



**CITY OF SCOTTSDALE
NEIGHBORHOOD ADVISORY COMMISSION
REGULAR MEETING
MINUTES**

WEDNESDAY, NOVEMBER 30, 2022

**COMMUNITY DESIGN STUDIO - NAVE
7506 EAST INDIAN SCHOOL ROAD
SCOTTSDALE, ARIZONA 85251**

PRESENT: Jonathan Budwig, Vice Chair
Larry Hewitt, Commissioner
Louise Lamb, Commissioner
Carol Miraldi, Commissioner
Rachel Putman, Commissioner
Bridget Schwartz-Manock, Commissioner

ABSENT: William James, Chair

STAFF: Gretchen Baumgardner, Water Policy Manager
Ross Heyl, Citizen Advisor
Taylor Reynolds, Project Coordination Liaison
Brent Stockwell, Assistant City Manager
Adam Yaron, Commission Liaison

Call to Order/Roll Call

The meeting of the Neighborhood Advisory Commission was called to order at 5:02 p.m. A formal roll call was conducted, confirming members present as stated above.

Public Comment

No comments were submitted.

1. Approve Draft Summary Meeting Minutes October 26, 2022

COMMISSIONER HEWITT MOVED TO APPROVE THE MINUTES OF THE OCTOBER 26, 2022, MEETING AS PRESENTED. COMMISSIONER SCHWARTZ-MANOCK SECONDED THE MOTION, WHICH CARRIED SIX (6) TO ZERO (0) WITH VICE CHAIR BUDWIG AND COMMISSIONERS HEWITT, LAMB, MIRALDI, PUTMAN AND SCHWARTZ-MANOCK VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

2. Vacation Rental Code Amendment Ordinance 4566

Mr. Yaron stated that no public comments had been received for this item.

Brent Stockwell, Assistant City Manager, provided an overview of City Council's adoption of Ordinance No. 4566 which pertains to vacation and short-term rentals.

Short-term rentals are an issue that involves many different departments within the City. In March 2021, City Council formed a short-term rental working group comprised of 12 residents (six from north of Shea Boulevard and six from south of Shea), two realtors, two hoteliers, Councilmember Milhaven and Councilwoman Janik. The staff team included representation from the City Manager's Office, City Attorney, Police Department, Fire Department, Solid Waste, Planning and Development, Code Enforcement, City Treasurer, and Business Regulations. Members worked collaboratively and put forth unanimous recommendations, including the recent adoption of Ordinance 4566, the latest version of the Vacation Rental Code Amendment.

One of the strategies is prevention, getting ahead of issues rather than responding to them and to have timely enforcement for violations. The ideal situation is to inform residents what a violation is and how to handle them when they occur. City staff is committed to working alongside residents; however, many residents become frustrated as the Arizona Legislature has preempted the City from handling certain situations.

Ordinances reflect the full authority granted under state law. The relevant ordinances to short-term rentals include the nuisance parties and unlawful gatherings ordinance that was updated with the definition of excessive noise and changing the administrative penalty to civil citations and adopted in January 2022. This ordinance also applies to long-term rentals and owner-occupied residences.

In July 2022, the Legislature passed SB 1168, which returned authority to the cities to manage licensing for short-term rentals. This change was the foundation for amending the Vacation Rental Ordinance No. 4566, which City Council passed unanimously on October 25, 2022. The ordinance becomes effective 30 days after adoption, November 24, 2022, and under state law an additional 30-day notice must be given to allow compliance. Because of the timing around the holidays, City Council determined January 8, 2023, would be the day that all unlicensed short-term rentals must cease operation in Scottsdale. A six-month period was given to allow compliance with the pool barrier portion of the ordinance.

Key provisions of Ordinance 4566 include a regulatory license requirement with an annual \$250 fee, the maximum amount allowed under State law. There is an application, denial, and suspension process and a requirement for due process. Consistent with State Law there is a ban on non-residential uses such as an event center or restaurant. An emergency contact must be named, who must respond within one hour upon request of a police officer.

Additional components allowed under SB 1168 give authority to Code Enforcement to manage, include neighbor notification, maintaining liability insurance, and conduct sex offender background checks. The final prong under Ordinance 4566 is the limited exception to require working smoke alarms, an exit map, public health

agreement, and a trash and garbage agreement. Additional requirements include notification of applicable laws and property information, cleaning between stays, regular pest control, and to institute barriers if renters will have access to a swimming pool, hot tub, or spa.

As part of the process guide prepared for short-term rental owners or designees includes the following information:

- Obtain a transaction privilege tax license with the State of Arizona
- Apply for a Scottsdale short-term rental license
- Be a registered residential rental property with Maricopa County
- Keep information updated
- After licensing, provide notification to all adjacent neighbors. A form is provided to short-term rental owners, which can be emailed, sent by US mail, or hand-delivered to neighbors. Documentation must be provided to the City to show compliance.
- Perform a sex offender background check for the booking guest using the National Sex Offender public website and keep a print screen of their search. Airbnb and VRBO conduct the search for the host; other hosts must do the search themselves.
- Maintain liability insurance with proof to the City
- Comply with posting notices at the front and rear entrances of the property, which are generated as part of the licensing process. These notices include licensing number, emergency contact information, and all restrictions on property use.

In implementing the ordinance, the City got the licensing system up and running, prepared and sent out written notices to all owners of short-term rentals that included a web form for their attestations, and notice templates. Work continues on updating the owner, guest, and living next to a short-term rental guide. Mr. Stockwell reviewed the related short-term rental information available on the City's website at scottsdaleaz.gov.

As of November 28, 2022, seven applications have been approved; 54 more are in the review process. There is a total of 4,300 known short-term rentals in Scottsdale; State law requires all applications to be processed within seven days of submittal. If an application is not filed by January 8, 2023, State law provides for a 30-day written notice to be provided and a \$1,000 fine for every additional 30 days of noncompliance.

Commissioner Lamb asked what additional local control the City would like. Mr. Stockwell stated the Mayor and Council believe as elected officials by the people of Scottsdale they should have more local governance over housing, including limiting the number of short-term rentals allowed within a community and implement a distancing requirement, which could create challenges with public policies.

Commissioner Putman suggested the new ordinance is pushing short-term rentals to southern Scottsdale due to the limited number of guests. Mr. Stockwell stated the limited occupancy comports with the zoning ordinance for residential single-family homes and is consistent with the General Plan. Occupancy numbers are

difficult to regulate and enforce, so the focus is more on the nuisance parties and unlawful gatherings.

Vice-Chair Budwig asked what the licensing term is and how often contact information needs to be updated. Mr. Stockwell advised the license must be renewed annually and is nontransferable. Contact information should be updated when it changes, which can be completed on the website.

Commissioner Schwartz-Manock inquired of the reaction from presentation to the industry. Mr. Stockwell noted most of the questions related to how to comply with the process and the pool barrier requirement. There are options to the barrier requirement such as not allowing renters to use the pool, hot tub, or spa.

3. Scottsdale Water: Current Colorado River Shortage

Mr. Yaron stated that no public comments had been received for this item.

Gretchen Baumgardner, Water Policy Manager, provided an overview of the current Colorado River shortage and the significance of the memorandum of understanding approved by Council outlining the City's commitment to conserving water, decreasing water demands, and expanding water reuse and recycling to reduce demand on the Colorado River.

Ms. Baumgardner noted Scottsdale receives water supplies from the Colorado River, Salt River Project, groundwater (reserved for future use) and reclaimed advanced treated wastewater (used on turf facilities). Scottsdale has approximately 250,000 residents with 93,000 active residential water users.

Currently the water supply from the upper and lower basins that supply Lake Powell and Lake Mead are overallocated. Approximately 22 years ago Lake Mead began experiencing drought conditions and has continued to decline since. According to the Central Arizona Project, as of 2022 Lake Mead is at a tier 1 and is expected to drop to a tier 2b by 2023. Although precipitation levels have been in the 84-90 percentile, the snowpack is sublimating into the atmosphere instead of becoming stream flow. This is concerning to Valley cities and lower basin states.

Over the past five years a yearly average of 15,000 acre-feet of water has been put into a savings account. It is anticipated if Lake Mead reaches a tier 3 level, the water resource will be cut by 15,000 acre-feet. With uncertainty in Scottsdale a drought management plan was approved in 2021 that details conservation efforts and incentives for a reduction in water usage. The plan includes increasing well capacity, expand AMI (Advanced Metering Infrastructure) network, integrate WaterSmart portals, HOA budgeting program, and facility audits. Residential and commercial customers are asked to be as efficient as possible and reduce water usage by 15%. The AMI technology combined with the WaterSmart portal provides the technology that allows household water management, including leak detection. Scottsdale has a robust conservation program that includes best water management practices. The City also offers incentive rebates for improvements made for water conservation.

Commissioner Hewitt asked if artificial turf can be used in lieu of grass. Ms. Baumgardner stated they try to find a compromise, as artificial turf creates a

heat island effect. It is often recommended to provide a canopy over the artificial turf to reduce the heat index.

Commissioner Lamb asked if the Conservation Commission has been invited to HOA monthly meetings. Ms. Baumgardner stated they have been invited; however, with their busy schedules, the number of requests, and meeting times staff is planning to do a monthly talk open to everyone. They direct people to the videos on the YouTube channel.

Commissioner Putman inquired how a water waste complaint would be initiated and handled. Ms. Baumgardner advised the water waste complaint is an ordinance with increased concerns being raised. She suggested complaints be filed through scottsdaleaz.gov and provide a time of day with photos and they will be handled accordingly.

Commissioner Schwartz - Manock asked how the DMP escalates. Ms. Baumgardner stated escalating to Stage 2 would be a City Council decision. The drought management team along with City Council would work together to come up with manageable and effective options.

Commissioner Schwartz - Manock stated the WaterSmart Interface Technology is fascinating and agreed one would be better informed if they could see the usage. Ms. Baumgardner said that currently only 40-50% of the meters have the AMI technology.

4. NAC Participation in G.A.I.N 2022

Mr. Yaron stated that no public comments had been received for this item.

Ross Heyl, Citizen Advisor presented a summary of the results from the NAC participation in Scottsdale's 2022 G. A. I. N. events.

There was a total of 36 parties with 21 taking place on G.A.I.N. day, October 15, 2022, and the remaining parties took place between October 15 - November 16, 2022. The Mayor and all City Council Members, along with the NAC, attended parties, with gratitude and positive feedback received.

Some of the items brought to staff attention and resolved quickly included:

- Alleys with overgrown vegetation and homelessness; parties were educated on the responsibility of the vegetation falling to the property owner. The homeless can pass through alleys but if they are sleeping or acting suspicious the police should be called. Homeowners are encouraged to keep their property locked and install cameras.
- Cut-through traffic; the Transportation Department should be contacted to do a speed study.
- Short-term rentals; residents can educate themselves on the policies.
- Recycling and garbage; contact Solid Waste to schedule pick-ups.
- Overgrown shrubbery in median of Dynamite Rd; Street Median and Right of Ways was able to take care of the situation.
- Scams and thefts; residents are educated on options to protect their packages and contact the police regarding any suspected scams.

5. Spirit of Scottsdale Program Update.

Mr. Yaron stated that no public comments had been received for this item.

Taylor Reynolds, Project Coordination Liaison, provided an update commission on submissions and nominations since the last meeting. There are a total of 32 submissions with six nominations (three businesses and three individuals) received since June 2022.

The nomination period continues until the end of the calendar year with awards selected at the first meeting in January.

6. NAC December 2022 Meeting

Mr. Yaron stated that no public comments had been received for this item. He noted that because the regularly scheduled meeting is the same week as Christmas, Commissioners had requested to participate in a community event in lieu of a meeting. It is recommended that they participate in the Adopt-a-Family Program on December 15 & 16 at the Vista Del Camino Community Center.

COMMISSIONER PUTMAN MOVED TO CANCEL THE DECEMBER MEETING AND FOR COMMISSIONERS TO PARTICIPATE IN THE CITY'S ADOPT-A-FAMILY PROGRAM ON DECEMBER 15TH & 16TH. COMMISSIONER LAMB SECONDED THE MOTION, WHICH CARRIED SIX (6) TO ZERO (0) WITH VICE CHAIR BUDWIG AND COMMISSIONERS HEWITT, LAMB, MIRALDI, PUTMAN AND SCHWARTZ-MANOCK VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

7. Recognition of Service Commissioner Carol Miraldi

Mr. Yaron recognized Commissioner Miraldi for her six years of service to the NAC and the Scottsdale community, participating in Neighborhood Enhancement grants, representing the Commission to the City's General Plan Review Committee, as well as dealing with several neighborhood issues. Commissioner Miraldi was presented a Soleri bell to recognize her time and service between September 2016 and December 4, 2022.

City Council is expected to nominate a replacement on December 7th. If that does not occur, it is possible for Commissioner Miraldi to continue with NAC until her replacement is found.

8. Identification of Future Agenda Items

The Commission requested the following items:

- Update on Operation Fix-it, specifically who took the program over and how the Commission can help with the next project.

9. Staff Updates (A.R.S. 38-431.02(K))

An email will be sent out to remind Commissioners of the plan for December 15th & 16th, 2022.

The next regular meeting will be January 25, 2023, which will include nominations for a Chair and Vice-Chair as required by the By-Laws.

The Neighborhood Enhancement programs approved by the Commission two months ago for Sherwood Heights and Fairway Park is completed. A photo of the enhancements was shared with the Commission.

Commissioner Hewitt commented that a couple from Sherwood Heights expressed their appreciation for approval of the project. The fact they had already completed it was very impressive. Mr. Yaron stated it was a pleasure to work with the residents and the project was executed as described. Hopefully similar projects will make applications to the Commission in the future.

10. Adjournment

COMMISSIONER PUTMAN MOVED TO ADJOURN THE MEETING AT 7:00 P.M., SECONDED BY COMMISSIONER HEWITT, WHICH CARRIED SIX (6) TO ZERO (0) WITH VICE CHAIR BUDWIG AND COMMISSIONERS HEWITT, LAMB, MIRALDI, PUTMAN, AND SCHWARTZ-MANOCK VOTING IN THE AFFIRMATIVE; THERE WERE NO DISSENTING VOTES.