

SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, APRIL 4, 2023



CITY HALL KIVA
3939 N. DRINKWATER BOULEVARD
SCOTTSDALE, AZ 85251

CALL TO ORDER

Mayor David D. Ortega called to order a Regular Meeting of the Scottsdale City Council at 5:03 P.M. on Tuesday, April 4, 2023 in the City Hall Kiva Forum.

ROLL CALL

Present: Mayor David D. Ortega; Vice Mayor Kathy Littlefield; and Councilmembers Tammy Caputi, Tom Durham, Barry Graham, Betty Janik, and Solange Whitehead

Also Present: City Manager Jim Thompson, Acting City Attorney Joe Padilla, City Treasurer Sonia Andrews, Acting City Auditor Lai Cluff, and City Clerk Ben Lane

PLEDGE OF ALLEGIANCE – Councilmember Barry Graham

MAYOR'S REPORT

Mayor Ortega asked for a moment of silent reflection for the people of Ukraine as they fight for their freedom and democracy.

Mayor Ortega invited everyone to attend Bunnanza on Saturday, April 8, 2023 from 9:00 a.m. to noon. The free admission event will be held on the Civic Center lawn and will feature an egg hunt, interactive booths, food vendors, photo opportunities with the Bunnanza Rabbit, and live music.

City Manager's Report

- **Fast Five Video Update**

City Manager Jim Thompson introduced a "Fast Five" video produced by the City's Communications Office which provided updates on several City events and offerings.

PUBLIC COMMENT – Dan Ishac spoke to comments made by Councilmember Graham in recent Council and political party district meetings.

NOTE: MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

MINUTES

Request: Approve the following Council meeting minutes from February and March 2023:

- a. Special Meeting Minutes of February 28, 2023
- b. Executive Session Minutes of February 28, 2023
- c. Regular Meeting Minutes of February 28, 2023
- d. Special Meeting Minutes of March 7, 2023
- e. Regular Meeting and Work Study Session Minutes of March 7, 2023

MOTION AND VOTE – MINUTES

Councilwoman Janik made a motion to approve the following Council meeting minutes from February and March 2023: Special Meeting Minutes of February 28, 2023; Executive Session Minutes of February 28, 2023; Regular Meeting Minutes of February 28, 2023; Special Meeting Minutes of March 7, 2023; and Regular Meeting and Work Study Session Minutes of March 7, 2023. Councilwoman Whitehead seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Littlefield; and Councilmembers Caputi, Durham, Graham, Janik, and Whitehead voting in the affirmative.

ADDED ITEM

A1. Added Item

Item No. 15B was added to the agenda on March 29, 2023 and requires a separate vote to remain on the agenda.

Request: Vote to accept the agenda as presented or continue Item No. 15B to the next scheduled Council meeting, which is April 18, 2023.

MOTION AND VOTE – ADDED ITEM

Councilwoman Janik made a motion to accept the agenda as presented. Vice Mayor Littlefield seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Littlefield; and Councilmembers Caputi, Durham, Graham, Janik, and Whitehead voting in the affirmative.

CONSENT AGENDA

1. Mochilero Kitchen Liquor License (5-LL-2023)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for a new location and owner.

Location: 14850 N. Frank Lloyd Wright Boulevard, Suite 117

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210,
tcurtis@scottsdaleaz.gov

2. Sky High Old Town Liquor License (6-LL-2023)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 10 (beer and wine store) State liquor license for a new location and owner.

Location: 8134 E. Indian School Road

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210,
tcurtis@scottsdaleaz.gov

- 3. Sky High Shea Liquor License (7-LL-2023)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 10 (beer and wine store) State liquor license for a new location and owner.
Location: 7127 E. Becker Lane, Suite D
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 4. Acoya Scottsdale at Troon Liquor License (8-LL-2023)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for a new location and owner.
Location: 10455 E. Pinnacle Peak Parkway
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 5. Arcadia Farms Cafe Liquor License (9-LL-2023)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a location transfer of a Series 7 (beer and wine bar) State liquor license for a new location with an existing owner.
Location: 7020 E. 1st Avenue, Suite A
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 6. Puttshack Liquor License (10-LL-2023)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a location/owner transfer of a Series 6 (bar) State liquor license for a new location and owner.
Location: 15059 N. Scottsdale Road, Suite 100
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 7. Carreno Brothers Liquor License (11-LL-2023)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 4 (wholesaler) State liquor license for a new location and owner.
Location: 502 N. Hayden Road, Suite 962
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 8. Puttshack Conditional Use Permit (7-UP-2022)**
Request: Find that the conditional use permit criteria have been met and adopt **Resolution No. 12750** approving a Conditional Use Permit for a bar use (puttshack) in a ±26,244 square foot building with ±3,097 square feet of outdoor patio space with Planned Regional Center (PCR) zoning.
Location: 15059 N. Scottsdale Road, Suite 100
Staff Contact(s): Erin Perreault, Planning, Economic Development, and Tourism Executive Director, 480-312-7093, eperreault@scottsdaleaz.gov

9. Engineering Services Contracts for Stormwater Engineering Services

Request: Adopt **Resolution No. 12762** authorizing the following on-call engineering services contracts for an initial two-year term, in an amount not to exceed \$2,000,000 per contract, for on-call professional services to provide stormwater and drainage related services at various project locations throughout the City:

1. Contract No. 2023-032-COS with Gavan & Barker, Inc.
2. Contract No. 2023-033-COS with Kimley-Horn and Associates, Inc.
3. Contract No. 2023-034-COS with Michael Baker International, Inc.
4. Contract No. 2023-035-COS with Wood Patel and Associates, Inc.

Staff Contact(s): Daniel Worth, Public Works Director, 480-312-5555, daworth@scottsdaleaz.gov

10. Water Resources Treatment Job Order Contract Extensions

Request: Adopt **Resolution No. 12772** authorizing the following job order contract extensions for the second option year, in an amount not to exceed \$7,500,000 per contract; and increasing the single job order limit to \$4,000,000 for each contract, for citywide water resources treatment construction services:

1. Contract No. 2020-055-COS-A3 with Currier Construction, Inc.
2. Contract No. 2020-056-COS-A3 with Garney Companies, Inc.
3. Contract No. 2020-057-COS-A2 with MGC Contractors, Inc.
4. Contract No. 2020-058-COS-A2 with Schofield Civil Construction, LLC

Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, daworth@scottsdaleaz.gov

11. Water Resources Underground Infrastructure Construction Services Job Order Contracts

Request: Adopt **Resolution No. 12773** authorizing the following contract extensions for the second option year, increasing the annual spending limit to an amount not to exceed \$7,500,000 per contract; and increasing the single job order limit to \$4,000,000 for each contract, for citywide water resources underground infrastructure construction services:

1. Contract No. 2020-059-COS-A2 with Achen Gardner Construction, LLC
2. Contract No. 2020-060-COS-A3 with B&F Contracting, Inc.
3. Contract No. 2020-061-COS-A2 with Garney Companies, Inc.
4. Contract No. 2020-062-COS-A2 with Markham Contracting Co., Inc.

Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, daworth@scottsdaleaz.gov

12. Engineering Services Contracts for Surveying Services

Request: Adopt **Resolution No. 12774** authorizing the following one-year contract extensions for on-call engineering services, in an amount not to exceed \$500,000 per contract, for surveying services throughout the City:

1. Contract No. 2020-065-COS-A2 with AZTEC Engineering Group, Inc.
2. Contract No. 2020-066-COS-A2 with T2 UES, Inc.

Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, daworth@scottsdaleaz.gov

13. Citywide Civil/Site Construction Projects Job Order Contracts

Request: Adopt **Resolution No. 12775** authorizing the following contract extensions for the first option year, increasing the annual spending limit to an amount not to exceed \$7,500,000 per contract; and increasing the single job order limit to \$4,000,000 for each contract, for Citywide civil/site construction projects:

1. Contract No. 2021-037-COS-A2 with DBA Construction, Inc.
2. Contract No. 2021-038-COS-A1 with B&F Contracting, Inc.
3. Contract No. 2021-039-COS-A1 with Hunter Contracting Co.
4. Contract No. 2021-040-COS-A2 with Nesbitt Contracting Co., Inc.

Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, daworth@scottsdaleaz.gov

14. Land Use License Agreements for Construction, Maintenance, and Operation of Turnout at the Central Arizona Project Canal

Request: Adopt **Resolution No. 12770** to authorize:

1. The Water Resources Executive Director to complete and submit such applications that may be required to obtain approval for use of Central Arizona Water Conservation District (CAWCD) or United States Bureau of Reclamation (BOR) lands as may be needed by the Water Resources Division for more efficient and enhanced water delivery or sewage treatment facilities.
2. The Water Resources Executive Director, with approval from the City Attorney, to execute on behalf of the City such Land Use Licenses from CAWCD or BOR for use of CAWCD or BOR lands to further the City's water and sewer operations.
3. The Water Resources Executive Director to request a waiver of any applicable annual fee from CAWCD and BOR.
4. The Water Resources Executive Director, in the event the waiver cannot be obtained, to negotiate an annual fee for the license with CAWCD or BOR which shall not exceed the standard rates adopted by CAWCD or BOR for similar municipal or governmental licenses.

Staff Contact(s): Brian Biesemeyer, Water Resources Executive Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov

15. National Opioid Settlement Agreements

Request: Adopt **Resolution No. 12785** to authorize:

1. The City of Scottsdale to participate in pending settlement agreements with two manufacturers defendants and three pharmacy defendants in the national opioid litigation.
2. The Mayor to execute the Teva Settlement Participation Form (Contract No. 2023-044-COS), Allergan Settlement Participation Form (Contract No. 2023-045-COS), CVS Settlement Participation Form (Contract No. 2023-046-COS), Walgreens Settlement Participation Form (Contract No. 2023-047-COS), and Walmart Settlement Participation Form (Contract No. 2023-048-COS) as received from the national opioid litigation settlement administrators on behalf the City.
3. The Mayor to sign, after consulting with the City Attorney, any such other action necessary for participation in any future remaining settlements in the National Prescription Opioid Litigation.
4. The Mayor, after consulting with the City Attorney, to execute settlement participation forms and take any such other actions as necessary for participation in any future remaining settlements in the National Prescription Opioid Litigation.
5. The City Manager, City Treasurer, City Attorney, and their respective staff, to execute any such documents and take any such other actions as necessary to carry out the intent of this Resolution.

Staff Contact(s): Sherry Scott, City Attorney, 480-312-2405, sscott@scottsdaleaz.gov

15A. Garcia Settlement Agreement

Request: Adopt **Resolution No. 12794** to authorize:

1. Contract No. 2023-051-COS with Yessenia Garcia in the amount of \$200,000, to settle the lawsuit titled *Yessenia Garcia v. City of Scottsdale, et al.*, Case No. 2:21-cv-00914-SPL, currently pending in United States District Court, District of Arizona.
2. The Mayor to execute Contract No. 2023-051-COS.
3. The City Manager, City Treasurer, and City Attorney, and their respective staff to execute any other documents and take such other actions as are necessary to carry out the intent of this Resolution.

Staff Contact(s): Sherry Scott, City Attorney, 480-312-2405, sscott@scottsdaleaz.gov

Mayor Ortega opened public comment.

Dianne Barker, Phoenix resident, referring to a handout (attached) she provided to the City Council, commented on the settlement agreement and expressed concerns with the Scottsdale Police Department Internal Affairs Division.

Mayor Ortega closed public comment.

15B. Notice of Intention to Increase Water and Wastewater Rates

Request: Adopt notice of intention to increase water and wastewater rates, increase miscellaneous water charges, and make housekeeping adjustments to Chapter 49 of the Scottsdale Revised Code for Fiscal Year 2023/24, and establish June 13, 2023, as the date for a public hearing.

Staff Contact(s): Brian Biesemeyer, Water Resources Executive Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov

MOTION AND VOTE – CONSENT AGENDA

Councilwoman Janik made a motion to approve Consent Agenda Items 1 through 15B. Councilwoman Whitehead seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Littlefield; and Councilmembers Caputi, Durham, Graham, Janik, and Whitehead voting in the affirmative.

REGULAR AGENDA

16. Scottsdale’s Museum of the West Financial Participation Agreement Amendment

Request: Adopt **Resolution No. 12712** to authorize:

1. Agreement No. 2022-069-COS-A1, Amended and Restated Financial Participation Agreement, with Scottsdale’s Museum of the West, Inc. for Fiscal Year 2022/23
2. A payment in the amount of \$250,000, to the Scottsdale Museum of the West, Inc., as part of the management services fee.

Presenter(s): Brent Stockwell, Assistant City Manager

Staff Contact(s): Brent Stockwell, Assistant City Manager, 480-312-7288, bstockwell@scottsdaleaz.gov

Assistant City Manager Brent Stockwell gave a PowerPoint presentation (attached) on the proposed amendment to the Scottsdale’s Museum of the West Financial Participation Agreement.

Mayor Ortega opened public comment.

The following spoke favorably about the Museum of the West, indicating it was the City’s “best-kept secret” and suggested additional funds be allocated towards the marketing and advertisement of the Museum.

- French Thompson, Scottsdale resident
- Bob Pejman, Scottsdale resident
- Sonnie Kirtley, Coalition of Greater Scottsdale Board Member

Mayor Ortega closed public comment.

MOTION AND VOTE – ITEM 16

Councilwoman Janik made a motion to adopt Resolution No. 12712 to authorize:

1. Agreement No. 2022-069-COS-A1, Amended and Restated Financial Participation Agreement, with Scottsdale's Museum of the West, Inc. for Fiscal Year 2022/23.
2. A payment in the amount of \$250,000, to the Scottsdale Museum of the West, Inc., as part of the management services fee.

Mayor Ortega seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Littlefield; and Councilmembers Caputi, Durham, Graham, Janik, and Whitehead voting in the affirmative.

PUBLIC COMMENT – Linda Sullivan asked that 68th Street be considered part of the Old Town Character Area Plan and expressed concern with drug usage in her Old Town neighborhood.

CITIZEN PETITIONS

17. Receipt of Citizen Petitions

Request: Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendaize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.

Staff Contact(s): Ben Lane, City Clerk, 480-312-2411, blane@scottsdaleaz.gov

No citizen petitions were received.

MOTION AND VOTE – ADJOURNMENT

Councilwoman Whitehead made a motion to adjourn the Regular Meeting. Councilmember Graham seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Littlefield; and Councilmembers Caputi, Durham, Graham, Janik, and Whitehead voting in the affirmative.

ADJOURNMENT

Mayor Ortega adjourned the Regular Meeting at 6:25 P.M.

SUBMITTED BY:



Ben Lane, City Clerk

Officially approved by the City Council on _____

April 25, 2023

C E R T I F I C A T E

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona, held on the 4th day of April 2023.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 25th day of April 2023.



Ben Lane, City Clerk

ITEM 15A

(602)828-9580 ph#
Submitted by Citizen
Dianne Barker 04-4-23
Mental Res/contract
Item 15A

ARS12-720. Nondisclosure agreements; applicability; use of public monies; definitions

A. The terms of a nondisclosure agreement may not be used to prohibit a party to the agreement from doing any of the following in relation to a violation or an alleged violation of title 13, chapter 14 or 35:

1. Responding to a peace officer's or a prosecutor's inquiry.
2. Making a statement not initiated by that party in a criminal proceeding.

B. An act that is allowed by subsection A of this section may not be used to avoid or invalidate a party's right to consideration under the contract or to require the return of consideration that has already been provided to the party.

C. This section may not be used as authority to enforce a nondisclosure agreement.

D. Public monies may not be used as consideration in exchange for a nondisclosure agreement that is related to an allegation of or attempted sexual assault or sexual harassment.

E. For the purposes of this section:

1. "Criminal proceeding" includes a grand jury, pretrial interview, deposition, hearing, trial and sentencing proceeding pursuant to criminal law.
2. "Nondisclosure agreement" means a confidentiality agreement or contract provision that prohibits the disclosure of information by a party to the contract.

13-2907.01. False reporting to law enforcement agencies; classification

A. It is unlawful for a person to knowingly make to a law enforcement agency of either this state or a political subdivision of this state a false, fraudulent or unfounded report or statement or to knowingly misrepresent a fact for the purpose of interfering with the orderly operation of a law enforcement agency or misleading a peace officer.

B. Violation of this section is a class 1 misdemeanor.

Scottsdale PD Internal Affairs
Suggestion: Add to "Commendation And Complaint/Process"
+ AS Maricopa County - 7 days complaintant
to receive in mail a copy and a letter, then
notify of investigation and any discipline

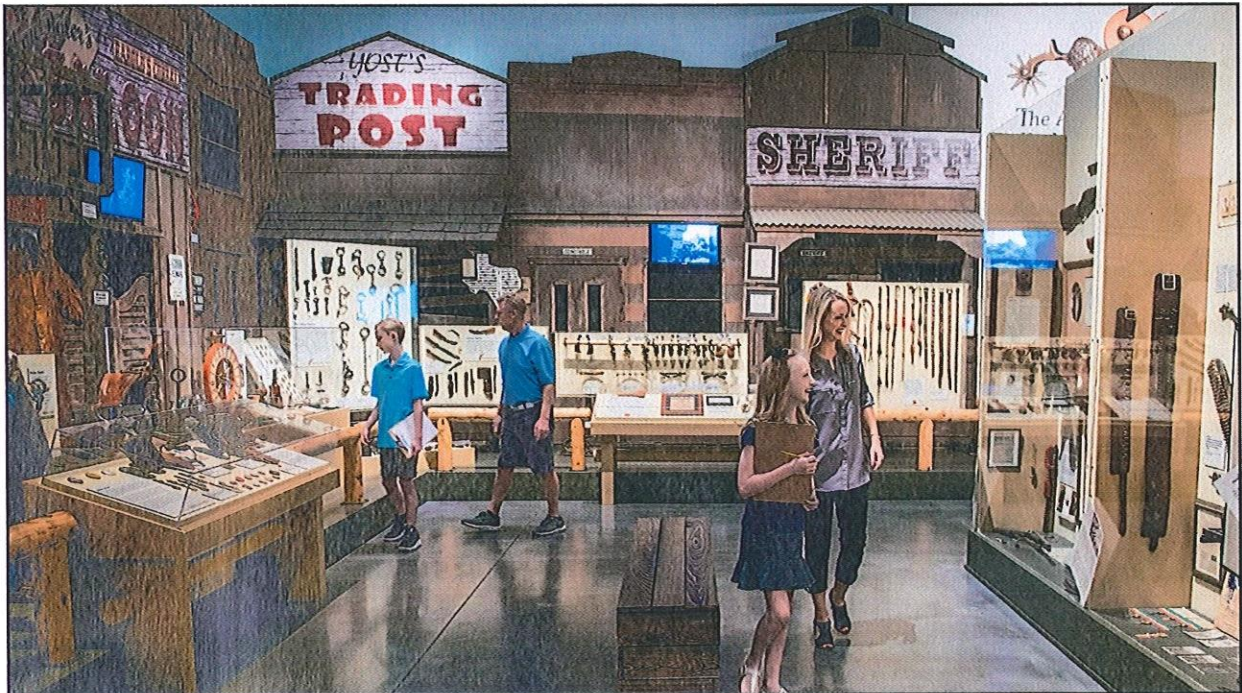
Item 16

Scottsdale's Museum of the West Annual Financial Participation Agreement Amendment

City Council Meeting
April 4, 2023

Brent Stockwell, MPA, ICMA-CM
Assistant City Manager
BStockwell@ScottsdaleAZ.gov | 480-312-7288

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Table 1. Financial Participation Agreement for Management Services

<i>Tourism Development Funds:</i>	FY 2020/21	FY 2020/21	FY 2021/22
Donations Matching Program	\$400,000	\$400,000	\$400,000
Management Services Fee	-	-	250,000
	\$400,000	\$400,000	\$650,000
<i>One-Time AZ Cares Funding:</i>			
Grant by City	-	500,000	-
TOTAL BUDGETED REVENUE:	\$400,000	\$900,000	\$650,000

From July 1, 2021 City Council Report

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From
Museum
Management
Agreement
Contract No.
2021-088-COS

IV. FINANCIAL COMMITMENTS

4. **Financial Commitments.** The parties make financial commitments to each other as follows:

4.1 **Management Services Fee.** The City shall pay Manager an annual fee ("Management Services Fee") for the performance of its obligations under this Agreement. The City Council shall determine the Management Services Fee in accordance with the City's annual budgetary process. Manager may request annually through the City Manager's operating budget process an adjustment in the Management Services Fee for increased costs related to the performance of its obligations under this Agreement. Manager shall submit any request for the following fiscal year, along with sufficient justification, in writing to the Contract Administrator by December 1. If approved by the City Council, the increase will be adjusted into a new Management Services Fee amount for the next fiscal year of the contract period. The Contract Administrator shall evaluate Manager's performance, services and documentation to determine the appropriateness of the increase requested. The Management Services Fee is subject to annual appropriation by the City Council, which appropriation shall be at the sole and absolute discretion of the City Council.

4.2 **City Budgetary Process.** Each year, in accordance with the City's deadlines for submission of budget proposals and supporting documentation, Manager shall provide the City Contract Administrator with timely information relevant to the City funding needed to perform the Objectives outlined under this agreement. Manager's information shall include all estimated funding sources, direct and indirect expenditures, and City funds allocation plans.

4.3 **Financial Participation Agreement.** The City shall disperse the Management Services Fee for any given fiscal year to Manager in installment payments, the timing and amount of which the Parties shall set forth in a separate Financial Participation Agreement in substantially the form attached hereto as Exhibit "A."

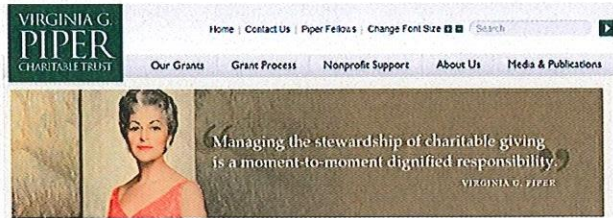
4.4 **Unanticipated, Extraordinary Funding Requests.** Manager may seek supplemental Management Services Fees from the City in the event of unanticipated, extraordinary expenses. Nothing in this subsection, however, shall obligate the City to provide additional Management Services Fees.

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From Piper Trust Web Site PiperTrust.org

Arts & Culture—Total to 22 Grantees: \$32,750,000

Act One	Cultural Coalition, Inc.
Arizona MusicFest	Frank Lloyd Wright Foundation
Arizona Opera	Free Arts for Abused Children of Arizona
Arizona State University Foundation*	Heard Museum
Arizona Theatre Company	Jazz in Arizona, Inc.
Artlink, Inc.	Phoenix Art Museum
Ballet Arizona	Phoenix Theatre
Black Theatre Troupe, Inc.	The Phoenix Symphony
CALA Alliance	Valley Youth Theatre
Children's Museum of Phoenix	Western Spirit, Scottsdale's Museum of the West
Christplay, Inc.	Xoco, Inc.



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Annual Reports
Archived Publications
Our Videos
AZ Giving & Leading Horizon Ch. 8
Encore Videos
Miscellaneous Videos
Piper Academy Videos
Piper Fellows Videos

Virginia G. Piper Charitable Trust Awards \$123 Million in Surprise Grants to 71 Nonprofits—the Largest Single-Day Grant Initiative in Arizona History

VIRGINIA G. PIPER CHARITABLE TRUST Press Release
September 13, 2021

PHOENIX, Ariz. (September 13, 2021)—Trustees of Virginia G. Piper Charitable Trust today awarded a total of \$123 million in surprise grants to 71 Arizona nonprofits—the largest single-day grant initiative in Arizona's history.

The grants were presented to the 71 awardees throughout the day on September 13, 2021—as a complete surprise. Trustees personally met with the CEOs and Board Chairs of the 71 organizations to thank them for their leadership and work and provide significant capital through grants that will give them strength and runway to help secure their futures.

Despite a tumultuous year due to the global health crisis caused by COVID-19 and economic uncertainty across all sectors, many individuals and institutions with large investments in the stock market experienced extraordinary growth in the value of their holdings. Virginia G. Piper Charitable Trust's endowment grew by \$123 million in the 15 months following the start of the pandemic.



Trustees and CEO of Virginia G. Piper Charitable Trust award \$123 million in surprise grants to Maricopa County nonprofits—a philanthropic milestone in Arizona's history. From left: Paul Krasinski, 2018 Grantee, Judy Sibley, Director, Jim Blumie, CEO of Piper, Laura Galtman, May Jane Rupp, CEO, and Steve Zelnick.

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Western Spirit: Scottsdale's Museum of the West, a Smithsonian Institution affiliate, respectfully requests support from the Scottsdale's "Transaction Privilege Tax on transient lodging" (bed tax), designated for tourism development. For FY2022-23 we request \$650,000, the same as requested and granted in FY2021-22, even though costs have risen due to inflation.

Our request is:

- \$400,000 that will be matched through private, corporate, and foundation philanthropy per our management agreement with the City and
- \$250,000 (~ \$20,000/mo.) for operational/fixed costs associated with our city-owned building, including but not limited to utilities, security, insurance, and maintenance. These are expenses that would be borne by the City of Scottsdale if Western Spirit became unable to operate the facility.

Tourism bed tax funding remains critical to Western Spirit's ongoing success. The City of Scottsdale's support is key to fundraising efforts. Matching gifts are a powerful tool in fundraising and City support gives Western Spirit leverage when raising funds.

From December 2021 Request from Museum

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In its second of five years, the MMA outlines the process for the annual city appropriation for the Donations Matching Program and requests for additional funding requires an annual Financial Participation Agreement (FPA). SMOw made two requests through the budget process. The \$400,000 for the Donations Matching Program as outlined in the MMA was approved and included in the city's FY 2022/23 adopted operating budget. Staff is working with Museum management on the additional funding request of \$250,000 for a Management Services Fee that was not allocated in the city's adopted FY 2022/23 budget and may bring that recommendation forward to City Council later.

Table 1. Financial Participation Agreement for Management Services

<i>Tourism Development Funds:</i>	FY 2020/21	FY 2021/22	FY 2022/23
Donations Matching Program	\$400,000	\$400,000	\$400,000
Management Services Fee	-	250,000	-
	\$400,000	\$650,000	\$400,000
<i>One-Time AZ Cores Funding:</i>			
Grant by City	500,000	-	-
TOTAL BUDGETED REVENUE:	\$900,000	\$650,000	\$400,000

From June 21, 2022 City Council Report

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5.2.2 Donations Matching Program. If the requirements of Section 5.2.1 are met, on July 15, 20__, City shall pay SMOw the sum of Four Hundred Thousand Dollars (\$400,000.00) for operation of the Facility.

5.2.3 Of the Management Services Fee specified in Subsection 5.1, \$_____ shall be paid to SMOw in twelve monthly installments. The annual payment shall be used for fixed costs which would include but not be limited to utilities, security, storage, insurance, equipment rental, etc.

From July 1, 2021 Model Agreement

5.2.2 Donations Matching Program. If the requirements of Section 5.2.1 are met, on July 15, 2022, City shall pay SMOw the sum of Four Hundred Thousand Dollars (\$400,000) for operation of the Facility.

5.2.3 City shall pay the Two Hundred and Fifty Thousand Dollars (\$250,000) not subject to the Donations Matching Program to SMOw by May 31, 2023. The annual payment shall be used for fixed costs which would include but not be limited to utilities, security, storage, insurance, equipment rental, etc.

From Tonight's Agreement 2022-069-COS-A1

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Action Requested

Adopt Resolution No. 12712 authorizing contract No. 2022-069-COS-A1, a restated and amended FY 2022/23 Financial Participation Agreement between the city and Scottsdale's Museum of the West, Inc., authorizing payment of \$250,000 to Scottsdale Museum of the West, Inc. as part of the management services fee.