

**COGS Political Committee
2018 Candidate Questionnaire**

Instructions: Please fill out the information requested and return it by **March 8, 2018** via email to: **cogspc1@gmail.com**. Upon receipt of your completed questionnaire, you may be contacted to schedule an appointment for an interview with the COGS Political Committee.

Your complete and unedited responses will be posted on the informational COGS website for public review, along with those of the other candidates. Please keep your answers brief. However, if you need more space the box will expand to accommodate you. If needed, please continue on an additional page.

| No. | Question | Response |
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| 1. | Demographics | |
| 1.a. | Name | David N. Smith |
| 1.b. | Address | 10801 E. Happy Valley Rd., #82, Scottsdale, AZ 85255 |
| 1.c. | Phone | 480-369-7482 |
| 1.d. | Years in Scottsdale | 32 |
| 1.e. | When did you register to vote in Scottsdale? Have you failed to vote in any Scottsdale or General Election in the past 6 years? | First moved to Scottsdale in August 1986. I have voted in every Scottsdale and/or General Election for the past 6 years |
| 1.f. | Have you been elected or appointed to City positions including City Task Forces, Boards or Commissions? | Elected: City Councilman, 2014 Appointed: City Treasurer, Chief Financial Officer, 2010 Appointed: Bond Task Force Commission, 2009 |
| 1.g. | Please list any Civic Activities | |
| 1.h. | Education/Training | BA, Business, Northwestern University, 1966 MBA, Finance, Northwestern University, 1974 CPA (State of Illinois – not Arizona) |
| 1.i. | Occupation | Retired |
| 1.j. | Other personal information that you would like to share? | Two daughters; six grandsons |
| 2. | Campaign Information | |
| 2.a. | Address | 8711 E. Pinnacle Peak Rd., P.M.B. #152, Scottsdale, AZ 85255-3517 |
| 2.b. | Phone | 480-369-7482 |
| 2.c. | Fax | n/a |
| 2.d. | Web-site address | http://councilmandavidsmith.com |
| 2.e. | E-Mail address | elect_davidsmith@aol.com |
| 2.f. | Contributors greater \$500 (attach separate page if desired) | None, as of March 8, 2018 |
| 2.g. | Endorsements | 16 former members of City Council and 2 former Mayors. Numerous private individuals. |

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| 3. | Why are you a candidate for City Council? | <p>I wish to continue serving my fellow citizens with:</p> <p>(1) Financial experience to determine/develop initiatives that can put the city on a path of financial sustainability;</p> <p>(2) A reputation for independence and integrity that insures I will strive to act only in the best interests of all citizens;</p> <p>(3) Visions for the future of Scottsdale that closely align with the visions of Scottsdale citizens.</p> |
| 4. | Identify 3 major issues facing the Council. | <p>(1) Lack of a VISION to guide future growth and development decisions.</p> <p>(2) Inability to deal with the financial liabilities of the city – especially the requirements for reinvestment in depreciable capital assets and amortization of pension liabilities.</p> <p>(3) Inability to deal with operating costs of the city that outpace the natural growth in income. This imbalance is further aggravated by several growth and development decisions.</p> |
| 5. | If elected, what would you like to accomplish? | <p>(1) Address the major issues (above) in ways that insure a sustainable future, both developmentally and financially.</p> <p>(2) Sales tax reform to more equitably distribute tax burdens to our citizens and tourists.</p> |
| 6. | <p>Are there matters that may come before the City Council in which you would have a Conflict of Interest?</p> <p>What type of issues would these be?</p> | <p>X No <input type="checkbox"/> Yes</p> <p>NONE</p> |
| 7. | Identify citizen/city processes that need to be: | |
| 7.a. | Created | A permanent citizen body should be established to review/recommend new capital investment projects and administer/critique spending against approved capital projects. |
| 7.b. | Improved | The actions/decisions of all Boards and Commissions should be forwarded to City Council for Consent Agenda approval. |
| 7.c. | Reduced | |

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| 7.d. | Eliminated | |
| 8. | Please state your position and/or action on the following zoning and land use issues: | |
| 8.a. | What is your position on citywide rezoning requests, text amendments, and General Plan Amendments that significantly change land use or increase height and/or density, especially in proximity to low-scale residential neighborhoods? | I do not favor city-wide changes that increase height and/or density. Any requested change to approved height and/or density must be defended as being in the best interest of citizens. |
| 8.b. | <p>Typically, zoning entitlements are granted based on a promise to build to a specified development plan, with defined stipulations, that presumably provides some benefit to the city. Once granted, if the property is sold, the new owner does not have to build what was originally promised in exchange for the entitlements. Would you support conditioning zoning change approvals on building exactly what was promised, and if it wasn't, the zoning would revert back to the original restrictions?</p> <p>If not, how would you hold the property owner, and any subsequent owners, to the plan promised in order to get the change?</p> | <p>YES</p> <p>N/A</p> |

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| 8.c. | <p>Recently, Scottsdale Fashion Square redevelopment was granted significant increases in height, without specifying which areas/buildings would utilize the height increase. What is your opinion of this open-ended provision.</p> <p>Scottsdale Fashion Square contributes about \$13 million and 7% of the sales tax collected in Scottsdale. What are your recommendations to maintain SFS's viability and tax revenue stream?</p> | <p>I oppose (<i>and did oppose at the time</i>) the lack of specificity of plans. I opposed the lack of evidence that increased height was in the best interest of citizens (8a, above). I opposed the false premise that the proposed development(s) would expand/enhance the business base of Scottsdale Fashion Square (SFS).</p> <p>Scottsdale Fashion Square <u>does not contribute sales tax</u>; SFS remits the sales tax paid by consumers who shop at SFS stores. As a private enterprise, SFS will (presumably) take the necessary steps to insure the longevity of their businesses. The city should cooperate with such steps when they are in the best interest of citizens.</p> |
| 8.d. | <p>In "The Outpost" project, rezoning case, rural land was rezoned to commercial, against staff recommendations, breaking with a longstanding policy prohibiting such rezoning. What impact do you believe this action will have on similar cases?</p> | <p>Every community must maintain a land use balance of residential and commercial (for the provision of community services.) It is in the interest of all citizens and a responsibility of Council that such a balance be maintained. Commercial land use acreage in the northern regions of the city has been reduced by a series of rezoning actions that converted commercial acreage to residential. Available commercial acreage is now substantially less than the recommended levels in the city's 2013 Land Use Study.</p> <p>If/when residential acreage is converted to supporting commercial, it should be acreage that is (a) deemed unsuitable for residential development and (b) on/near major arterial streets. The "Outpost" project acreage met those requirements. It is also important when such conversions are made that the new commercial property be compatible with surrounding acreage. In the case of the "Outpost", I required stipulations in the Council approval to insure the project's compatibility with the surrounding area in terms of architecture, open-space, set-back, etc.</p> <p>Because of the unique characteristics of this property, its rezoning is unlikely to be relevant as a precedent for other rezoning cases.</p> |
| 8.e. | <p>What is your position on the prompt & precise enforcement of the conditions and stipulations prescribed in a Conditional Use Permit?</p> <p>What is your position on the revocation of a Conditional Use Permit whose holder was not in compliance with all major CUP conditions and stipulations that negatively impact neighbors?</p> | <p>I favor periodic review and enforcement of the conditions and stipulations in a CUP – otherwise, use permits become assumed to be "permanent" and "un-conditional."</p> <p>If identified violations are repetitive and/or not promptly corrected, the CUP should be revoked.</p> |

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| 8.f. | <p>Identify any impacts (good and bad) upon the city with the addition of numerous multi-family/apartment complexes citywide.</p> <p>How do you think the changing demographics of our residents will impact future demand for housing types?</p> | <p>Council approval of numerous multi-family/apartment complexes is not done pursuant to any agreed-upon VISION. There is <u>no evidence</u> to support arguments that all such developments:</p> <p>(a) Are in the best interest of existing citizens;</p> <p>(b) Promise to change the demographic profile of the city in ways that will attract future visitors and residents;</p> <p>(c) Mitigate (rather than aggravate) the city’s current transportation challenges;</p> <p>(d) Will be net positive generators to City’s operating budget.</p> <p>Citizen surveys and/or empirical evidence would likely suggest negative answers to the questions above for many (<i>though not all</i>) of the complexes recently approved.</p> <p>It is likely the changing demographics (increased percentage of renters versus homeowners) will reflect itself in an increased percentage of our citizens who are not “invested” in the city – emotionally, as well as financially. This will make it more difficult to obtain voter support for initiatives like bond elections for capital investments.</p> |
| 8.g. | <p>What is the economic impact of the Entertainment district to Scottsdale? NEGATIVE</p> <p>Identify both the positive and negative impacts of this district to Scottsdale.</p> <p>How would you describe the effectiveness of Code and Police Enforcement in this district? GOOD</p> <p>Would you support a designated Entertainment District? NO</p> <p>If so, would that ED have unique Noise and Event Ordinances? YES</p> | <p>(short answers to the left)</p> <p>The tax revenues (<i>direct and indirect</i>) from the Entertainment District are significantly less than the incremental city expenses for patrol and enforcement. Furthermore, there is little evidence the Entertainment District is a positive “draw” for tourism and/or that it is in the best interests of our citizens. Patrol and enforcement efforts are GOOD, considering the magnitude of the challenge(s) involved.</p> <p>While the city cannot designate or restrict aggregating locations for Class 6 Bar License holders, the city could:</p> <p>(1) Be more demanding that applicants for a Class 6 license demonstrate the license grant will be in the best interest of our citizens.</p> <p>(2) Stop promoting and designating the area as an “Entertainment District.”</p> <p>(3) Enforce all terms and conditions of Class 6 licenses and CUPs.</p> |
| 8.h. | <p>Do you support protection/preservation of our remaining zoned Rural Neighborhoods? If, yes, how would you accomplish this?</p> | <p>(Not sure what is meant by <i>preservation</i>.)</p> <p>I support the land use designations in the General Plan that protect rural neighborhoods, and will only support changes that are demonstrably in the interest of citizens.</p> <p>I supported the proposed rural land use amendment to the land use matrix in the 2035 General Plan update. Although the Council majority did not support recommending this amendment to voters, I believe it should be reintroduced for consideration.</p> |
| 9. | <p>Please state your position and/or</p> | <p>action on the following McDowell Sonoran Preserve issues:</p> |

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| 9.a. | <p>Do you support the construction of the proposed 72,000 sq. ft. Desert Discovery Center (DDC)/Desert Edge (DE) as a concept only without the decision of location?</p> <p>Do you support a public vote on the project? Why or why not?</p> <p>Do you support a public vote on changes to land use or construction beyond trails and trailheads in the Preserve? Why or why not?</p> <p>Would you support DE if it were located at Taliesin West or other location outside of the Preserve?</p> <p>How would you fund the proposed \$72 million construction cost of the proposed DDC/DE?</p> <p>Would you support using Preserve Tax dollars for any of its construction costs if it is built in within the current Preserve?</p> <p>How would you fund the estimated \$2 million annual operating deficit?</p> <p>If you do not support the DDC/DE as currently proposed, then what would you support as a DDC/DE and how would you fund it?</p> | <p>I support the creation of an education/learning center (generically referred to over the years as a DDC). I only support such a facility as a government asset, owned by the citizens of Scottsdale - not as a commercial venture, by private developers. My position is consistent with the recommendations of the McDowell Sonoran Preserve Commission(s) and the City Council(s) who have addressed this question over the years.</p> <p>I have neither supported nor rejected the study report presented to Council in July 2017, nor have I voted for or against a public vote on the project. I am awaiting:</p> <p>(1) Completion of the “staging” development portion of the study report, in order to ascertain the size/scope of a first stage as well as what it might cost to construct/operate. Staging was inserted in the study scope and authorization upon my recommendation and remains uncompleted.</p> <p>(2) Presentation to Council and discussion of alternative site locations for a proposed DDC.</p> <p>(3) Council discussion and direction regarding the scope of activities to be authorized in a proposed DDC.</p> <p>(4) Due diligence on the business plan proposal regarding both capital costs and operating expenses.</p> <p>Until these “deliverables” are presented, discussed and resolved, I will not take a position for or against a DDC.</p> <p>Regarding funding, the Tourism and Development Commission has “ear-marked” financial support for a portion of the construction cost of a future DDC. Additional financial support may be sought from the accumulating surplus in the Preserve Fund (I proposed a ballot question to seek citizens’ authorization of such, but my proposal was not supported by a Council majority.) The project cannot be funded and/or operationally supported by the General Fund.</p> <p>Ultimately, my support for any DDC will be determined by its financial feasibility as well as its consistency with the goal of complementing and enhancing the visitor/citizen experience(s) associated with the preserve.</p> <p><u>INTERVIEW CLARIFICATIONS:</u></p> <ul style="list-style-type: none"> • Supports the <i>concept</i> of a DDC, as it would be unique to Scottsdale, something other major tourist destinations cannot have; states we must nurture tourism, as it is vital to Scottsdale’s fiscal prosperity • DDC studies/projects have been entirely funded by bed tax dollars • In 2013, City staff was directed to investigate alternative locations for a DDC. Their report was never reviewed by Council nor did Council opined on alternative sites • In 2015, David Smith requested that two components be included in the DDC study project: 1) potential alternative locations for the DDC 2) Phase construction of the project, gauging success as a measure for construction of the next stage. Council majority only agreed to the phasing component. However, the phase-in component was not addressed in the final report nor has it yet been done. Council is now looking at possible alternative sites for the DDC. |

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| | | <ul style="list-style-type: none"> • If the DDC were built in phases, it is entirely feasible that the first stage could be built with currently available bed tax dollars (allowable use is construction projects that promote tourism). • Adjacent to Taliesin is being considered as an alternative site, using synergy from its 110,000 visitors and similar theme of living in the desert. • Maintains that he has not yet made a decision to support or not to support construction of a DDC as key facts have not yet been determined to enable a decision (staging, location, business and marketing plan, etc.) City cannot afford to use the general fund to support any DDC operations • Supports a citizen vote on what to do with existing and future accumulating Preserve tax funds, e.g., endowments, land acquisition, DDC construction, etc. • Acknowledged that he did not support a 2016 motion to put a citizen vote on the ballot to amend the City Charter to prohibit construction beyond trails and trailheads in the Preserve. He would not commit at this time to a citizen vote to amend the charter. • Acknowledged that the General Fund cannot afford to support a DDC, but then stated that many City owned facilities are not self-sustaining, e.g., Museum of the West, Contemporary Art Museum, WestWorld, parks, etc. All amenity operating budgets must be supported with tax dollars. • |
| 9.b. | <p>There are not enough Preserve tax funds remaining to allow acquisition of all the land within the voter approved McDowell Sonoran Preserve Boundary. Do you believe remaining land should be acquired, and if, so, how do you propose paying for it?</p> | <p>The McDowell Sonoran Preserve Boundary was not approved by voters. It was originally defined (<i>and modified, from time-to-time</i>) by Council action. It was referenced, but not voted upon, when voters approved, November 3, 1998, Proposition 411, “<i>Allowing existing tax revenues designated for preserve land to be used within the extended preserve boundary.</i>”</p> <p>The only way to acquire remaining land within the Preserve Boundary would be to submit to voters a ballot question authorizing a new supporting tax or an extension of the existing tax(es). I do not have a sense voters would approve either of these propositions.</p> |
| 10. | <p>Please state your position and/or</p> | <p>action on the General Plan:</p> |

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| 10.a | <p>In March 2012, by a vote of 52% to 48%, Scottsdale voters turned down the General Plan Update. The city council voted against putting the 2014 General Plan or 2016 General Plan updates which included resident input on the November 2018 ballot.</p> <p>Why do you believe the 2012 Update was defeated?</p> <p>How do you think the city should proceed on a revised General Plan 2035 Update?</p> | <p>I believe the 2012 General Plan Update was defeated because it did not provide the level of land-use protections wanted by many voters. Voters were also persuaded to vote against the Update by the lackluster support the plan received from Council.</p> <p>The newly seated 2019 Council (<i>even if unchanged</i>) should reconsider forwarding the 2035 General Plan Update to voters, preferably with the rural land use compromise agreed to by the General Plan Task Force representatives. In my judgement, it is neither necessary nor beneficial to “reassemble” a group of citizens to do a re-draft of the 2035 General Plan.</p> |
| 11. | Please state your position and/or | action on the following finance issues: |
| 11.a | <p>Do you support using taxpayer funds to subsidize or enter into private-public partnerships for private sector investments such as buildings, stadiums, promoted events, etc.?</p> | <p>I support the provisions of the Scottsdale City Charter (Article 1, Sec. 3, paragraph O), which states, in relevant part, <i>“The city shall not give...public funds...to any individual, association or corporation, except where there is a clearly identified public purpose and the city...receives direct consideration substantially equal to its expenditure...”</i></p> |
| 11.b | <p>In Nov. 2013, voters defeated a \$212 million bond package by a substantial margin. In 2014, voters barely passed 2 of the 6 bond questions. What message do you take from that?</p> | <p>I believe citizens were confused by apathetic and/or divided message from the Council regarding (1) the need for capital investment and (2) the availability of funds to pay for such capital needs.</p> <p>The creation of the Capital Investment Plan Subcommittee of the Council may provide greater clarity and transparent disclosure to the public of both needs and available resources.</p> |
| 11.c. | <p>At present, the City has stated a need of \$800 million to fully fund needed repairs and maintenance of City infrastructure.</p> <p>Should the cost of maintenance be included when appropriating funds for capital projects?</p> <p>How do you propose to fund the needed capital projects?</p> <p>How do you propose to fund maintenance projects?</p> | <p>The identified \$800 million is <i>not for repairs and maintenance</i>: it is for capital investment needs. For many of the proposed capital projects, their construction will reduce current and future repair/maintenance expenses.</p> <p>Repair and maintenance expenses are always an obligation of the General fund. For this reason, the Capital Investment Plan Subcommittee of the Council instructed city staff to consider such expenses when proposing and ranking capital projects.</p> <p>Major capital projects should be funded with voter-approved secondary property tax bond issues. This is the <i>only way</i> to obtain a capital contribution from the business sector, out-of-state property investors and snow-birds – all of whom enjoy the benefits of capital investments. It is also the only funding that is project specific and provides for a sunset.</p> <p>Minor and repetitive capital project should be funded with a capital-specific sales tax (as the city does now with the 0.10% for transportation capital projects.)</p> <p><u>INTERVIEW CLARIFICATIONS:</u></p> <ul style="list-style-type: none"> • Wants a citizen CIP committee to evaluate proposed CIP projects. • Does not support a line item vote for each proposed bond expense |

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| 11.d | <p>At present, the City has awarded multimillion dollar contracts to the Scottsdale Cultural Council and Experience Scottsdale without going through a bid process.</p> <p>Are you for or against continuing this practice and why?</p> | <p>I favor soliciting competitive bids from suppliers, but I do not favor bidding out our contracts with city partners. Rather, I favor incorporating performance standards and metrics (which can be measured and audited) and holding partners accountable.</p> <p>Scottsdale Arts (formerly Scottsdale Cultural Council) was created by a prior City Council as a partner with the City for the administration and promotion of Arts & Culture. A management contract requires Scottsdale Arts (SA) manage certain city facilities (the Center for Performing Arts, the Museum of Contemporary Arts, public art, etc.). Additionally, SA is expected to insure public enjoyment of these facilities through modest admission fees, public funds, grants and private donations. I favor continuation of this partnership.</p> <p>Experience Scottsdale (ES) is the city's partner and recipient of 50% of the bed tax collected from tourists and designated (by voters in March 2010) for destination marketing. The ES partnerships with other communities, the state of Arizona and membership fees creates a synergy that leverages Scottsdale's bed tax dollars into a broader destination marketing program. I favor continuation of this partnership.</p> |
| 12. | <p>Please state your position and/or action on the following transportation questions:</p> | |
| 12.a | <p>What solutions would you have for the current traffic congestion problems occurring throughout the City?</p> | <p>Most importantly, <u>stop compounding the problem</u> by (a) building housing where new residents are likely to commute out of Scottsdale to work and/or (b) commercial office buildings where new workers are likely to commute into Scottsdale. There is no empirical evidence to support the hypothesis that either the new multi-family housing or the new commercial buildings actually improve the work-live-play demographics in the city.</p> <p>Future solutions to traffic congestion are likely to emerge with or without government influence...e.g. driverless cars, working from home...and the City should encourage, plan for and support all such solutions.</p> |
| 12.b | <p>Several surrounding cities that currently utilize light rail are now expanding it to provide both connectivity between cities and to extend access. Do you support construction of light rail in Scottsdale or another form of high capacity transit to reduce cars on the road?</p> <p>If so, what kind and where, and how would you fund it?</p> | <p>I do not support light rail in Scottsdale for two reasons (three, if you count the fact that it is not supported by a VISION):</p> <p>(1) Light rail, of any kind, is the most inflexible transit option any city can embrace. If we have learned anything about the preferences of our citizens, it is they prefer flexible options (witness the evolving preferences for UBER, Lyft and the current bicycle test program.)</p> <p>(2) Light rail in Scottsdale would impose on Scottsdale citizens and businesses an enormous construction and operating burden – without a commensurate benefit. Inevitably, a tax increase would be required to support light rail.</p> |
| 13. | <p>Please state your position and/or action on the following questions:</p> | |
| 13.a | <p>What steps would improve Public Safety to eliminate future murders and impaired-driver/pedestrian traffic deaths in our downtown?</p> | <p>See answers to 8g above.</p> |

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| 13.b | Residents citywide have expressed concern about the lack of responsiveness or fine enforcements by of the Code Enforcement department. How would you improve this situation? | The responsiveness of the Code Enforcement department should be addressed by the City Manager. If there are inadequate resources for the department to properly do their job, the City Manager should consider this during the preparation of his annual budget and make budget recommendations to address the problem. |
| 13.c. | Do you believe that the mindset of your supporters and contributors is representative of Scottsdale residents' values and vision? | I doubt my supporters and contributors have a common "mindset." While their interests on any particular issue may be parochial and self-serving, I believe they share common values and a common vision for Scottsdale. Generally, they are individuals who have invested considerable time and energy over many years to improve the livability of Scottsdale. |
| 14. | Identify city services that need to be: | |
| 14.a | Created | |
| 14.b | Improved | |
| 14.c. | Reduced | |
| 14.d | Eliminated | |
| 15 | Identify city revenue sources that should be: | |
| 15.a | Created | New voter approved taxes (property tax and/or sales tax) should be created for addressing the current and future capital investment and operating needs of the city. |
| 15.b | Increased | |
| 15.c. | Reduced | |
| 15.d | Eliminated | Punitive sales tax on food and residential rents, both of which are disproportionately burdensome on our neediest citizens. |
| 16. | Is there anything in your background that you would not like publicized on the front page of local newspapers? | <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (If yes, please explain) |
| 17. | Additional Comments: | None |

Signature — David N. Smith _____

_____ Date: March 8, 2018

Please type your name for your electronic signature.

Thank you for your time and careful consideration of each response.

Email questionnaire to: **cogspc1@gmail.com**

COGS Political Committee

Copper Phillips, Chairperson

Contact Phone: (602) 509-1174