

SCOTTSDALE CITY COUNCIL  
REGULAR MEETING MINUTES  
TUESDAY, APRIL 2, 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 5:01 P.M. on Tuesday, April 2, 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, and Solange Whitehead

Also Present: City Manager Jim Thompson, City Attorney Bruce Washburn, City Treasurer Jeff Nichols, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

**PLEDGE OF ALLEGIANCE** – Troop 1612, Leader Lucy Rohani

**INVOCATION** – Azra Hussain, Islamic Speakers Bureau of Arizona

**MAYOR'S REPORT**

Mayor Lane presented proclamations honoring Volunteer Appreciation Week and Scottsdale Bike Month.

**PRESENTATIONS/INFORMATION UPDATES**

- **Environmental Quality Advisory Board Environmental Achievement Recognition Award**

**Presenter(s):** Tammy Bosse, Vice Chair; Natalie Chrisman Lazarr, Board Member

Environmental Quality Advisory Board (EQAB) members Tammy Bosse and Natalie Chrisman Lazarr gave a PowerPoint presentation (attached) on EQAB's achievement recognition award, and presented this year's award to Chef Jennifer Johnson.

**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**

- Alex McLaren commented on the Reata Wash flood control and Granite Reef capital improvement projects.
- Mike Nealy thanked the Council, city staff, and citizens for their contributions to the success of the Fiesta Bowl.

## **ADDED ITEMS**

### **\*\*\*A1. Added Items**

Consent Item No. 10A was added to the agenda on April 1, 2019.

**Request:** Vote to accept the agenda as presented or continue the added item(s) to the next scheduled Council meeting, which is April 16, 2019.

## **MOTION AND VOTE – ADDED ITEMS**

Councilmember Korte made a motion to accept the agenda as presented. 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.

## **MINUTES**

**Request:** Approve the Special Meeting Minutes of March 5, 2019; Regular Meeting Minutes of March 5, 2019; and Executive Session Minutes of March 5, 2019.

## **MOTION AND VOTE – MINUTES**

Councilmember Korte made a motion to approve the Special Meeting Minutes of March 5, 2019; Regular Meeting Minutes of March 5, 2019; and Executive Session Minutes of March 5, 2019. 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.

## **CONSENT AGENDA**

- 1. M & M Ranch Conditional Use Permit (12-UP-2016)**  
**Request:** Find that the conditional use permit criteria have been met and adopt **Resolution No. 11413** approving a Conditional Use Permit for a ranch use on a 5.0±-acre site with Single-Family Residential, Environmentally Sensitive Lands, Foothills Overlay (R1-190/ESL/FO) zoning.  
**Location:** 8144 E. Via Dona Road  
**Staff Contact(s):** Randy Grant, Planning and Development Services Director, 480-312-2664, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)
- 2. Lot V on the Green Final Plat (10-PP-2015)**  
(Moved to Regular Agenda, Page 4)
- 3. 118<sup>th</sup> & Ranch Gate Rezoning (15-ZN-2018)**  
(Moved to Regular Agenda, Page 5)

**4. Water Resources Underground Infrastructure Construction Services Job Order Contracts**

**Request:** Adopt **Resolution No. 11392** authorizing the following contract modifications for the third option year in an amount not to exceed \$5,000,000 per contract for Citywide water resources underground infrastructure construction services:

1. Contract No. 2015-099-COS-A3 with Achen Gardner Construction, LLC
2. Contract No. 2015-100-COS-A3 with B&F Contracting, Inc.

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

**5. Civil/Site Work Construction Services Job Order Contracts**

**Request:** Adopt **Resolution No. 11393** authorizing the following contract modifications for the second option year in an amount not to exceed \$5,000,000 per contract for Citywide civil/site work construction services:

1. Contract No. 2016-037-COS-A2 with DBA Construction, Inc.
2. Contract No. 2016-038-COS-A2 with Nesbitt Contracting Co., Inc.

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

**6. Hayden Road and Thomas Road Intersection Improvements**

**Request:** Adopt **Resolution No. 11406** to authorize:

1. Construction Bid Award No. 18PB027 with AJP Electric, Inc., the lowest responsive bidder, in the amount of \$2,433,648.75 for the construction of Hayden Road and Thomas Road intersection improvements.
2. A FY 2018/19 CIP Budget Appropriation transfer in the amount of \$1,600,000 from the Miller Road Underpass at SR 101 Capital Project (SC03) to the Hayden/Thomas Safety Improvements Capital Project (TB57) to be funded by the Transportation 0.20% Sales Tax.

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

**7. Scottsdale Housing Annual Agency Plan**

**Request:** Adopt **Resolution No. 11399** to authorize:

1. The FY 2019/20 Annual Agency Plan for the operation of, and to serve as the funding application for, the Housing Choice Voucher (HCV) Program, and authorize its submission to the U.S. Department of Housing and Urban Development (HUD).
2. The revised Administrative Plan and its submission to HUD.
3. The acceptance of HCV vouchers.

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

**8. WestWorld Event Agreement**

**Request:** Adopt **Resolution No. 11353** authorizing Agreement No. 2019-010-COS with Jam On It Basketball Academy, Inc., to produce the Jam On It Basketball tournament at the WestWorld facility.

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

**9. WestWorld Event Agreement**

**Request:** Adopt **Resolution No. 11356** authorizing Agreement No. 2019-015-COS with Alaska Events, Inc., dba Maricopa County Home Show, to hold two Maricopa County Home Shows each year, through October 2021, at the WestWorld facility.

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

**10. Master Equity Lease Agreement**

**Request:** Adopt **Resolution No. 11419** authorizing Agreement No. 2019-048-COS with Enterprise FM Trust for the lease of vehicles for use by the Police Department.

**Staff Contact(s):** Alan Rodbell, Chief of Police, 480-312-1900, [arodbell@scottsdale.gov](mailto:arodbell@scottsdale.gov)

**\*\*\*10A. Bond Counsel Professional Services Contract**

**Request:** Adopt **Resolution No. 11432** authorizing Contract No. 2019-051-COS with Ballard Spahr LLP for bond counsel services associated with the City's issuance of bonds and other capital financing.

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

**MOTION AND VOTE – CONSENT AGENDA**

Councilman Phillips made a motion to approve Consent Agenda Items 1 through 10A, absent Items 2 and 3, which were moved to the Regular Agenda. 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.

**REGULAR AGENDA**

**2. Lot V on the Green Final Plat (10-PP-2015)**

**Request:** Approve the final plat for a 4-lot residential subdivision, within the existing *On the Green at Troon North* subdivision, with existing amended development standards, and a landscape plan, including walls, on a 0.70±-acre site with Resort/Townhouse Residential District, Environmentally Sensitive Lands (R-4R/ESL) zoning.

**Location:** 10299 E. White Feather Lane

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

Senior Planner Jesus Murillo gave a PowerPoint presentation (attached) on the final plat application.

Mayor Lane opened public testimony.

Jessica Maceyko, Attorney for Green at Troon North HOA, asked the Council to continue the item to the next scheduled Council meeting.

Manny Siprut, Troon North HOA, asked the City to delineate between whether the proposed project would be a resort or a four-unit townhouse development.

Mayor Lane closed public testimony.

## **MOTION AND VOTE – ITEM 2**

Councilwoman Littlefield made a motion to continue Item 2 to April 16, 2019. Councilmember Korte seconded the motion, which carried 4/3, with Councilmembers Klapp, Korte, Littlefield, and Whitehead voting in the affirmative and Mayor Lane, Vice Mayor Milhaven, and Councilman Phillips dissenting.

### **3. 118<sup>th</sup> & Ranch Gate Rezoning (15-ZN-2018)**

**Request:** Adopt **Ordinance No. 4385** approving a zoning district map amendment from Single-Family Residential, Environmentally Sensitive Lands (R1-130 ESL) zoning to Single-Family Residential, Environmentally Sensitive Lands (R1-43 ESL) zoning on 64.4± acres and Open Space, Environmentally Sensitive Lands (O-S ESL) zoning on 4.2± acres of a 68.6±-acre site.

**Location:** Northeast corner of N. 118<sup>th</sup> Street and E. Ranch Gate Road

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

Senior Planner Jeff Barnes gave a presentation on the rezoning application.

Applicant Representative John Berry gave a presentation on the rezoning request.

## **MOTION AND VOTE – ITEM 3**

Vice Mayor Milhaven made a motion to adopt Ordinance No. 4385 approving a zoning district map amendment. Councilmember Korte seconded the motion, which carried 5/2, with Mayor Lane, Vice Mayor Milhaven, and Councilmembers Klapp and Korte voting in the affirmative and Councilmembers Littlefield and Whitehead dissenting.

### **11. Public Hearing on the Biennial Certified Audit of Land Use Assumptions, Infrastructure Improvements Plan and Development Impact Fees**

**Request:** Hold a public hearing as required by Arizona Revised Statutes §9-463.05(G)(2) to solicit and receive public comment on Report 1903, City of Scottsdale *Biennial Certified Audit of Land Use Assumptions, Infrastructure Improvements Plan and Development Impact Fees (July 1, 2016 – June 30, 2018)* 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](mailto:swalker@scottsdaleaz.gov)

City Auditor Sharron Walker and Raftelis Senior Consultant Joe Williams gave PowerPoint presentations (attached) on the Biennial Certified Audit of Land Use Assumptions, Infrastructure Improvements Plan and Development Impact Fees.

City Attorney Bruce Washburn noted for the record that there were no requests to speak for the public hearing.

### **\*\*\*12. Telecommunications Code Amendment**

(Removed at the request of staff.)

**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 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](mailto:cjagger@scottsdaleaz.gov)

No citizen petitions were received.

**MAYOR AND COUNCIL ITEMS – None**

**ADJOURNMENT**

The Regular City Council Meeting adjourned at 6:15 P.M.

**SUBMITTED BY:**



Carolyn Jagger  
City Clerk


Officially approved by the City Council on May 14, 2019

**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 2<sup>nd</sup> day of April 2019.

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

**DATED** this 14<sup>th</sup> day of May 2019.

  
\_\_\_\_\_  
Carolyn Jagger, City Clerk

*Environmental Quality Advisory Board*  
**Environmental Achievement Recognition Program**

Witnessing Nature in Food



1

**Environmental Achievement Recognition Program**

*Benefits to the City of Scottsdale:*

- Fosters environmentally related partnerships with city-based businesses and organizations
- Encourages environmental programs which enrich the lives of residents
- Publicly recognizes exemplary environmental achievements

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## ***Our Award Recipient...***



- **Witnessing Nature in Food** is an all organic catering company lead by eco-conscious chef Jennifer Johnson
- 3 year old business that has quickly established itself as a **sustainability leader** in the community
- Provides locally sourced, organically grown, and cleanly made food to individuals, businesses, and schools

3

## **Environmental Leadership**

- **Doing Business Differently**
  - Taking the risk as a green business
  - Early adopter of making health conscious food options available
  - Social responsibility as a core value
- **Power in Purchasing**
  - Healthy, Deliberate Ingredient Selection
  - Promotion of Green Supply Chain
  - Making a Market for Sustainable Products



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## Environmental Education



- Utilization and Promotion of Awareness Tools
- Distribution of Tip Cards
- Promotion and Use of Green Cleaning Products
- Partnership with Mission Montessori to Supply Healthy School Lunches and Teach Composting
- Healthy Eating on a Budget Class at *A New Leaf*

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## Recycling/Composting/Waste Reduction

- **Integration into Business Plan**
  - Landfill Diversion Goal of 95% for 2018
  - Goal of Zero Food Waste
- **Composting/Recycling Processes in Place**
  - Use of Reusable or Compostable Serving, Plate, Glass, Flatware
  - RECYCLED CITY Composting Partner
  - No Trash Left Behind



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“ Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed it is the only thing that ever has. ”

- MARGARET MEAD

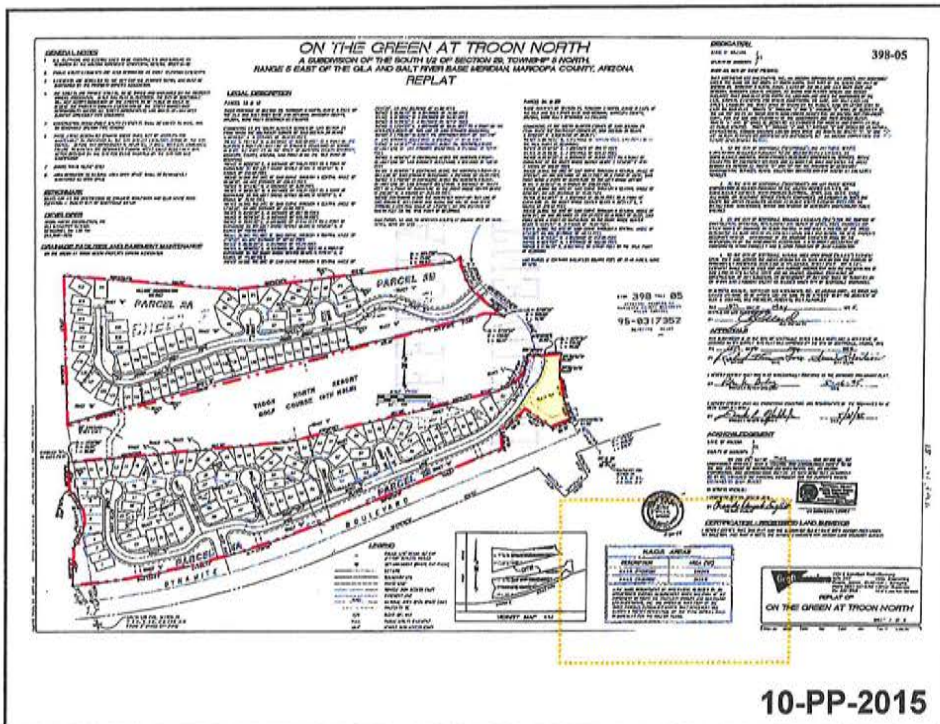




Close Aerial

10-PP-2015

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10-PP-2015

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BY *Charles Wayne English*  
NOTARY PUBLIC

**CERTIFICATION - REGISTER**

I HEREBY CERTIFY THAT THIS PLAT AND THE A: BY DIRECTION, AND THAT IT MEETS THE MINIMUM

1-30-15



N.A.O.S. AREAS	
DESCRIPTION	AREA (SF)
N.A.O.S. (PROVIDED)	247,243
N.A.O.S. (REQUIRED)	243,370

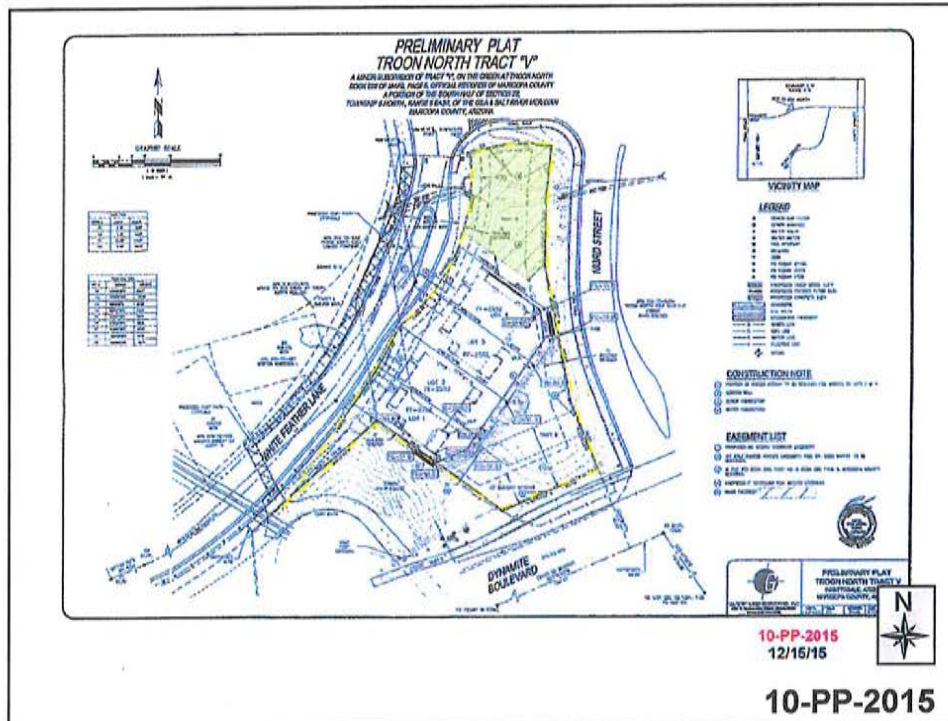
THE N.A.O.S. REQUIREMENT OF THIS PARCEL IS BASED ON AN APPROPRIATE OVERALL REQUIREMENT WHICH WAS PART OF AN AGREEMENT BETWEEN THE PROPERTY OWNERS AND NON-RESIDENT LED INVESTMENTS, INC. THE INTENT IS THAT EACH OF THE THREE PARCELS PURCHASED UNDER THAT AGREEMENT WILL SATISFY A PRESET PERCENTAGE OF THE TOTAL OVERALL N.A.O.S. REQUIREMENT PER THE MASTER PLANS.



FORM NO. 85

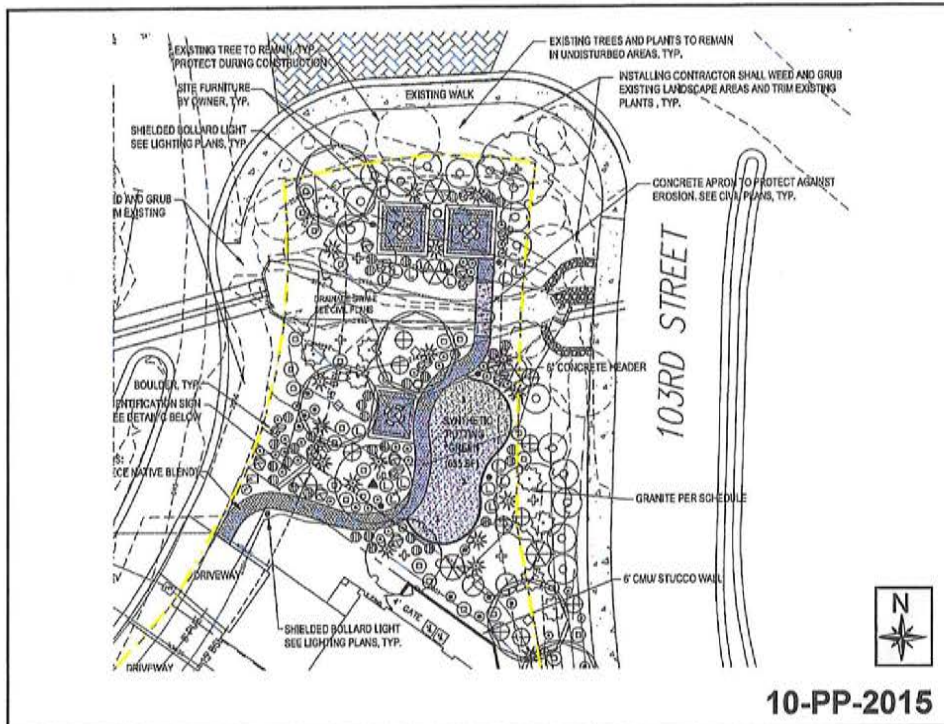
10-PP-2015

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10-PP-2015

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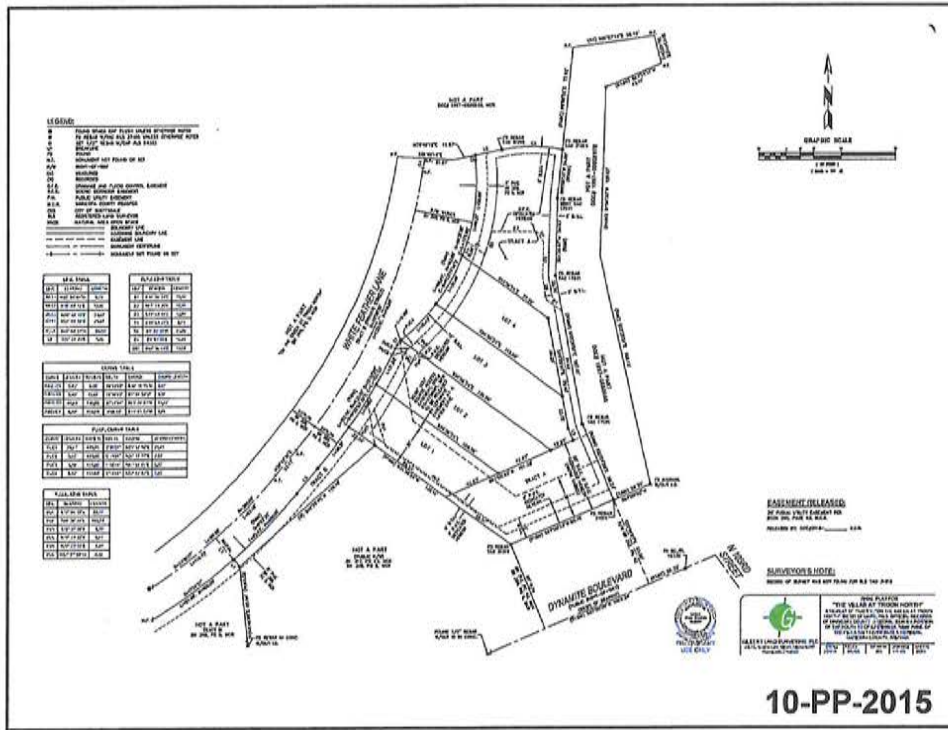
**Development Information**

The development proposal includes the request for approval of a four-lot subdivision plat and associated landscape plans. The request is to subdivide a tract located within the "On the Green at Troon North" subdivision plat.

- Existing Use: Vacant (Golf Cart Path)
- Proposed Use: 4-Lot Subdivision
- Parcel Size: 0.70 acres
- Bldg. Height Allowed: 30 feet
- Bldg. Height Proposed: 30 feet
- Open Space Required: 0 square feet (Fulfilled by TNMPC)
- Open Space Provided: 8,713 square feet
- NAOS Required: 0 square feet (Fulfilled by TNMPC)
- NAOS Provided: 0 square feet
- Density Allowed: 7.0 du/ac
- Density Proposed: 6.0 du/ac

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## Item 11

### **Biennial Certified Audit of Land Use Assumptions, Infrastructure Improvement Plans and Development Fees (July 1, 2016 – June 30, 2018)**

Sharron Walker, City Auditor  
Contracted Firm: Raftelis Financial Consultants, Inc.

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#### **Background**

- In 2011, state legislation placed several requirements on municipalities' development impact fees.  
(Arizona Revised Statutes §9-453.05)
- The City of Scottsdale adopts development fees for Scottsdale Water's water and wastewater utilities following these requirements.

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### **Background cont'd**

- The state law also requires the City to either:

- 1) Appoint an 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.

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### **Background cont'd**

- 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 the scope of their license, education or experience.

- Through a Request for Proposal process, my office selected Raftelis Financial Consultants, Inc. and administers the audit contract.

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## **Background cont'd**

- The City is required to post the report on its website and conduct a public hearing within 60 days.
  - Posted for Audit Committee meeting: March 8
  - Audit Committee voted unanimously (3-0) to accept the report: March 18
  - Posted to Audit Reports webpage: March 19
  - Public hearing scheduled: April 2 (25 days after initial posting)
  
- Raftelis will present their analysis and results for the public

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# CITY OF **SCOTTSDALE**

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2018 Biennial Certified Audit – Land Use Assumptions,  
Infrastructure Improvements Plan and Development Fees

April 2, 2019



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## Audit Parameters - ARS §9-463.05

In lieu of creating an advisory committee pursuant to paragraph 1 of this subsection, provide for a **biennial certified audit of the municipality's land use assumptions, infrastructure improvements plan and development fees**. An audit pursuant to this paragraph shall be conducted by one or more qualified professionals who are not employees or officials of the municipality and who did not prepare the infrastructure improvements plan. The audit shall review the **progress of the infrastructure improvements plan, including the collection and expenditures of development fees for each project in the plan, and evaluate any inequities in implementing the plan or imposing the development fee**. The municipality shall post the findings of the audit on the municipality's website or the website of an association of cities and towns if the municipality does not have a website and shall conduct a public hearing on the audit within sixty days of the release of the audit to the public.

(Emphasis added)

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## Definitions

- DIF: Development Impact Fee
- LUA: Land Use Assumptions
- IIP: Infrastructure Improvements Plan
- EDU: Equivalent Dwelling Unit

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## **Audit Parameters**

- Reviewing Development Impact Fee (DIF) activities for Fiscal Years (FY) 2017 and 2018 (Audit Period).
  - > Only adopted for Water and Wastewater services
- ARS §9-463.05
- Relevant City documents:
  - > LUA – August 20, 2013
  - > IIP – December 4, 2013
  - > Impact Fee Report – February 18, 2014
  - > City Code Section 49, Article III
  
- > Annual Report of the Collection and Use of Development Fees (Annual Report)
  - FY 2017 dated September 15, 2017.
  - FY 2018 dated September 25, 2018

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## **Audit Focus**

- LUA Growth – Comparison of actual development over the Audit Period to amount forecast LUA.
  
- Revenues Assessed – An audit of the DIF revenues assessed and a review of developer fee credits by fee category.
  
- Expenditures – An audit of the expenditures or use of funds from DIFs fee category that were identified within the IIP.

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# Findings



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## LUA Audit

### Water:

Description	Actual EDUs	LUA Forecast EDUs	Actual as % of LUA
<b>Residential</b>	1,741	3,348	52%
<b>Nonresidential</b>	601	908	66%
<b>Total Water</b>	<b>2,342</b>	<b>4,256</b>	<b>55%</b>

### Wastewater:

Description	Actual EDUs	LUA Forecast EDUs	Actual as % of LUA
<b>Residential</b>	1,636		
<b>Nonresidential</b>	460		
<b>Total Wastewater</b>	<b>2,096</b>	<b>6,422</b>	<b>33%</b>

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## Revenue Audit

- Independent calculations found that DIF assessments were consistent with adopted fee levels

Description	DIF Charges	EDUs	Unadjusted DIF Revenues [1]
<b>Water Supply</b>	1,569	2,342	\$1,501,031
<b>Water Infrastructure</b>	1,569	2,342	6,402,246
<b>Wastewater</b>	1,414	2,096	4,289,705
<b>Total</b>	<b>4,552</b>	<b>6,780</b>	<b>\$12,192,982</b>

[1] Amount does not include the Black Mountain Sewer wastewater treatment capacity purchase of \$1.2 million.

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## IIP Audit

Description	Fund	FY 2017	FY 2018
<b>Water Infrastructure</b>	626	\$210,530	\$3,335,522
<b>Water Infrastructure – Debt Service</b>	626	4,976,967	5,875,516
<b>Water Supply – Debt Service</b>	627	1,760,326	1,146,210
<b>Wastewater</b>	628	0	1,268
<b>Wastewater – Debt Service</b>	628	9,075,132	9,364,763

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## Findings

- The difference between growth forecasted in the LUA and the actual growth experienced by the City should be monitored but is not an area of immediate concern. The growth in future years should be monitored as consistently forecasting higher growth than actual may lead to excess capacities and increased burdens on existing customers.
- The revenue audit has not found any material discrepancies during the Audit Period when compared to the DIFs identified in the 2013 LUA, 2013 IIP and 2014 Impact Fee Report.
- Based on the information obtained through the City's Annual Reports, the expenditures made throughout the Audit Period were identified in the 2013 IIP.

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## QUESTIONS?

Contact: Joe Williams  
407 960 1806 / [jwilliams@raftelis.com](mailto:jwilliams@raftelis.com)

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**Requested Action**

Public hearing on the FY 2016-2018 *Biennial Certified Audit of Land Use Assumptions, Infrastructure Improvements Plan and Development Fees*