

**SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, SEPTEMBER 24, 2019**



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

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Regular Meeting of the Scottsdale City Council at 5:04 P.M. on Tuesday, September 24, 2019, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane; Vice Mayor Linda Milhaven; and Councilmembers Suzanne Klapp, Virginia L. Korte, Kathleen S. Littlefield, Guy Phillips (participated telephonically), and Solange Whitehead

Also Present: City Manager Jim Thompson, Acting City Attorney Joe Padilla, City Treasurer Jeff Nichols, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE – Girl Scout Troop 1027, Leader Riley Palmer

INVOCATION – Pastor Bob Drew, Scottsdale Bible Church

MAYOR'S REPORT

Mayor Lane read a proclamation honoring Hispanic Heritage Month.

Mayor Lane congratulated the Water Department on receiving the Crescordia Award for Sustainability at the Arizona Forward Environmental Excellence awards.

PRESENTATIONS/INFORMATION UPDATES – None

PUBLIC COMMENT

- Sandy Schenkat commented on a recent article published in the Scottsdale Progress.
- David Ortega commented on proposed infill incentives for the Southbridge Project.
- Tori Lakes-Freedman expressed concerns about her quality of life.

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.

CONSENT AGENDA

1. **Matty G's Liquor License (67-LL-2019)**
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 an existing location with a new owner.
Location: 6107 N. Scottsdale Road, Suite 110
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
2. **Lure Fish House Liquor License (68-LL-2019)**
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 an existing location with a new owner.
Location: 8877 N. Scottsdale Road, Suite 402
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
3. **New York Bagels 'N Bialys Liquor License (71-LL-2019)**
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 an existing location with a new owner.
Location: 8876 E. Pinnacle Peak Road, Suite 100
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
4. **Planned Airpark Core Development Text Amendment (2-TA-2019)**
Request: Adopt **Ordinance No. 4423** approving a text amendment to the City of Scottsdale Zoning Ordinance No. 455, amending Article V., Section 5.4006 (Use Regulations) to add 'Restaurant, including drive-through restaurant but excluding drive-in restaurant' as an allowed land use in the Airpark Mixed Use subdistrict of the Planned Airpark Core Development zoning district.
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
5. **Engineering Services Contracts for Sewer Collection System Rehabilitation Projects**
Request: Adopt **Resolution No. 11570** authorizing the following on-call engineering services contracts for an initial two-year term in an amount not to exceed \$1,000,000 per contract for the design of various sewer collection system rehabilitation projects:
 1. Contract No. 2019-151-COS with Dibble & Associates Consulting Engineers, Inc.
 2. Contract No. 2019-152-COS with Project Engineering Consultants, Ltd.**Staff Contact(s):** Daniel Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov
6. **Rassner Memorial Scottsdale Library Endowment**
Request: Adopt **Resolution No. 11561** authorizing the distribution of interest income in the amount of \$18,000 from the Rassner Memorial Scottsdale Library Endowment to the Scottsdale Public Library for FY 2019/20 to support educational and technological needs, as recommended by the Library Board.
Staff Contact(s): Kira Peters, Library Director, 480-312-2691, kcpeters@scottsdaleaz.gov

7. Fire Department Urban Area Security Initiative Grant

Request: Adopt **Resolution No. 11571** to authorize:

1. The acceptance of a FY 2019/20 Arizona Department of Homeland Security and Federal Emergency Management Agency Urban Area Security Initiative grant in the amount of \$40,000.
2. The Fire Chief, or designee, to conduct all negotiations and to execute and submit all documents in connection with the acceptance of the grant.
3. A budget transfer in the amount of \$40,000 from the adopted FY 2019/20 Future Grants Budget and/or Grant Contingency Budget and the creation of a new cost center to record the related grant activity.

Staff Contact(s): Tom Shannon, Fire Chief, 480-312-1821, tshannon@scottsdaleaz.gov

8. Artfest of Scottsdale

Request: Adopt **Resolution No. 11585** to authorize:

1. Funding, not to exceed \$30,000, from the portion of the FY 2019/20 Tourism Development Fund that is allocated toward event retention and development for the Artfest of Scottsdale event.
2. New Event Funding Agreement No. 2019-167-COS with Andrew Maguire & Associates, LLC.

Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov

9. Scottsdale Dia de los Muertos

Request: Adopt **Resolution No. 11586** to authorize:

1. Funding, not to exceed \$70,000, from the portion of the FY 2019/20 Tourism Development Fund that is allocated toward event retention and development for the Scottsdale Dia de los Muertos event.
2. New Event Funding Agreement No. 2019-168-COS with LORE Southwest Media & Arts, LLC.

Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov

10. Monthly Financial Report

Request: Accept the FY 2019/20 Monthly Financial Report as of July 2019.

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

MOTION AND VOTE – CONSENT AGENDA

Councilmember Korte made a motion to approve Consent Agenda Items 1 through 10. Councilwoman Littlefield seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Milhaven; and Councilmembers Klapp, Korte, Littlefield, Phillips, and Whitehead voting in the affirmative.

REGULAR AGENDA

11. Vacation Rentals Code Amendment

Request: Adopt **Ordinance No. 4416** amending Scottsdale Revised Code, Chapter 18, Public Nuisance and Property Maintenance, by adding Article IX., Sections 18-150 through 18-152 regarding vacation rentals.

Presenter(s): Raun Keagy, Planning and Development Area Director

Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

Note: Item 11 was presented and discussed together with Item 12.

12. Nuisance Parties and Unlawful Gatherings Code Amendment

Request: Adopt **Ordinance No. 4417** amending Scottsdale Revised Code, Chapter 18, Public Nuisance and Property Maintenance, by adding and reserving Sections 18-112 through 18-120, and adding Article VIII, Sections 18-121 through 18-149, regarding nuisance parties and unlawful gatherings.

Presenter(s): Raun Keagy, Planning and Development Area Director

Staff Contact(s): Joe Padilla, Acting City Attorney, 480-312-2405, jpadilla@scottsdaleaz.gov

Planning and Development Area Director Raun Keagy gave a PowerPoint presentation (attached) on the proposed vacation rentals code amendment (Ordinance No. 4416) and the proposed nuisance parties and unlawful gatherings code amendment (Ordinance No. 4417).

Mayor Lane opened public testimony.

The following spoke in opposition to short-term rentals:

- Terry Westfall, Scottsdale resident
- James Heffernan, Scottsdale resident
- Sonnie Kirtley, Coalition of Greater Scottsdale

Mayor Lane closed public testimony.

MOTION AND VOTE – ITEM 11

Councilmember Korte made a motion to adopt Ordinance No. 4416. Councilwoman Littlefield seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Milhaven; and Councilmembers Klapp, Korte, Littlefield, Phillips, and Whitehead voting in the affirmative.

MOTION AND VOTE – ITEM 12

Councilmember Korte made a motion to adopt Ordinance No. 4417, including the changes to Sections 18-123(a)(3)(a) and 18-125(c)(3) provided by staff, and change the time from 90 days to 180 days where appropriate within the ordinance. Councilwoman Whitehead seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Milhaven; and Councilmembers Klapp, Korte, Littlefield, Phillips, and Whitehead voting in the affirmative.

*****13. Loloma Lands Purchase and Sale Agreement**

(Rescheduled to a future Council meeting at the request of staff.)

PUBLIC COMMENT – None

CITIZEN PETITIONS

14. 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 agendize 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): Carolyn Jagger, City Clerk, 480-312-2411, cjagger@scottsdaleaz.gov

No citizen petitions were received.

MAYOR AND COUNCIL ITEMS

ADJOURNMENT

The Regular City Council Meeting adjourned at 6:01 P.M.

SUBMITTED BY:

A handwritten signature in blue ink that reads "Carolyn Jagger". The signature is fluid and cursive, with the first name "Carolyn" and the last name "Jagger" clearly legible.

Carolyn Jagger
City Clerk

Officially approved by the City Council on October 15, 2019

CERTIFICATE

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 17th day of September 2019.

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

DATED this 15th day of October 2019.



Carolyn Jagger, City Clerk

Items 11 and 12

**Short Term Rental Ordinance &
Nuisance Ordinance Amendment**

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Luis Santaella, City Attorney Office
Raun Keagy, Code Enforcement

1

Request

- Adopt Ordinance No. 4416 amending Article I, Section 18-2 and adding Article IX, Sections 18-150 through 18-152 concerning Vacation Rentals to Chapter 18 of the Scottsdale Revised Code.
- Adopt Ordinance No. 4417 amending Article VII by adding and reserving Sections 18-112 through 18-120 and adding Article VIII, Sections 18-121 through 18-149 concerning Nuisance Parties and Unlawful Gatherings to Chapter 18 of the Scottsdale Revised Code.

2

Background

- During the 2019 Legislative Session, the State Legislature passed HB 2672 that made some small changes to the authority that cities have in the regulation of residential vacation rentals or short-term rentals (STR).

3

Background (cont.)

- City Council directed the City Manager and City Attorney to review Scottsdale's current public nuisance ordinance and bring back recommendations that would update the public nuisance ordinance to better address unruly parties or gatherings and make it easier to hold property owners accountable for repeated unruly gatherings or parties on their properties.

4

Key Features--STR

- Clarifies that cities can prohibit a STR operator (owner) from using a STR for non-residential purposes including for retail, a restaurant, banquet space or other similar use, such as a wedding venue.
- It also allows cities to require the owner of an STR to provide contact information for someone who is responsible for responding to complaints before renting the STR.

5

Key Features—Nuisance Party

- Nuisance party is defined as an assembly of persons for a social activity or for a special occasion in a manner which constitutes a substantial disturbance of the quiet enjoyment of private or public property.
- Unlawful gathering is defined as a party, gathering, or event where spirituous liquor is served to, or is in the possession of, or consumed by, any minor, or where illegal drugs are in the possession of, or consumed by, any person, regardless of whether it would otherwise qualify as a nuisance party.

6

How does it work?

- Assessment of service fees on a sliding scale for police response to nuisance party and unruly gathering calls including in some cases assessment of such fees on landlords/property owners.
- Potential civil prosecution of occupants and/or owners for holding nuisance parties or unruly gatherings including in some cases prosecution of landlords.

7

Summary of Public Feedback Open House

- Vast majority of attendees were in support of the proposed ordinance with general support for higher response fees. As a result of that feedback, the response fees were raised from \$250, \$1,000 and \$1,500 to \$500, \$1,250 and \$2,500.

8

Summary of Public Feedback Emails

- 61 emails were received regarding the proposed ordinance with 54 in support.
- Some concern raised about “over regulation.”
- Several STR operators don’t want to be “lumped in” with less responsible operators.

9

Timeline

- If the City Council adopts the ordinances, they will go into effect 30 days after adoption.
- Database being created to track Nuisance Party complaints and to gather responsible party information.

10

Questions?

- Item # 11 & 12 City Council Regular Agenda
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