

July 8, 2018

Dear Friends...

Scottsdale's fiscal year ended June 30, so it seems timely to prepare a report card for the Council decisions that will affect you and your city's livability.



Council adopted a **Balanced Budget** for next year...*that's good!* Unfortunately, the Budget **isn't sustainable** and hasn't been for several years. That's because the money we budget for capital improvements is woefully short of the amount needed. For the fifth year in a row, your city's net depreciable assets declined. In the private sector, that's called *business liquidation*.

More than a year ago, I was appointed to our **Capital Improvement Plan (CIP)**

**Council Subcommittee** to study and make recommendations on capital investment needs. Our Subcommittee identified **\$650 million of critical project needs** and recommended Council ask voters this fall to approve \$350 million to start. Instead, the Council majority decided to ask for just **\$10 million next year** in the form of a 0.10% increase to the local sales tax. Consideration of a larger request may occur next year.

Speaking of capital projects, readers will remember we authorized a definitive study of a potential **Desert Discovery Center (DDC)** to finally put to rest the questions that have haunted this idea for years. *What will it be? What will it cost to build and operate? Where should it be located? And, most importantly, should it be done at all?*

The study was presented to Council in late September. **Council has taken no action** except to ask city staff to review the business plan and investigate

alternative sites. The capital and operating costs are huge, primarily because the study did not include a "**staging plan**" to indicate what a first phase might be or cost. Substantial due diligence remains to decide whether this project ever moves forward.

The DDC issues deeply divide our community and may only be resolved with a public vote, although voting directly on the question of building a DDC is not permitted by state law. On two different occasions I proposed a DDC vote where the **ballot language** was structured around a legally permitted tax question. These did not receive Council support.

**Local sales and property taxes** are always issues of public concern. I'm still arguing to get rid of the city's **sales tax on food**, mindful this tax costs every Scottsdale citizen about \$50 a year (*\$200 every year for a family of four!*) Citizens least able to pay are hit hardest. *I'm still working on this!*



We finally caught up on past waivers of the state-allowed **2% annual property tax increase**. The primary beneficiaries of those waivers had been businesses, high-value property owners and out-of-state investors, so I argued it was time (*past time!*) to make the change.

The Arizona Legislature eliminated the State's **sales tax on fine art**, realizing it was a disincentive for tourists to visit and patronize fine art venues. At my urging, Council directed staff to eliminate our City tax on fine arts as well. A state commission must authorize this...we're told it may finally do so this fall.

Most residents express dismay at the **density and congestion** of several projects being built that were approved in prior years. *More are on the way!* Your Council seems determined to provide living quarters and office space for newcomers, regardless of the effect on current citizens.

Last fall, Council approved a blanket 150' height for office buildings and multi-family residential towers on a 56-acre development north of **Fashion Square**. In June, Council approved increased height and density for a whopping 1,000 acres of **State Trust Land!**

**Nationwide Realty Investors** will likely buy and develop 136-acres of the state land (north of Loop 101 and west of Hayden) with office buildings of 115', multi-family housing and hotels. *If they pack it all in tight enough, they'll even earn \$21.9 million in city "incentives."*

Since this is an election year, it's appropriate to discuss a couple of election issues. In November, I proposed Council discuss a measure approved by the voters of Tempe setting **limits on individual contributions** to candidates for Council election. Months later, I proposed we discuss another measure approved by Tempe voters to require disclosure of donors who contribute "**dark money**" to local campaigns. My colleagues did not agree to discuss either measure.

We lost further ground restricting the proliferation of **downtown bars**, as several new series 6 bar licenses were awarded. One bar was found to be in violation of their Conditional Use Permit (CUP) but, rather than revoke their license, Council simply *rewrote their CUP* and permitted them to expand further. Another applicant argued his space was too small, so he was allowed to rent our public right-of-way for an expanded patio.

It's often said local government actions affect your lives more than decisions of State or National governments. I think you can appreciate the issues we wrestled with *really do matter to you, your family and your neighbors!* That's why many of you emailed me last year about these and other local issues.

I have been honored to represent your interests and tried to protect your economic and emotional investments in this great city. I welcome hearing from you in the future.

David N. Smith  
Scottsdale City Council  
[2018 Candidate for Re-election](#)  
(480) 369-7482

***Re-elect David N. Smith to Council***

Committee to Re-elect David N. Smith to Council,  
8711 E. Pinnacle Peak Rd. PMB #152, Scottsdale, AZ 85255-3517