

SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
MONDAY, OCTOBER 10, 2016



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 5:01 P.M. on Monday, October 10, 2016, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane; Vice Mayor Kathleen S. Littlefield; and Councilmembers Suzanne Klapp, Virginia Korte, Linda Milhaven, Guy Phillips, and David N. Smith

Also Present: Acting City Manager Brian Biesemeyer, City Attorney Bruce Washburn, City Treasurer Jeff Nichols, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE – Troop 194, Troop Leader Priscilla Sanders

INVOCATION – Mayor Lane requested a moment of silence for those impacted by Hurricane Matthew.

MAYOR'S REPORT

Mayor Lane presented proclamations to the Scottsdale Historical Museum and the McDowell Sonoran Conservancy to honor their 25th anniversaries.

PRESENTATIONS

- **25th Anniversary of the McDowell Sonoran Conservancy**
Presenter(s): Mike Nolan, McDowell Sonoran Conservancy CEO

McDowell Sonoran Conservancy CEO Mike Nolan gave a presentation on the 25th Anniversary of the McDowell Sonoran Conservancy.

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.

PUBLIC COMMENT

Elizabeth Deitchman and Angie Carrasco spoke in support of the Scottsdale Arts Visions Program.

MINUTES

Request: Approve the Regular Meeting Minutes of September 13, 2016, and September 20, 2016; Work Study Session Minutes of September 19, 2016; Special Meeting Minutes of September 20, 2016; and Executive Session Minutes of September 20, 2016.

MOTION AND VOTE – MINUTES

Councilmember Korte made a motion to approve the Regular Meeting Minutes of September 13, 2016, and September 20, 2016; Work Study Session Minutes of September 19, 2016; Special Meeting Minutes of September 20, 2016; and Executive Session Minutes of September 20, 2016. Councilwoman Klapp seconded the motion, which carried 7/0.

CONSENT AGENDA

- 1. Vines & Hops Liquor License (79-LL-2016)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 7 (beer and wine bar) State liquor license for an existing location with a new owner.
Location: 4216 N. Brown Avenue
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 2. Tapas Seville Liquor License (83-LL-2016)**
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 new location and owner.
Location: 7240 E. Main Street, Suite B-3
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 3. Café Pranzo Liquor License (84-LL-2016)**
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: 8600 E. Anderson Drive
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 4. Char Kitchen + Bar Liquor License (85-LL-2016)**
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

- 5. Taj Mahal Liquor License (86-LL-2016)**
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: 4225 N. Craftsman Court
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 6. Harkins Camelview at Fashion Square Liquor License (87-LL-2016)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for an acquisition of control change for an existing Series 6 (bar) State liquor license.
Location: 7014 E. Camelback Road, Suite 3A
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 7. Kona Grill Liquor License (88-LL-2016)**
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: 15345 N. Scottsdale Road, Suite K-100
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 8. Boondocks Patio & Grill Conditional Use Permit (42-UP-2011#3)**
Request: Find that the conditional use permit criteria have been met and adopt **Resolution No. 10561** approving a Conditional Use Permit for Live Entertainment on an existing 9,609± square-foot establishment with Downtown/Office Residential Type 2 Downtown Overlay (D/OR-2 DO) zoning.
Location: 4341 N. 75th Street
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 9. 70th Street Lofts Rezoning (3-ZN-2016)**
Request: Adopt **Ordinance No. 4279** approving a Zoning District Map Amendment from Highway Commercial, Downtown Overlay (C-3 DO) zoning to Downtown/Downtown Multiple Use – Type 2 Downtown Overlay (D/DMU-2 DO) zoning on a 0.4±-acre site located at the southeast corner of E. 6th Avenue and N. 70th Street.
Location: 3425 N. 70th Street; and 7002, 7004, and 7006 E. 6th Avenue
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 10. 70th & Earll Townhomes Rezoning (11-ZN-2016)**
Request: Adopt **Ordinance No. 4277** approving a Zoning District Map Amendment from Single-family Residential (R1-7) zoning to Medium Density Residential (R-3) zoning on a 0.47±-acre site.
Location: 3114 N. 70th Street
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

11. Skye on McDowell - Phase II Non-Major General Plan Amendment and Rezoning (7-GP-2016 and 16-ZN-2016)

Requests:

1. Adopt **Resolution No. 10562** approving a Non-Major General Plan Amendment to the Scottsdale 2001 General Plan Conceptual Land Use Map to change the land use designation from Mixed Use Neighborhoods to Urban Neighborhoods on a 3.2±-acre site.
2. Adopt **Ordinance No. 4278** approving a Zoning District Map Amendment from Highway Commercial (C-3) to Multi-Family Residential (R-5) zoning on a 3.2±-acre site.

Location: 6801 E. McDowell Road

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

12. On-Call Engineering Services Contract Modifications for Storm Water Projects

Request: Adopt **Resolution No. 10577** authorizing the following on-call engineering services contract modifications for a one-year contract extension for studies, design, construction documents, and construction administration for storm water projects throughout the City, as needed:

1. Contract No. 2014-141-COS-A1 with Gavan & Barker, Inc.
2. Contract No. 2014-142-COS-A1 with Olsson Associates

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

13. Tavern Grille Scottsdale Teletrack Wagering Establishment License

Request: Consider approval of a renewal application for Teletrack Wagering Establishment License No. 1053566 for Tavern Grille Scottsdale.

Location: 8880 E. Via Linda, Suite 106

Staff Contact(s): Dennis Enriquez, Business Services Director, 480-312-5925, denriquez@scottsdaleaz.gov

14. Pickleball Courts Funding Donation Agreement

Request: Adopt **Resolution No. 10567** authorizing Agreement No. 2016-148-COS with Grayhawk Community Association to accept a monetary donation in the amount of \$30,291 to convert one basketball court into three pickleball courts at Thompson Peak Park.

Location: 20199 N. 78th Place

Staff Contact(s): William Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov

Community Services Director William Murphy gave a PowerPoint presentation (attached) on the proposed pickleball courts funding donation agreement.

15. Fiscal Year 2015/16 HOME Investment Partnership Program Conditional Subrecipient Agreement

Request: Adopt **Resolution No. 10559** to authorize:

1. Agreement No. 2016-145-COS with Habitat for Humanity Central Arizona to award and specify the conditions associated with \$206,420 in FY 2015/16 federal HOME Investment Partnership Program (HOME) funds for housing reconstruction purposes to benefit people living in homes with substantial housing defects.
2. A budget authority transfer in the amount of \$206,420 from the adopted FY 2016/17 Community Development Block Grant to a HOME funds cost center to record HOME expenditures occurring in FY 2016/17.

Staff Contact(s): William Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov

- 16. Fiscal Year 2016/17 HOME Investment Partnership Program Conditional Subrecipient Agreement**
(Removed at the request of staff.)
- 17. Proposition 202 Funds Acceptance Intergovernmental Agreement**
Request: Adopt **Resolution No. 10568** to authorize:
1. Agreement No. 2016-149-COS with the Fort McDowell Yavapai Nation to accept \$100,000 in Proposition 202 Tribal Gaming Funds.
 2. A budget transfer in the amount of \$100,000 from the adopted FY 2016/17 Grant Contingency Budget and/or the Future Grants Budget to a newly created cost center to record all related grant activity.
- Staff Contact(s):** Brad Lundahl, Government Relations Director, 480-312-2683, blundahl@scottsdaleaz.gov
- 18. Miguel Ibarra v. City of Scottsdale Settlement**
Request: Adopt **Resolution No. 10570** authorizing settlement in the amount of \$21,499.99 of the claim entitled *Miguel Ibarra v. City of Scottsdale*, City Claim No. 151611-AL-039.
Staff Contact(s): Bruce Washburn, City Attorney, 480-312-2405, bwashburn@scottsdaleaz.gov
- 19. Nicole Rerucha v. City of Scottsdale Settlement Agreement**
Request: Adopt **Resolution No. 10585** authorizing Agreement No. 2016-155-COS with Nicole Rerucha in order to settle a lawsuit entitled *Nicole Rerucha v. City of Scottsdale*, currently pending in the United States District Court, District of Arizona, Case No. CV-15-01145-PHX-NVW, in the amount of \$135,000.
Staff Contact(s): Bruce Washburn, City Attorney, 480-312-2405, bwashburn@scottsdaleaz.gov
- 20. Monthly Financial Report**
Request: Accept the FY 2016/17 Monthly Financial Report as of July 2016.
Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov
- 21. Tourism Strategic Plan Contingency Budget Transfer**
Request: Adopt **Resolution No. 10566** authorizing a FY 2016/17 Tourism Development Fund Operating Contingency Budget transfer in the amount of \$745,000 funded from the City portion of the Bed Tax Carry-Over to the Tourism and Events Development Operating Budget for implementing the Tourism Strategic Plan.
Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov

MOTION AND VOTE – CONSENT AGENDA

Councilwoman Klapp made a motion to approve Consent Agenda Items 1 through 21, absent Item 16, which was removed at the request of staff. Councilmember Korte seconded the motion, which carried 7/0.

REGULAR AGENDA

22. **Public Hearing on the Biennial Certified Audit of the Land Use Assumptions, Infrastructure Improvement Plans, and Development Fees**

Request: Solicit and receive public comment on the biennial certified audit of the land use assumptions, infrastructure improvement plans, and development (impact) fees for the City's water and wastewater utilities.

Presenter(s): Sharron Walker, City Auditor

Staff Contact(s): Sharron Walker, City Auditor, 480-312-7867, swalker@scottsdaleaz.gov

City Auditor Sharron Walker gave a PowerPoint presentation (attached) on the biennial audit.

Rafetelis Financial Consultants representative Frank Davis gave a PowerPoint presentation (attached) on the biennial certified audit of land uses assumptions, infrastructure improvement plans, and development (impact) fees for the City's water and wastewater utilities.

Mayor Lane noted for the record that there were no requests to speak on this item.

PUBLIC COMMENT – None

CITIZEN PETITIONS

23. **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 – None

ADJOURNMENT

The Regular City Council Meeting adjourned at 5:41 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk

Officially approved by the City Council on

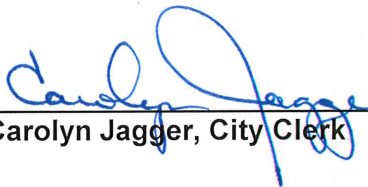
November 14, 2016

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 10th day of October 2016.

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

DATED this 14th day of November 2016.



Carolyn Jagger, City Clerk

ITEM 14



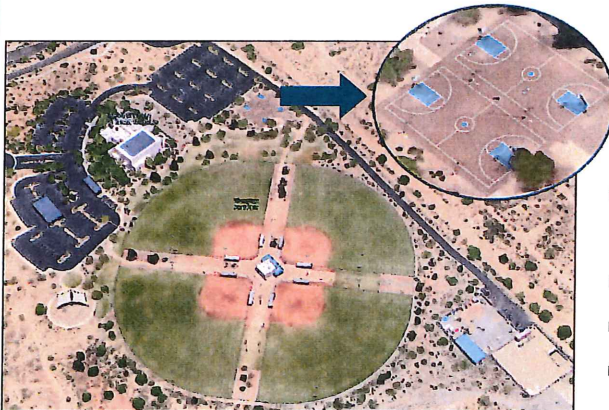
PICKLEBALL COURT FUNDING DONATION

- Sport of Pickleball Continues to Grow
- There is a need for more courts to meet demand
- Donation for Thompson Peak Park opportunity



PICKLEBALL COURT FUNDING DONATION

Convert one basketball court into three pickleball courts at Thompson Peak Park 20199 N 78th place



Location meets criteria

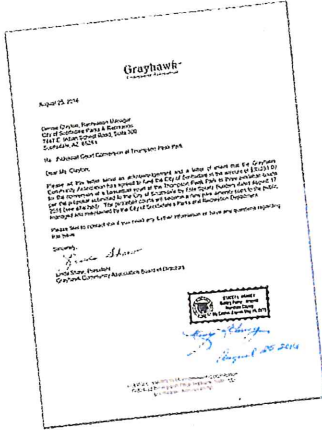
- Parking
- Restrooms
- Distance from residents

- **Remove basketball standards**
- **Install net post**
- **Resurface courts**
- **Fence perimeter**



PICKLEBALL COURT FUNDING DONATION

Project funding from Grayhawk Community Association



Anticipated start date November 2016

Project Completion December 2016

Open to the public

Maintained by the city

Item 22

Sharron Walker Presentation

Biennial Certified Audit of Land Use Assumptions, Infrastructure Improvement Plans and Development Fees

Sharron E. Walker, CPA, CFE, CLEA
City Auditor

Contracted Firm: Raftelis Financial Consultants Inc.

Background

- In 2011, state legislation placed several requirements on municipalities' development impact fees.
 - Senate Bill 1525 / Arizona Revised Statutes §9-463.05
- City's development fees are adopted for Scottsdale Water's water and wastewater activities.

Background

To comply with new requirements, the City:

- Updated Land Use Assumptions (LUA)
- Updated Infrastructure Improvement Plans (IIP)
 - Water
 - Wastewater
- Updated Development Impact Fees eff. July 1, 2014

Background

ARS §9-463.05(G) further requires the City to either:

(1) Appoint Infrastructure Improvements Advisory Committee (subject to additional statutory requirements).

OR

(2) Provide for a biennial certified audit of its land use assumptions, infrastructure improvements plan and development fees.

Scottsdale Water opted for the biennial certified audit.

This first audit is for July 1, 2014, through June 30, 2016.

Background

The audit shall be conducted by “qualified professionals”:

- Not employees or officials of the city.
- Did not prepare the IIP.
- Defined as professional engineer, surveyor, financial analyst or planner providing services within scope of their license, education or experience.

Scottsdale City Auditor issued Request for Proposals, selected Qualified Professional firm, and administered the audit contract.

- Raftelis Financial Consultants, Inc. performed the Biennial Certified Audit.

Background

The City is required to post the report on its website and conduct a public hearing within 60 days.

- Posted for Audit Committee: Sept 13
- Audit Committee voted unanimously to accept the report: Sept 19
- Also posted to Audit Reports webpage: Sept 20
- Public hearing scheduled: Oct 10 (27 days after initial posting)

Biennial Certified Audit Results

Frank Davis, Manager
Raftelis Financial Consultants, Inc.

Requested Action

Solicit public testimony on the Scottsdale
Biennial Certified Audit of Land Use
Assumptions, Infrastructure Improvement
Plans and Development Fees.

Item 22

Frank Davis Presentation

OBJECTIVE OF THE AUDIT

To review the progress of the City's LUA and IIP, including the collection and expenditures of development fees for identified capital projects in the IIP, and evaluate any inequities in implementing the adopted IIP or imposing the adopted development fees differently from the adopted fee schedules.

RFC'S APPROACH

- Audit period from FY '15 and FY '16
- Review actual growth and LUA
- Evaluate current levels of service and capacity available for growth?
- Review collection/expenditure of fees for each necessary public services
 - Are funds segregated?
 - Are funds used appropriately as defined by SB 1525?

BIENNIAL CERTIFIED AUDIT RESULTS (LUA)

- Progress of IIPs is consistent with LUA
 - Does not result in any inequities in implementing the plans
 - Actual growth is consistent with land use assumptions
 - Recent growth has not put a strain on available water and wastewater capacity
- Progress of IIPs is consistent with LUA

BIENNIAL CERTIFIED AUDIT RESULTS (WATER IIP AND WASTEWATER IIP)

- Both written plans sufficiently address and provide information required by SB 1525
- Available capacity remains consistent with infrastructure planning
- Current levels of service remain consistent with levels defined in IIPs

**BIENNIAL CERTIFIED AUDIT RESULTS
(WATER IIP AND WASTEWATER IIP)**

- Projected demands remain consistent with planning projections
- Progress of IIPs does not result in any inequities in implementing the plans or imposing fees

**BIENNIAL CERTIFIED AUDIT RESULTS
(COLLECTION AND EXPENDITURE OF FEES)**

- Fee collections are consistent with permit information
- Actual expenditures are consistent with project scheduling in IIPs
- Expenditures are consistent with requirements of SB 1525

**BIENNIAL CERTIFIED AUDIT RESULTS
(COLLECTION AND EXPENDITURE OF FEES)**

- Fee funds appropriately accounted for and used for purposes authorized by statutes
- Collections and expenditures of fees does not result in any inequities in implementing the plans or imposing the fees