SUMMARIZED MINUTES
SCOTTSDALE CITY COUNCIL
TUESDAY, FEBRUARY 21, 2006

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

CALL TO ORDER

Mayor Manross called to order a Regular Meeting of the Scottsdale City Council on Tuesday, February 21, 2006 in the Kiva, City Hall, at 5:18 p.m.

ROLL CALL

Present: Mayor Mary Manross
Vice Mayor Ron McCullagh
Council Members Betty Drake, Wayne Ecton, W.J. "Jim" Lane, Robert Littlefield and Kevin Osterman

Also Present: City Manager Jan Dolan
City Attorney Deborah Robberson
City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE - Councilman Ecton

INVOCATION - Pastor John McGovern, Trinity Alive Assembly of God Church

PUBLIC COMMENT

Henry Becker, 9643 East Vereda Solana, questioned the sincerity and motives of a Council candidate's statement regarding key issues of transportation and safety.

MINUTES

SPECIAL MEETINGS	REGULAR MEETINGS
January 24, 2006	January 24, 2006

COUNCILMAN LANE MOVED FOR APPROVAL OF THE REGULAR MEETING MINUTES OF JANUARY 24, 2006 TO INCLUDE THE LEGAL OPINION ON ITEM 15.

In response to a question by Councilman Lane, Ms. Deborah Robberson, City Attorney, confirmed that the City Council may vote as a body to waive attorney-client privilege regarding Andrew McGuire's legal opinion and direct the Clerk to attach the opinion to the meeting minutes, if they wished to do so.

NOTE IN ACCORDANCE WITH PROVISIONS OF THE ARIZONA REVISED STATUTES THE SUMMARIZED MINUTES OF CITY COUNCIL MEETINGS ARE NOT VERBATIM TRANSCRIPTS. ONLY THE ACTIONS TAKEN AND DISCUSSION APPEARING WITH QUOTATION MARKS ARE VERBATIM. DIGITAL RECORDINGS OF CITY COUNCIL MEETINGS ARE ON FILE IN THE CITY CLERK'S OFFICE.

COUNCILMAN LANE MOVED TO WAIVE ATTORNEY-CLIENT PRIVILEGE REGARDING ANDREW MCGUIRE'S LETTER AND INCLUDE THE ATTORNEY'S OPINION WITH THE MINUTES OF THE JANUARY 24, 2006, REGULAR MEETING. VICE MAYOR MCCULLAGH SECONDED THE MOTION, WHICH CARRIED 7-0.

COUNCIL MEMBER DRAKE MOVED FOR APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF JANUARY 24, 2006 AND THE MINUTES OF THE REGULAR MEETING OF JANUARY 24, 2006, AS AMENDED. COUNCILMAN LANE SECONDED THE MOTION, WHICH CARRIED 7-0.

CONSENT AGENDA ITEMS 1 - 15

1. **Rubio's Fresh Mexican Grill Agent Change (Restaurant) Liquor License**
Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for an Agent Change for an existing series 12 (restaurant) liquor license.
Location: 32415 N. Scottsdale Road, #B
Reference: 65-LL-2001#2
Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Customer Service Chief Officer, 480-312-2664, cpadian@scottsdaleaz.gov

2. **Arizona Culinary Institute Agent Change (Restaurant) Liquor License**
Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for an Agent Change for an existing series 12 (restaurant) liquor license.
Location: 10585 N.114th Street, #401
Reference: 13-LL-2002#2
Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Customer Service Chief Officer, 480-312-2664, cpadian@scottsdaleaz.gov

3. **Beau-Bay Caribbean Smokehouse & Bakery (Restaurant) Liquor License**
Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) liquor license.
Location: 7366 E. Shea Boulevard, Unit 112
Reference: 58-LL-2005
Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Customer Service Chief Officer, 480-312-2664, cpadian@scottsdaleaz.gov

4. **R & J Kwik Mart (Beer and Wine Store) Liquor License**
Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 10 (beer and wine store) liquor license for an existing location that has changed ownership.
Location: 8001 E. Roosevelt Street
Reference: 3-LL-2006
Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Customer Service Chief Officer, 480-312-2664, cpadian@scottsdaleaz.gov

5. **Rubio's Fresh Mexican Grill Agent Change (Restaurant) Liquor License**
Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for an Agent Change for an existing series 12 (restaurant) liquor license.
Location: 15704 N. Pima Road, #C-89
Reference: 5-LL-2006
Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Customer Service Chief Officer, 480-312-2664, cpadian@scottsdaleaz.gov

6. **Shoeman Tract Abandonment**
Requests:
1. Consider the abandonment of existing roadway easements located between Brown Avenue and Buckboard Trail, and between Shoeman Lane and Camelback Road.
2. Adopt Resolution No. 6843 vacating and abandoning a public right-of-way.

Location: 7243 E. Camelback Road
Reference: 21-AB-2005
Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Customer Service Chief Officer, 480-312-2664, cpadian@scottsdaleaz.gov

7. **Whisper Rock Amended Stipulations and Development Standards**
Requests:
1. Amend the stipulations, amended development standards and the existing development agreement to Case 29-ZN-2000#2 on a 28 +/- acre parcel located at 32800 N. Hayden Road with Single Family Residential District, Environmentally Sensitive Lands, Planned Community District (R1-43 ESL PCD, R1-130 ESL PCD) and Resort/Townhouse Residential, Environmentally Sensitive Lands, Planned Community District (R-4R ESL PCD) zoning.
2. Adopt Ordinance No. 3645 affirming the above amended stipulations and development standards.
3. Adopt Resolution No. 6797 authorizing the Mayor to execute Development Agreement No. 2005-188-COS-A2.

Location: 32800 N. Hayden Road
Reference: 29-ZN-2000#3
Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Customer Service Chief Officer, 480-312-2664, cpadian@scottsdaleaz.gov

8. **Main Street Place (LVA) Rezoning**
Requests:
1. Rezone from Commercial Office District, Downtown Overlay (C-O DO) and Service Residential District, Downtown Overlay (S-R DO) to Downtown/Office Residential Type 2, Downtown Overlay (D/OR-2 DO) on a 18,316 +/-square foot parcel located at 7502 E. Main Street.
2. Adopt Ordinance No. 3665 affirming the rezoning.

Location: 7502 E. Main Street
Reference: 18-ZN-2005

Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Customer Service Chief Officer, 480-312-2664, cpadian@scottsdaleaz.gov

9. **Contract Modification with Atypical Transportation to Include Operation of a Neighborhood Circulator Route in Southern Scottsdale**

Request: Adopt Resolution No. 6842 authorizing Contract Modification No. 04RP017-B with Atypical Transportation to include the operation of the budgeted neighborhood circulator route. Operations for the remainder of fiscal year 2005/06 will cost approximately $200,000.

Related Policies, References:

- Contract Modification No. 04RP017-B
- RFP #04RP017
- City Procurement Code.

Staff Contact(s): Mary O'Connor, Transportation General Manager, 480-312-2334, moconnor@scottsdaleaz.gov

10. **Lease Agreement for Property in the Harquahala Valley Deeded to the City by the Irrigation Water Distribution System (IWDS) Users**

Request: Adopt Resolution No. 6831 authorizing Lease Agreement No. 2006-012-COS with Odom Farms Partnership, an Arizona general partnership. This lease allows the property in the Harquahala Valley that is owned by the City on behalf of the IWDS users to be used for agricultural purposes.

Related Policies, References:

- Section 2-221(b)(5) of the Scottsdale Revised Code allows the sale of City real property interests, including leases, directly to person having an interest in the same real property and in adjoining real property.
- Third Amended IWDS Agreement No. 960047A, approved by the City Council on May 13, 2002, which, among other items, required the transfer of the Harquahala Valley property to the City.

Staff Contact(s): Al Dreska, Municipal Services General Manager, 480-312-5555, adreska@scottsdaleaz.gov; David Mansfield, Water Resources General Manager, 480-312-5681, dmansfield@scottsdaleaz.gov

11. **Engineering Services Contract for the Design of Zone 14/16 Water Improvements**

Request: Authorize Engineering Services Contract No. 2006-009-COS with HDR Engineering, Inc., in the amount of $1,644,337 for the design of Zone 14/16 Water Improvements.

Related Policies, References: Council approved the Integrated Water Master Plan on October 15, 2001.

Staff Contact(s): Al Dreska, Municipal Services General Manager, 480-312-5555, adreska@scottsdaleaz.gov

12. **Design Phase Services Contract for the CAP Water Treatment Plant Expansion**

Request: Authorize Construction Manager at Risk (CM@Risk) Design Phase Services Contract No. 2006-014-COS with Archer Western Contractors, in the amount of $781,005 for the Central Arizona Project Water Treatment Plant Expansion.

Related Policies, References:

- Council approved Engineering Services Contract No. 2005-111-COS with Malcolm-Pirnie, Inc. for design of the CAP Water Treatment Plant expansion on June 28, 2005.
- Council approved the Water Resources Master Plan on October 15, 2001.

Staff Contact(s): Al Dreska, Municipal Services General Manager, 480-312-5555, adreska@scottsdaleaz.gov

13. **Design Phase Services Contract for the McKellips Service Center Campus Public Safety and Maintenance Facilities, and Related Off-Campus Improvements**

Request: Authorize Construction Manager at Risk (CM@Risk) Design Phase Services Contract No. 2006-003-COS with Sundt Construction, Inc., in the amount of $150,000 for pre-construction services for Police Operational Support and District One facilities, and Fleet and Community Services Maintenance facilities at the McKellips Service Center; and for renovations for Police Communications at the District Two facility.

Related Policies, References:

- Council authorized Architectural Services Contract No. 2000-197-COS on May 14, 2001 for a Police Department master planning and site evaluation study.
- Council approved the Municipal Use Master Site Plan for a combined use campus at the McKellips Service Center on April 5, 2004.
- The Development Review Board approved the site plan and elevations for the proposed Police Department facilities on May 6, 2004.
- Council authorized Architectural Services Contract No. 2005-029-COS with Durrant, and Architectural Services Contract No. 2005-030-COS with Larson Associates, Architects for the design of the McKellips Service Center Campus Facilities on March 22, 2005.

Staff Contact(s): Al Dreska, Municipal Services General Manager, 480-312-5555, adreska@scottsdaleaz.gov

14. **Construction Services Contract for Phase 1 Construction of Pima Road, Loop 101 Freeway to Thompson Peak Parkway**

Requests:

1. Authorize CM@Risk Contract No. 2005-199-COS with Achen-Gardner Engineering, LLC for construction services at a Guaranteed Maximum Price (GMP) of $10,040,914 for the first phase of construction of Pima Road from the Loop 101 Freeway to Thompson Peak Parkway.
2. Authorize initiation of acquisition procedures for approximately 2.1 acres of property for roadway and drainage easement purposes from the Arizona State Land Department for this project.
3. Authorize payment to Arizona Public Services (APS) in an approximate amount of $50,000 for the provision of streetlights and relocation of a 69 kV pole.

Related Policies, References:

- Council awarded Engineering Services Contract No. 2003-114-COS to Entellus, Inc. for design of improvements to Pima Road from the Pima Freeway to Thompson Peak Parkway on June 16, 2003.
- Streets Master Plan adopted by Council in October 2003.
- Council awarded a construction contract to Desierto Verde, Inc. for salvaging, storing and planting native plant vegetation on September 6, 2005.

- Council awarded a Construction Manager at Risk (CM@Risk) Pre-Construction Services Contract (2005-167-COS) to Achen-Gardner Engineering, LLC on November 15, 2005.

Staff Contact(s): Al Dreska, Municipal Services General Manager, 480-312-5555, adreska@scottsdaleaz.gov

15. Appoint Election Boards for the March 14, 2006 General Election and May 16, 2006 Runoff/Special Election

Request: Adopt Resolution No. 6845 authorizing the appointment of the Election Boards for the March 14, 2006 General Election and May 16, 2006 Runoff/Special Election.

Related Policies, References:
Arizona Revised Statutes (ARS) 9-825 requires the governing body to appoint election board members from the qualified electors of the municipality.

Staff Contact(s): Carolyn Jagger, City Clerk, 480-312-2411, cjagger@scottsdaleaz.gov

MOTION AND VOTE - CONSENT AGENDA

COUNCILMEMBER DRAKE MOVED FOR APPROVAL OF CONSENT AGENDA ITEMS 1 THROUGH 7, AND 9 THROUGH 15. COUNCILMAN OSTERMAN SECONDED THE MOTION, WHICH CARRIED 7-0.

COUNCILMEMBER DRAKE MOVED TO CONTINUE ITEM 8 TO MARCH 7, 2006. COUNCILMAN OSTERMAN SECONDED THE MOTION, WHICH CARRIED 7-0.

CITY MANAGER'S REPORT - None

MAYOR AND COUNCIL ITEMS 16 - 17

16. Legislative Update

Update: Provide update to the City Council and receive possible direction regarding current and pending State legislative issues and policies.

Related Policies: Pursuant to the 2006 State Legislative Agenda adopted by the City Council on December 13, 2005

Staff Contact(s): Bridget Schwartz-Manock, Intergovernmental Relations Director, bschwartzmanock@scottsdaleaz.gov 480-312-2423; Neal Shearer, Assistant City Manager, nshearer@scottsdaleaz.gov, 480-312-2604

Bridget Schwartz-Manock, Intergovernmental Relations Director, provided updates on current and pending State legislative issues and policies as outlined below:

- Legislative Update
  - February 21 is the 44th day of the session
  - More than 1,423 bills introduced
  - Seven were passed into law
  - Five were vetoed by the Governor
- State-Shared Revenues
  - SB 1408 phases out shared revenue to cities over 100,000 in size.
  - Full elimination of state-shared revenues by fiscal year 2016-2017.

    - Cuts in first year would equate to $34 million loss to cities.
- Repayments of Highway User Revenue Funds (HURF)
    - SB 1298 appropriates $63.2 million from the State General Fund to the HURF.
    - HB 2332 appropriates $52 million from the State General Fund to the HURF.
- Legislative Update
    - HB 2815, supported by the Attorney General, will allow only licensed individuals to sell products containing pseudoephedrin. Identification required and must be entered into an electronic log, stored for at least 90 days or submitted to law enforcement.
    - SB 1346 establishes a fund to pay for radio and television public service announcements to warn youth of the dangers of meth.
    - HB 2554 appropriates $6 million to the Department of Public Safety
        - $5 million for increased methamphetamine interdiction
        - $1 million for tip lines that receive information on meth activities
    - Appropriates $2.5 million to the Department of Economic Security for substance abuse treatment services

Council/Staff discussion:

- Mayor Manross commented that the bills pertaining to photo-radar speed enforcement are intended to discourage communities from using the technology. The Mayor questioned whether SB 2174 would affect City streets as well as freeways. Ms. Schwartz-Manock explained that SB 2174 would affect all streets with speed limits higher than 40 mph.
- None of the bills vetoed by the governor had any effect on the bills that the City is working to defeat or advance.
- In response to a question from Mayor Manross, Ms. Schwartz-Manock encouraged voters to contact their Senators to express their views on SB 1408. She added that it is anticipated that the bill will be heard in the near future.

17. <u>2006 Federal Legislative Program</u>

Request: Consider approval of the City of Scottsdale 2006 Federal Legislative Program.

Staff Contact(s): Bridget Schwartz-Manock, Intergovernmental Relations Director, bschwartzmanock@scottsdaleaz.gov 480-312-2423

Bridget Schwartz-Manock, Intergovernmental Relations Director, provided updates on current and pending Federal legislative issues and policies, as outlined below:

- Transportation
    - Intermodal Transportation Center at ASU Scottsdale Center for
    - Innovation - $1 .5 million
    - Tempe/Scottsdale Bus Maintenance Facility - $3.5 million
    - Indian Bend Road Improvements $6 million
    - Request Regional Airspace Study

- Human Services
  - Vista del Camino Renovation - $1 million
  - Restore Funding for Community Development Block Grant Program and Section 8 Assisted Housing
  - Low Income Home Energy Assistance Program - recognize warmer climate challenges
- Telecommunications Reform Guidelines
  - Local Authority
  - Rights-of-Way
  - Public and Educational Programming
  - Fees and Revenues
- Homeland Security and Public Safety
  - Keep Phoenix area eligible for Urban Area Security Initiative funds
  - Support more flexibility in federal homeland security funds
  - Continue effective public safety grants
- Water Resources
  - Support full implementation of the Colorado River Multi-Species Conservation Plan
  - Encourage the use of sound science in regulating water treatment

Council/Staff discussion:

- Transportation General Manager Mary O'Connor explained that consultants have already begun work on the environmental study for the Intermodal Transportation Center. The requested additional funding would bring the federal contribution for the center up to the traditional matching amount of eighty percent.
- Ms. Schwartz-Manock explained that in the last few years the federal government has reduced CDBG funding.
- Ms. Schwartz-Manock was asked the current trends of Scottsdale citizens' use of Section 8 funds. She said she would investigate the matter and report back to Council.
- With regard to telecommunications reform, Councilman Lane asked what the City's exposure is in terms of loss of service that is provided gratis or at reduced rates. Ms. Schwartz-Manock explained that Cox provides free cable television and Internet connections to schools and libraries and the City receives Channel 11 free of charge. She agreed to research the cost of these services on the open market.
- In reference to Homeland Security, Councilman Littlefield asked how the federal government measured risk level. Ms. Schwartz-Manock said she would research the criteria used to determine which urban areas are considered a higher security risk.
- Councilman Lane questioned whether the lobbying regarding municipal broadband is to enable the City to become involved with what might be considered private enterprise. Ms. Schwartz-Manock said that the City has no plans to provide municipal broadband. City Manager Jan Dolan explained that some smaller municipalities want to supply broadband because no private supplier is willing to do so. In the past, the City has supported this as a general concept.

MOTIONS AND VOTES – ITEM 17

COUNCILMAN LANE MOVED TO APPROVE AND ACCEPT AS STATED THE POLICY DECISION-MAKING ITEMS IN THE AREAS OF TRANSPORTATION AND HUMAN

SERVICES.

THE MOTION DIED FOR LACK OF A SECOND.

COUNCILMAN LANE MOVED TO APPROVE POLICY CHANGES UNDER TRANSPORTATION, HUMAN SERVICES, HOMELAND SECURITY AND PUBLIC SAFETY, AND OTHER FEDERAL ISSUES.

THE MOTION DIED FOR LACK OF A SECOND.

COUNCILMEMBER DRAKE MOVED TO DIRECT STAFF TO PURSUE AND INDICATE SUPPORT FOR THE FEDERAL LEGISLATIVE PROGRAM, WITH THE EXCEPTION OF TELECOMMUNICATIONS REFORM. COUNCILMAN LANE SECONDED THE MOTION, WHICH CARRIED 7-0.

Councilman Lane expressed concern with the proposed telecommunications policy. He believes there are consequences should the City become the controlling agent for the fees and he is concerned about the City's exposure. He said the reform would effectively be a tax reduction to the citizens. The $2.7 million the City receives as compensation for use and maintenance of rights-of-way, along with the value of cable and broadband services currently provided free of charge, would be borne by the citizens, perhaps unfairly.

Mayor Manross disagreed, explaining that the cities also bear the cost and need to be protected. The City should maintain control of rights-of-way. The proposed change would eliminate public and educational programming. She believes the National League of Cities' position on telecommunications is sound and that Scottsdale should support it.

THE MOTION CARRIED 7-0.

COUNCILMAN ECTON MOVED TO ACCEPT THE TELECOMMUNICATIONS REFORM PORTION OF THE 2006 FEDERAL LEGISLATIVE PROGRAM. COUNCILMEMBER DRAKE SECONDED THE MOTION, WHICH CARRIED 6-1, WITH COUNCILMAN LANE DISSENTING.

PUBLIC COMMENT - None

ADJOURNMENT

With no further business to discuss, the meeting adjourned at 6:13 p.m.

SUBMITTED BY:

A/V TRONICS, INC.

REVIEWED BY:

Carolyn Jagger

CAROLYN JAGGER
CITY CLERK

Officially approved by the City Council on March 21, 2006

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 28th day of February 2006.

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

DATED this 21st day of March 2006.

CAROLYN JAGGER
City Clerk