office uses; limits the areas within 50 feet of the streets to the active retail entertainment type uses. And then otherwise is the same as what's currently allowed in the existing entertainment overlay. Does allow residential above the ground floor; no residential on the ground floor.

WESLEY: Business District adds the office uses as it currently is allowed. And then Entertainment District -- outdoor seating is removed from the right-of-way because there really isn't right-of-way area to do that there. Otherwise, it's the same as currently exists and again will allow residential by right on upper floors up to the 35 units per acre and then requires SUP for anything on the ground floor or anything above the 35 units per acre.

WESLEY: Innovation District keeps the commercial uses as currently allowed through the C-2 District but increases some of the other employment-type uses that we think are appropriate in this area. Some of the light employment activities with laboratories, manufacture, assembly of non-hazardous materials, and then as any commercial district allows residential through an SUP. So staff and Planning Commission have recommended approval of this rezoning. Any questions from the Council?

MAYOR FRIEDEL: No. Are there any comment cards?

BENDER: Yes, Mayor. Dan Kovacevic and Crystal Cavanaugh, if she still wants to speak.

KOVACEVIC: Mayor, Council, good evening. I'm Dan Kovacevic. I'm a 15-year Fountain Hills resident. I'm speaking for myself as a citizen. I'm not representing Planning and Zoning tonight. I appreciate your approval of the density. Thank you very much.

Because bringing in the spending power to generate more sales tax revenue is a worthy goal. I wanted to add some color. I appreciate the conversation about the commercial. I wanted to add some color on that.

John mentioned the Bondi property -- that's a 12,000-square-foot commercial lot on the Avenue that we approved. We all approved it for 2,850 square feet of retail. The back is all garages and supporting the residential. And it's a beautiful building, no regrets. But now we just saw a second proposal on Parkview, a 6,000-square-foot lot with only 890 square feet of commercial, completely defeating the purpose of the business overlay.

And if we continue to allow this, we're only going to get a minimum of sales tax-generating revenue from our real estate in the downtown. So as the attorney said, we've got to bring this up at a future meeting, but it's something that does need to be addressed because we're setting up a situation where people can come in, build residential buildings by right with just a minimum of commercial. So but you've addressed it tonight. I appreciate it. Thank you very much. Thanks for your consideration.

MAYOR FRIEDEL: Would somebody like to make a motion? All right, I'm going to close the public meeting now. Motion?

KALIVIANAKIS: Motion to approve Ordinance 2608. Is that the one we're talking about right now?

WATTS: I believe so.

MAYOR FRIEDEL: Motion to approve?

WATTS: Second.

MAYOR FRIEDEL: We have a motion and a second. Can I get a roll call, please?

BENDER: Councilmember McMahon.

MCMAHON: Aye.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, 6-0.

MAYOR FRIEDEL: Thank you. Okay, we'll move on now to the Call to the Public. Are there any speaker cards?

GOODWIN: Mayor, one second. We do have one item regarding the legislative agenda, unless there's any discussion on that. I know it's been pretty stagnant there.

MAYOR FRIEDEL: Yeah, we haven't had a meeting in a couple weeks. Any updates on the legislative agenda from anyone? Okay.

GOODWIN: Okay. If not, I just want to make sure we check.

MAYOR FRIEDEL: Yeah, okay. Now we'll move on to the Call to the Public. Do we have any speaker cards?

BENDER: Yes, Mayor, we have five cards. I don't believe the one speaker is still here, Anna Kelleher. So it'd be Cindy Couture, followed by Shelby Blecker, then Al Ronca, followed by Kimberly Bartmann.

COUTURE: Hello, Mayor and Council. I'm Cindy Couture. I'm a longtime resident, and I just have a quick thing to say. Here's a question. If I invited you to my home to talk to me about something and I said, "Sit down," and I sat and did paperwork and did my business, talked on the phone and stuff, and two hours later I said, "What was it you wanted to talk to me about?" Wouldn't you think that was disrespectful?

I think it's disrespectful to put Call to the Public this late in the meetings. You are elected to listen to us, and we need to be listened to at the beginning of the meeting. I don't have to work, but some people do, and you need to move it back to the beginning. I know that Councilman Kalivianakis and Councilwoman Peggy McMahon want to have it at the beginning, and the rest of you need -- just at least two more of you need to change that. I just think it's disrespectful of your townspeople. Thank you.

MAYOR FRIEDEL: Thank you. Next speaker.

BLECKER: Good evening, Mayor, Councilmembers. Shelby Blecker, resident of Fountain Hills. I'm here tonight to say that I'm a little disappointed in some of the Councilmembers' failure to support the letter to AG Mayes. I'm a strong believer that you should stand up for what you believe in. And if you can't say what you believe in and stand up for it, you probably don't believe in very much at all.

So I'm also a little bit confused about some of the comments that I heard that night. And I'm going to paraphrase that some of the reasons that we shouldn't be supporting this letter. I heard that AG does a great job already in prosecuting a lot of these cases. Now, when I type in a Google search, "How many cases has AG Mayes prosecuted that dealt with federal judges or elected officials being threatened or attacked," the result that I get is "Arizona Attorney Kris Mayes has made a public commitment to prosecuting threats against election officials and other public officials. While she's engaged in high-profile legal battles, the provided search results do not enumerate a specific total number of criminal prosecutions she has personally initiated against individuals for threatening federal judges or elected officials."

So that didn't hold water. I heard that we're a small town. AG Mayes is going to take that comment and throw it in the trash. Well, it's my opinion that just like Call to the Public, you listen to the members of the public. Writing a letter to the AG is your chance to be Call to the Public to our elected state officials. Why not do it? Then I also heard that it's not our business to tell the AG how to do their job. Why not?

I don't understand that comment either. You know, we have plenty of people that come to Fountain Hills, names like Biggs, Schweikert, Glassman, Chaplik (ph.), Reem (ph.), Khalif (ph.). They all come here to get our votes, and they all come here to tell us what they want to do and to ask us what we want them to do. So why not write a letter to Attorney General AG and tell her what we want to do? I thank you members that approved that letter, that added your name to it.

But there's also a person that I met recently by the name of Sean Dow. Now, just like me, Sean likes to hold elected officials' feet to the fire, and I plan on working with him to hold elected officials' feet to the fire. I think that letter was a great letter. It sets a precedent. It's not performative, like some people in social media and in the Times have said. It sets a precedent. It says what we want. And like I said, I'm disappointed in those members that couldn't find the courage to support that letter. Thank you very much.

MAYOR FRIEDEL: Thank you. Next speaker.

RONCA: Mayor, Council, Al Ronca, 23 years. I support both Councilwoman Kalivianakis and McMahon in their effort to move the Call to the Public back to its original position earlier in the meeting. As you know, presently we have to file a speaker card at 5:30 and wait until now in order to voice our opinions to a body that we've elected to represent us. You should be eager to hear from us.

Although this is better than nothing at all, it feels punitive. It's like we've been slapped across our hands. Elected officials shouldn't silence speakers or put barriers in our way, even if it means that we might express an opinion that's disfavored. I respectfully ask that you put this item on a future agenda as proposed by Councilwoman Kalivianakis. Thank you.

MAYOR FRIEDEL: Thank you. Next speaker.

BARTMANN: Kimberly Bartmann, Fountain Hills resident since 2001. But if you're a new resident of Fountain Hills or you've lived here since it was first began before it was incorporated, you should have a voice. And I'm wondering which candidate for Mayor and Town Council you will support. This is to all public, at home and in the audience. Which candidates will bring our community together? Which candidates truly care about Fountain Hills? Which ones will leave behind partisan politics and do what they truly believe is best for our town? Who will support Fountain Hills thriving and coming together? Who will divide it? Who has divided it?

Who will want to rename our Fountain Hills Community Center to the Charlie Kirk Freedom Center? Hannah Larrabee and Allen Skillicorn proposed this. And Ben Larrabee is the spouse of Hannah Larrabee, so I imagine you might want to ask him what he plans to do. They also proposed a statue to be placed on public property. Who will put our town first? I encourage you to attend the Candidate Council Forum on April 29th. That's a Wednesday, I believe, at 6 p.m. And the mayoral forum on Thursday, April 30th at 6 p.m.

I also encourage you to speak to these folks and look at their social media, see what they've done for our town, see what type of volunteer work they do, see if they support ROT. Because my daughter's 19 years old and got a mailer from ROT, and it was a nasty thing about Brenda Kalivianakis. And my daughter was like, "Wow, I am not going to vote for people who put trash in our mailbox." Thank you.

MAYOR FRIEDEL: Thank you. Is there any Council discussion or direction to the Town Manager?

WATTS: I think the issues on 9E need to be clarified. I'd like to bring it back, talking specifically about the cap of 15 and the verbiage along those lines, and the retail component, and talking about as a percentage of commercial.

GOODWIN: So let me just ask for clarification because the item passed tonight. So the 15 and whatnot is --

WATTS: No, I understand that.

GOODWIN: I don't have a problem if staff -- if John needs to maybe put out a little bit of a clarifier so that the rest of the Council has something to sort of -- that goes into more detail than we were able to go into tonight. Do you want something to come back, though, that addresses the retail component that was being discussed with Councilman Skillicorn and whatnot. Is that correct?

WATTS: Yes. Yeah. I want to back on the agenda as soon as we can so we can get clarification on both of the things, the verbiage on the 15, because it is clear as mud, and the commercial component, I think we need to address that so we don't have 90 percent commercial and ten percent retail. So I want to get that back out there. And so Councilman Skillicorn talked about 75 percent. I don't know that I -- but I'd like to hear the merits of it.

GOODWIN: Okay, so I hear your request. I'm going to assume Councilman Skillicorn is supportive of that. Is there someone else that would like to have that on the agenda?

MAYOR FRIEDEL: I'm interested in the retail component. The other stuff, I think we've already -- that ship has already sailed. So is this a future agenda item, but we're giving direction, or which way are we doing this?

GOODWIN: It's sort of one way.

MAYOR FRIEDEL: I just want to make sure --

GOODWIN: Sure. It's related to an earlier item tonight. So yes, I will take that as direction and we'll work with staff to make that happen.

MAYOR FRIEDEL: Good, thank you. Any other future agenda items?

KALIVIANAKIS: I'd like to address that, Mr. Mayor. Well, again, just showing the validity of Call to the Public, which I do really support. And we had a caller tonight that wanted to hold the public officials' feet to the fire. I think that's an excellent idea.

So based on that suggestion on the Call to the Public, I would recommend that we revisit our code of ethics, toughen it up and put it back where it used to be. And also as part of that agenda, future agenda item, I would like to reinstate the ability for members of the community to file ethics complaints against the Town Council.

MCMAHON: I'll second that.

MAYOR FRIEDEL: Thank you. Can I get a motion to adjourn?

WATTS: Move to adjourn.

MAYOR FRIEDEL: Second.

KALIVIANAKIS: Second.

MAYOR FRIEDEL: All in favor?

ALL: Aye.

MAYOR FRIEDEL: Thank you.

Having no further business, Mayor Gerry M. Friedel adjourned the Regular Session of the Fountain Hills Town Council held on April 21, 2026, at 8:21 p.m.

APPROVED:

TOWN OF FOUNTAIN HILLS

Gerry M. Friedel, Mayor

ATTEST:

Bevelyn J. Bender, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting held by the Town Council of Fountain Hills on the 21st day of April 2026. I further certify that the meeting was duly called and that a quorum was present.

Bevelyn J. Bender, Town Clerk

