

**SCOTTSDALE CITY COUNCIL  
REGULAR MEETING MINUTES  
THURSDAY, JULY 2, 2015**



**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 5:02 P.M. on Thursday, July 2, 2015, in the City Hall Kiva.

**ROLL CALL**

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

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

**PLEDGE OF ALLEGIANCE** – Daughters of the American Revolution, Grand Canyon Chapter

**INVOCATION** – Dr. Bruce Johnson, Scottsdale Presbyterian Church

**MAYOR'S REPORT**

Mayor Lane invited the public to join him at WestWorld to celebrate the 4<sup>th</sup> of July.

**PRESENTATION/INFORMATION UPDATES**

- **Military Order of the Purple Heart**  
**Presenter(s):** Commander Henry Glaudel

Commander Henry Glaudel presented a Purple Heart City plaque to the City.

**PUBLIC COMMENT** – None

**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.

## ADDED ITEMS

### A1. Added Items

Consent Item No. 10A and Regular Item No. 12A were added to the agenda June 25, 2015.

**Request:** Vote to accept the agenda as presented or continue the added item(s) to the next scheduled Council meeting, which is August 25, 2015.

## MOTION AND VOTE – ADDED ITEMS

Councilwoman Klapp made a motion to accept the agenda as presented. Councilman Phillips seconded the motion, which carried 7/0.

## CONSENT AGENDA

### 1. Maricopa Association of Governments Uniform Standard Specifications and Details for Public Works Construction, with the 2015 Revisions, and the 2015 Scottsdale Supplement

**Request:** Adopt **Resolution No. 10142** authorizing adoption of the Uniform Standard Specifications and Details for Public Works Construction, with the 2015 revisions, and the 2015 Scottsdale Supplement.

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

### 2. Hirsch Academy Reimbursement

**Request:** Adopt **Resolution No. 10197** authorizing reimbursement in the amount of \$5,242.61 to Hirsch Academy: A Challenge Foundation Academy for license fee overpayment.

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

### 3. Measuring for Success Program Intergovernmental Agreement

**Request:** Adopt **Resolution No. 10152** to authorize:

1. Acceptance of a FY 2015/16 Library Services and Technology Act grant in the amount of \$67,486 from the Arizona State Library, Archives and Public Records.
2. A budget transfer in the amount of \$67,486 from the adopted FY 2015/16 Future Grants and/or Grants Contingency budget to a new cost center to record all grant activity.
3. Agreement No. 2015-150-COS with the Arizona Board of Regents for research services to implement the Measuring for Success Program.

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

### 4. One Stop Career Center Intergovernmental Agreement

**Request:** Adopt **Resolution No. 10131** authorizing Agreement No. 2015-134-COS with the Maricopa County Human Services Department to operate a One Stop Career Center at Vista del Camino.

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

- 5. Community Action Program Intergovernmental Agreement**  
**Request:** Adopt **Resolution No. 10132** authorizing Agreement No. 2013-049-COS-A2 with the Maricopa County Human Services Department to operate the Community Action Program at Vista del Camino and extend the termination date to June 30, 2016.  
**Staff Contact(s):** William Murphy, Community Services Director, 480-312-7954, [bmurphy@scottsdaleaz.gov](mailto:bmurphy@scottsdaleaz.gov)
- 6. Desert Classic Arabian Horse Show WestWorld Event Agreement**  
**Request:** Adopt **Resolution No. 10127** authorizing Contract No. 2015-128-COS with the Valley of the Sun Arabian Horse Association to produce the Desert Classic Arabian Horse Show in the month of December from 2016 through 2018 at the WestWorld facility.  
**Staff Contact(s):** Brian Dygert, WestWorld General Manager, 480-312-6825, [bdygert@scottsdaleaz.gov](mailto:bdygert@scottsdaleaz.gov)
- 7. Capital Transportation Fund Budget Transfer**  
**Request:** Adopt **Resolution No. 10187** authorizing a FY 2015/16 General Fund Capital Contingency budget appropriation transfer totaling \$750,000, to be funded by the proceeds from the sale of a City owned transit parcel, to the following capital projects:  
1. A newly created project to be titled "Purchase of Transit Maintenance Vehicle" in the amount of \$70,000.  
2. Bus Stop Improvements capital project (YB82) in the amount of \$305,000.  
3. Transit Vehicle Refurbishment capital project (TB54A) in the amount of \$375,000.  
**Staff Contact(s):** Paul Basha, Transportation Director, 480-312-7651, [pbasha@scottsdaleaz.gov](mailto:pbasha@scottsdaleaz.gov)
- 8. Granite Reef Underground Storage Project Intergovernmental Agreement Amendment**  
**Request:** Adopt **Resolution No. 10189** authorizing Agreement No. 1992-123-COS-A1 with the Salt River Valley Users' Association, Salt River Project Agricultural Improvement and Power District, and the municipal corporations of Chandler, Gilbert, Mesa, Phoenix, and Tempe to extend the term of the land lease to December 31, 2032.  
**Staff Contact(s):** Brian Biesemeyer, Water Resources Director, 480-312-5683, [bbiesemeyer@scottsdaleaz.gov](mailto:bbiesemeyer@scottsdaleaz.gov)
- 9. Exchange Agreement Amendments**  
**Request:** Adopt **Resolution No. 10188** authorizing the following agreement amendments to allow Camp Verde Water System, Inc., the Town of Clarkdale, and the City of Cottonwood to access funds received pursuant to the 1998 exchanges of their Central Arizona Project water allocations to the City of Scottsdale:  
1. Contract No. 1995-132-COS-A1 with the City of Cottonwood, Town of Clarkdale, Central Arizona Water Conservation District, and United States of America.  
2. Contract No. 1995-139-COS-A1 with Camp Verde Water System, Inc., Central Arizona Water Conservation District, and United States of America.  
**Staff Contact(s):** Brian Biesemeyer, Water Resources Director, 480-312-5683, [bbiesemeyer@scottsdaleaz.gov](mailto:bbiesemeyer@scottsdaleaz.gov)
- 10. Fiscal Year 2015/16 Organization Strategic Plan**

Item 10 was moved to the Regular Agenda.

**10A. Legal Services Contract**

**Request:** Adopt **Resolution No. 10199** authorizing Contract No. 2015-169-COS with the law firm of Dickinson Wright, PLLC, in an amount not to exceed \$100,000 for possible litigation with Siemens or Evoqua Water Technologies or Archer Western.

**Staff Contact(s):** Bruce Washburn, City Attorney, 480-312-2405,  
[bwashburn@scottsdaleaz.gov](mailto:bwashburn@scottsdaleaz.gov)

**MOTION AND VOTE – CONSENT AGENDA**

Councilwoman Littlefield made a motion to approve Consent items 1 through 10A, absent Item 10, which was moved to the Regular Agenda. Vice Mayor Milhaven seconded the motion, which carried 7/0.

**REGULAR AGENDA**

**10. Fiscal Year 2015/16 Organization Strategic Plan**

**Request:** Adopt **Resolution No. 10196** adopting the organizational priorities for FY 2015/16 and directing staff to implement the priorities and provide regular updates on the progress of implementing these priorities.

**Staff Contact(s):** Brent Stockwell, Strategic Initiatives Director, 480-312-7288,  
[bstockwell@scottsdaleaz.gov](mailto:bstockwell@scottsdaleaz.gov)

Assistant to the City Manager Brent Stockwell provided an update on the proposed Fiscal Year 2015/16 Organization Strategic Plan.

**MOTION AND VOTE – ITEM 10**

Councilwoman Klapp made a motion to approve Item 10 on the Consent Agenda. Councilmember Korte seconded the motion, which carried 7/0.

**11. Graphics Building Real Property Exchange Agreement**

**Request:** Adopt **Resolution No. 10160** authorizing Agreement No. 2015-156-COS with 7363, LLC, to exchange the City-owned graphics building property located at the southeast corner of 2<sup>nd</sup> Street and 75<sup>th</sup> Street for two non-contiguous vacant parcels located at the northwest corner of McDowell Road and 77<sup>th</sup> Street.

**Presenter(s):** Derek Earle, City Engineer

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

City Engineer Derek Earle gave a PowerPoint presentation (attached) on the proposed real property exchange agreement.

Mayor Lane opened public testimony.

Brian Krob, Scottsdale resident, spoke in favor of the property exchange agreement.

Mayor Lane closed public testimony.

### **MOTION AND VOTE NO. 1 – ITEM 11**

Councilman Phillips made a motion to delay Item 11 until the Council can get the Treasurer's and the City Manager's input on the project. Councilman Smith seconded the motion, which failed 3/4, with Mayor Lane, Vice Mayor Milhaven, and Councilmembers Klapp and Korte dissenting.

### **MOTION AND VOTE NO. 2 – ITEM 11**

Councilmember Korte made a motion to adopt Resolution No. 10160 authorizing Agreement No. 2015-156-COS with 7363, LLC, to exchange the City-owned graphics building property located at the southeast corner of 2<sup>nd</sup> Street and 75<sup>th</sup> Street for two non-contiguous vacant parcels located at the northwest corner of McDowell Road and 77<sup>th</sup> Street. Councilwoman Klapp seconded the motion, which carried 4/3, with Councilmembers Littlefield, Phillips, and Smith dissenting.

#### **12. Bentley Scottsdale Polo Championship WestWorld Event Agreement**

**Request:** Adopt **Resolution No. 10083** authorizing Contract No. 2015-104-COS with Scottsdale Polo Championship, LLC, to produce the Bentley Scottsdale Polo Championship event at the WestWorld facility on October 24, 2015.

**Presenter(s):** Brian Dygert, WestWorld General Manager

**Staff Contact(s):** Brian Dygert, WestWorld General Manager, 480-312-6825, [bdygert@scottsdaleaz.gov](mailto:bdygert@scottsdaleaz.gov)

WestWorld General Manager Brian Dygert gave a PowerPoint presentation (attached) on the proposed WestWorld event agreement.

Mayor Lane opened public testimony.

Jason Rose, Scottsdale resident, spoke in support of the event agreement.

Mayor Lane closed public testimony.

### **MOTION AND VOTE – ITEM 12**

Councilman Smith made a motion to adopt Resolution No. 10083 authorizing Contract No. 2015-014-COS with Scottsdale Polo Championship, LLC, to produce the Bentley Scottsdale Polo Championship event at the WestWorld facility on October 24, 2015. Councilwoman Klapp seconded the motion, which carried 6/1, with Vice Mayor Milhaven dissenting.

#### **12A. Scottsdale Gateway Alliance Branding Initiative Support**

**Request:** Adopt **Resolution No. 10201** authorizing a FY 2015/16 General Fund Operating Contingency transfer, if needed, in an amount not to exceed \$25,000 to be allocated to the Economic Development Department, Administration, Professional Services Account for contract services related to the support of the Scottsdale Gateway Alliance Branding Initiative.

**Presenter(s):** Danielle Casey, Economic Development Director

**Staff Contact(s):** Danielle Casey, Economic Development Director, 480-312-7601, [dcasey@scottsdaleaz.gov](mailto:dcasey@scottsdaleaz.gov)

Councilwoman Korte declared a conflict of interest on Item 12A, Scottsdale Gateway Alliance Branding Initiative Support, and left the dais.

Economic Development Director Danielle Casey gave a PowerPoint presentation (attached) on the funding request from Scottsdale Gateway Alliance to conduct a branding initiative.

Mayor Lane opened public testimony.

The following spoke in support of the branding initiative:

- Jodi Deros, Scottsdale Gateway Alliance
- Brian Krob, Scottsdale Gateway Alliance
- Tom Frenkel, Scottsdale resident
- Mark Grayson, Scottsdale Industrial Development Authority

The following spoke in opposition to the branding initiative:

- Nancy Cantor, Scottsdale resident

Mayor Lane closed public testimony.

Kyle Moyer, representing the applicant, gave a presentation on the proposed branding initiative.

### **MOTION AND VOTE – ITEM 12A**

Councilman Smith made a motion to adopt Resolution No. 10201 authorizing a FY 2015/16 General Fund Operating Contingency transfer, if necessary, in an amount not to exceed \$25,000 to be allocated to the Economic Development Department, Administration, Professional Services Account for contract services related to the support of the Scottsdale Gateway Alliance Branding Initiative. Mayor Lane seconded the motion, which failed 3/3, with Vice Mayor Milhaven and Councilmembers Littlefield and Phillips dissenting.

Councilmember Korte returned to the dais.

**PUBLIC COMMENT – None**

### **CITIZEN PETITIONS**

#### **13. 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):** Carolyn Jagger, City Clerk, 480-312-2411, [cjagger@scottsdaleaz.gov](mailto:cjagger@scottsdaleaz.gov)

No citizen petitions were received.


### MAYOR AND COUNCIL ITEMS

Councilmember Korte made a motion to direct staff to agendize a Study Session on the McDowell Road Corridor from both an economic development and a planning perspective. Vice Mayor Milhaven seconded the motion, which carried 7/0.

### ADJOURNMENT

The Regular City Council Meeting adjourned at 8:07 P.M.

### SUBMITTED BY:



Carolyn Jagger  
City Clerk

Officially approved by the City Council on

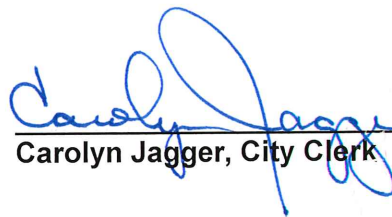
August 25, 2015

### 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 2<sup>nd</sup> day of July 2015.

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

**DATED** this 25<sup>th</sup> day of August 2015.



---

Carolyn Jagger, City Clerk



Item 11

# Graphics Property / McDowell Berm Parcels

Property Exchange Proposal



City Council -- July 2, 2015

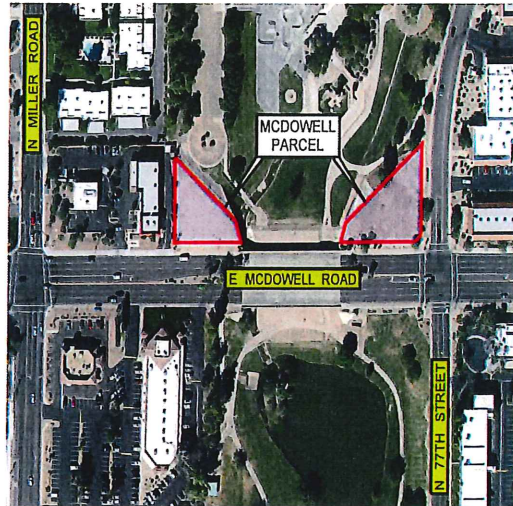
## Graphics Property Location

Ownership: City of Scottsdale



## McDowell Berm Parcels Location

Ownership: 7363 LLC



## Proposed Terms

- City receives:
  - 2 vacant berm parcels located on McDowell Road at the Indian Bend Wash
  - Cash payment of \$1,865,000
- City conveys surplus property (now vacant):
  - Office/warehouse building, subject to restrictions:
    - Conveyed to Buyer in "As-is" condition
    - Buyer accepts covenant to resolve environmental matters
    - Buyer bears risk and responsibility for all environmental matters

## Transaction Comparison

	Graphics Property	McDowell Berm Parcels
Appraised value or recent purchase price	\$2,045,000 (\$37.00/sf) - City appraisal	\$180,000 (\$5.98/sf) -December 2014 purchase
Land Area	55,280 sf	2 parcels (30,097 sf total)
Building Size, Functionality	24,932 sf Office/warehouse/ Storage	Not applicable
Year Built	1952-1958	Not applicable

5



## Transaction Completion

- **City retains access easement to remaining city parking to the south**
- **City will receive net payment of \$1,865,000, less City's 50% share of closing costs**
- **City will have no additional maintenance & utility payment responsibilities**
- **Closing Date: by September 15, 2015**

5

# Questions?



Item 12

**2015 Bentley Scottsdale  
Polo Championship**

Produced by: Polo  
Championship LLC

**1 Year Contract - 2015**

- Unique business terms:
  - Base Use Fee: 1 event day, 3 move in days, 1 move out day = \$2,350.00
  - 5% credit to invoice from gross sales of food
  - 15% credit to invoice from gross sales of alcohol
  - Paid Parking: Collected as \$2.50/ticket sold

## History

- Began as a casual partnership between Jason Rose and Scottsdale Polo Club
- 2012 – Jason Rose formed Scottsdale Polo Championship LLC and has produced the event at WestWorld for the past three years.

## Event Revenue 2012 - 2015

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
1 event day	3 event days	2 event days	1 event day
6 mi/mo days	5 mi/mo days	5 mi/mo days	4 mi/mo days
*SELL	*SELL	WW Vendor	WW Vendor Revenue Share
\$17,741	\$32,410	\$46,487	\$13,300

\*Special Event Liquor License

Item 12A

**SCOTTSDALE GATEWAY  
ALLIANCE  
Branding Initiative Support  
Consideration**

City Council Meeting  
July 2, 2015

**About the Scottsdale Gateway Alliance**

The Scottsdale Gateway Alliance (SGA) is a private-sector, nonprofit organization dedicated to the revitalization of the McDowell Road Corridor. SGA has a membership base of more than 300 local area residents and business owners and was organized in August 2013 with the goal of spurring economic interest and investment in the region.

### **Branding Initiative Process Proposed to IDA**

- 12 month process:
  - Foundation building
  - Focus group and door to door outreach
  - Public meetings
  - Initial distillation and additional outreach
  - Final distillation
  - Final presentation
- Goal:
  - upon completion the City and the community will have tools needed to promote and integrate the new identity in multiple communications mediums and on city website, area signage and monuments and via corporate partners.

### **SGA / IDA Funding Agreement**

- May 29, 2015, agreement executed for \$50,000 in financial support from IDA
- Conditions included in agreement, such as:
  - Phased funding, with second half of funds released with proof of additional \$25k in matching funds raised
  - Recognition as a supporter in publicity
  - Bimonthly written reports submitted to IDA
  - Invitation to all presentations to Council



### **Tonight's Action Opportunity**

Adopt Resolution No. 10201 to authorize a FY 2015/16 General Fund Operating Contingency transfer, if necessary, in an amount not to exceed \$25,000 to be allocated to the Economic Development Department, Administration, Professional Services account for contract services related to the support of the Scottsdale Gateway Alliance Branding Initiative.

### **Direction Requested if Approved**

- If this item is approved, staff will move to negotiate and execute a contract agreement administratively.
  - Are there any Council requirements in exchange for City support different or in addition to that of the IDA/SGA agreement?
  - Approval of or eventual Brand ownership preferences?