

**SCOTTSDALE CITY COUNCIL  
REGULAR MEETING MINUTES  
MONDAY, AUGUST 28, 2017**



**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 5:04 P.M. on Monday, August 28, 2017, in the City Hall Kiva.

**ROLL CALL**

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

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** – Scottsdale Bobcats

**INVOCATION** – Pastor Freddy T. Wyatt, First Southern Baptist Church of Scottsdale

**MAYOR'S REPORT**

Mayor Lane expressed sorrow over the tragic events that occurred during the summer and asked everyone to keep the victims of hurricanes, tropical storms, terrorists, and radical activists in their thoughts.

Mayor Lane issued a reminder that Scottsdale is a Golden Rule City and encouraged everyone to treat others as they would like to be treated.

**PRESENTATIONS**

- **Economic Development Strategic Plan Accomplishments**  
**Presenter(s):** Danielle Casey, Economic Development Director

Economic Development Director Danielle Casey gave a PowerPoint presentation (attached) on Economic Development's strategic plan accomplishments.

**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**

- Jason Alexander reported on No DDC's activities.
- Mark Stuart reported on his IRS whistleblower activities (attached).
- Mayor Lane responded to remarks made during public comment:
  - The money that was issued to Mr. Stuart had nothing to do with McDowell Mountain Golf Course bond issue, which the IRS presumably reviewed and found no issue with it.
  - A summary judgement was issued in 2015 indicating there was no merit to Mr. Stuart's claims.
  - The IRS settlement payment was on a public parking garage in downtown and was not associated with Mr. Stuart's claim.
  - The IRS interpreted the parking garage lease to be an operating lease, versus the City's interpretation that the lease was a capital lease, which, in the eyes of the IRS, would not be eligible for a tax exempt bond issuance.
  - In this case, there was no court finding that laws were violated and no admission of guilt was required of the City.
  - In a settlement to save the City's legal expenses, \$750,000 was paid to the IRS.
  - The Mayor noted that the refinancing of the capital lease saved the City millions of dollars – some \$27 million over its term.

## **ADDED ITEMS**

### **A1. Added Items**

Consent Item No 1A was added to the agenda on August 22, 2017.

**Request:** Vote to accept the agenda as presented or continue the added item(s) to the next scheduled Council meeting, which is August 29, 2017.

## **MOTION AND VOTE – ADDED ITEMS**

Councilmember Korte made a motion to accept the agenda as presented. Vice Mayor Klapp seconded the motion, which carried 7/0.

## **MINUTES**

**Request:** Approve the Regular Meeting Minutes of June 27, 2017, July 5, 2017, and July 6, 2017; Special Meeting Minutes of June 20, 2017, June 27, 2017, July 5, 2017, and July 6, 2017; Work Study Session Minutes of July 6, 2017; and Executive Session Minutes of June 20, 2017, July 5, 2017, and July 6, 2017.

## **MOTION AND VOTE – MINUTES**

Councilwoman Littlefield made a motion to approve the Regular Meeting Minutes of June 27, 2017, July 5, 2017, and July 6, 2017; Special Meeting Minutes of June 20, 2017, June 27, 2017, July 5, 2017, and July 6, 2017; Work Study Session Minutes of July 6, 2017; and Executive Session Minutes of June 20, 2017, July 5, 2017, and July 6, 2017. Councilmember Korte seconded the motion, which carried 7/0.

## **CONSENT AGENDA**

Note: Items 1, 1A, and 2 were removed from the Consent Agenda for separate vote.

**1. LiveWire (aka SkyLANES) Renovation Conditional Use Permits (61-UP-1997#4)(17-UP-2012#3)**

**Requests:**

1. Find that the conditional use permit criteria have been met and adopt **Resolution No. 10875** approving a Conditional Use Permit for a bar, consisting of a change to the floor plan and addition of a patio, on a 13,224± square-foot site with Central Business District, Parking District, Downtown Overlay (C-2/P-3 DO and P-2 DO) zoning.
2. Find that the conditional use permit criteria have been met and adopt **Resolution No. 10876** approving a Conditional Use Permit for live entertainment, consisting of a change to the floor plan and addition of a patio, on a 13,224± square-foot site with Central Business District, Parking District, Downtown Overlay (C-2/P-3 DO and P-2 DO) zoning.

**Location:** 7340 E. Indian Plaza

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

**1A. LiveWire Outdoor Dining License Agreement**

**Request:** Adopt Resolution No. 10860 approving new Outdoor Dining License Agreement 2017-128-COS with LMS 96, LLC, for an outdoor dining patio on City property and terminating old Outdoor Dining License Agreement 2014-160-COS.

**Location:** 7340 E. Indian Plaza

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

**2. LiveWire (aka SkyLANES) Permanent Extension of Premises (3-EX-2017)**

**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a permanent extension of premises for a Series 6 (bar) State liquor license for an existing location for a new patio.

**Location:** 7340 E. Indian Plaza

**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)

**MOTION AND VOTE – ITEMS 1, 1A, AND 2**

Councilmember Korte made a motion to approve Consent Agenda Items 1, 1A, and 2. Vice Mayor Klapp seconded the motion, which carried 6/1, with Councilman Smith dissenting.

**3. Majerle's Sports Grill Conditional Use Permits (15-UP-2015) (16-UP-2015) and In-Lieu Parking Credits (2-IP-2015)**

**Requests:**

1. Find that the conditional use permit criteria have been met and adopt **Resolution No. 10872** approving a Conditional Use Permit for a bar on a 4,512± square-foot site with Central Business District, Parking District, Downtown Overlay (C-2/P-3 DO) and Parking District, Downtown Overlay (P-2 DO) zoning.
2. Find that the conditional use permit criteria have been met and adopt **Resolution No. 10873** approving a Conditional Use Permit for live entertainment on a 4,512± square-foot site with Central Business District, Parking District, Downtown Overlay (C-2/P03 DO) and Parking District Downtown Overlay (P-2 DO) zoning.

3. Adopt **Resolution No. 10874** approving a request to participate in the In-Lieu Parking Program for twenty-one parking credits.  
**Location:** 4425 N Saddlebag Trail, Suite 105  
**Staff Contact(s):** Randy Grant, Planning and Development Services Director, 480-312-2664, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)
  
4. **Westworld 15 (Lanes End) Preliminary Plat (6-PP-2016)**  
**Request:** Approve the final plat for a 15-lot residential subdivision on a 7.5±-acre site, with amended development standards that include a reduced front yard setback and reduced rear yard setback, wall, entry features, and landscape plan, with Single Family Residential, Environmentally Sensitive Lands (R1-10 ESL) zoning.  
**Location:** Western end of N. 102<sup>nd</sup> Street  
**Staff Contact(s):** Randy Grant, Planning and Development Services Director, 480-312-2664, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)
  
5. **Granite Reef Townhomes (aka Hudson East) Non-Major General Plan Amendment and Rezoning (8-GP-2016 and 10-ZN-2016)**  
  
Moved to the Regular Agenda (Page 7)
  
6. **2<sup>nd</sup> Street Bike Path Connection Project**  
**Request:** Adopt **Resolution No. 10863** authorizing the acquisition of a pedestrian access easement and temporary construction easements for the 2<sup>nd</sup> Street Bike Path Connection Project.  
**Location:** North side of 2<sup>nd</sup> Street, between N. 75<sup>th</sup> Street to Indian Bend Wash  
**Staff Contact(s):** Daniel Worth, Public Works Director, 480-312-5555, [dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)
  
7. **Acquisition of Right-of-Way for 118<sup>th</sup> Street Construction Project**  
**Request:** Adopt **Resolution No. 10867** authorizing the acquisition of right-of-way for the 118<sup>th</sup> Street Construction Project.  
**Location:** 118<sup>th</sup> Street from Pinnacle Vista Road to Rio Verde Drive  
**Staff Contact(s):** Daniel Worth, Public Works Director, 480-312-5555, [dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)
  
8. **Scottsdale Mall Outdoor Dining Revocable License Agreement**  
**Request:** Adopt **Resolution No. 10859** authorizing Agreement No. 2017-127-COS with 7353 Scottsdale Mall, LLC, for an outdoor dining patio on City property adjacent to AZ88 Restaurant.  
**Location:** 7353 E. Scottsdale Mall  
**Staff Contact(s):** Daniel Worth, Public Works Director, 480-312-5555, [dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)
  
9. **Crosscut Canal Bridge and Path Construction Bid Award**  
**Request:** Adopt **Resolution No. 10806** authorizing Construction Bid Award No. 17PB030 with Visus Engineering Construction, Inc., the lowest responsive bidder, in the amount of \$588,000 for construction of the Crosscut Canal Bridge and Path improvements.  
**Staff Contact(s):** Daniel Worth, Public Works Director, 480-312-5555, [dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)

- 10. Granite Mountain and Fraesfield Trailheads Construction Project**  
**Request:** Adopt **Resolution No. 10847** authorizing CM@Risk Contract No. 2017-089-COS with Valley Rain Construction Corporation in the amount of \$27,100.55 for pre-construction services for the Granite Mountain and Fraesfield Trailheads Construction Project.  
**Location:** West side of 136<sup>th</sup> Street at the intersection with the Lone Mountain Road alignment and the north side of Rio Verde Drive at roughly the 134<sup>th</sup> Street alignment  
**Staff Contact(s):** Daniel Worth, Public Works Director, 480-312-5555, [dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)
- 11. Scottsdale Ranch Park Boys and Girls Club Ground Lease Agreement**  
**Request:** Adopt **Resolution No. 10886** terminating Contract Nos. 870366 and 870446, and authorizing amended and restated ground lease Agreement No. 2017-136-COS with the Virginia G. Piper Branch of the Boys and Girls Clubs of Greater Scottsdale, Inc., regarding the lease of certain space at Scottsdale Ranch Park.  
**Staff Contact(s):** Bill Murphy, Community Services Director, 480-312-7954, [bmurphy@scottsdaleaz.gov](mailto:bmurphy@scottsdaleaz.gov)
- 12. Healthy Snacks for After School Program Grant**  
**Request:** Adopt **Resolution No. 10885** to authorize:

  1. Contract No. 2017-141-COS with the National Recreation and Parks Association to accept a \$25,000 FY 2017/18 Healthy Out-of-School Time Program Grant.
  2. The Community Services Director or designee to act as necessary to accept and administer the grant.
  3. A budget transfer in the amount of \$25,000 from the adopted FY 2017/18 Future Grants and/or Grants Contingency budget to a newly created operating cost center to record the related grant activities.

**Staff Contact(s):** Bill Murphy, Community Services Director, 480-312-7954, [bmurphy@scottsdaleaz.gov](mailto:bmurphy@scottsdaleaz.gov)
- 13. Fixed Route Intergovernmental Agreement**  
**Request:** Adopt **Resolution No. 10893** authorizing Agreement No. 2014-054-COS-A5 with the City of Phoenix for the provision of fixed route transit service to increase the cost from \$1,816,019 to 1,901,260 in FY 2017/18.  
**Staff Contact(s):** Paul Basha, Transportation Director, 480-312-7651, [pbasha@scottsdaleaz.gov](mailto:pbasha@scottsdaleaz.gov)
- 14. Vision Service Plan Contract**  
**Request:** Adopt **Resolution No. 10789** authorizing Contract No. 2017-067-COS with Vision Plan Insurance Company to extend the term of the current agreement for vision plan insurance.  
**Staff Contact(s):** Donna Brown, Human Resources Director, 480-312-2615, [dbrown@scottsdaleaz.gov](mailto:dbrown@scottsdaleaz.gov)
- 15. Deferred Compensation Plan and Retirement Health Savings Plan Contract**  
**Request:** Adopt **Resolution No. 10862** authorizing Contract No. 2017-129-COS with Nationwide Retirement Solutions, Inc., for the City's 457(b) Deferred Compensation Plan and Retirement Health Savings Plan.  
**Staff Contact(s):** Donna Brown, Human Resources Director, 480-312-2615, [dbrown@scottsdaleaz.gov](mailto:dbrown@scottsdaleaz.gov)

**16. Experience Scottsdale Destination Marketing Services Agreement**

Moved to the Regular Agenda (Page 7)

**17. Audit Committee Recommendation for the Tourism Development Commission Sunset Review**

**Request:** Adopt **Resolution No. 10857** accepting the Audit Committee's recommendation and authorizing the continuation of the Tourism Development Commission.

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

**18. City Auditor's Fiscal Year 2017/18 Audit Plan**

**Request:** Approve the City Auditor's FY 2017/18 Audit Plan, as recommended by the Council's Audit Committee at its June 26, 2017, meeting.

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

**19. Estes Landfill Water Quality Assurance Revolving Fund Registry Site Settlement Agreement**

**Request:** Adopt **Resolution No. 10884** authorizing settlement in the amount of \$21,471.45 of the Estes Landfill Water Quality Assurance Revolving Fund (WQARF) Registry Site matter, Claim No. 010206-GL-001, in which the City was named a responsible party.

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

**20. Indemnification of City Treasurer in Mark Stuart et al., v. City of Scottsdale et al., Federal District of Arizona Cause No. CV-17-01848-DJH**

**Request:** Adopt **Resolution No. 10891** authorizing the City to defend and indemnify City Treasurer Jeff Nichols in the lawsuit entitled *Mark Stuart et al., v. City of Scottsdale et al.*, currently pending in the United States District Court, District of Arizona, Cause No. CV-17-01848-DJH.

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

Mayor Lane opened public testimony on the Consent Agenda items.

Mark Stuart commented on the City Auditor's Fiscal Year 2017/18 Audit Plan and indemnification of the City Treasurer (attachments).

Mayor Lane closed public testimony.

**MOTION AND VOTE – CONSENT AGENDA**

Councilmember Korte made a motion to approve Consent Agenda Items 3 through 20, absent Items 1, 1A, and 2, which were removed for a separate vote, and Items 5 and 16, which were moved to the Regular Agenda. Vice Mayor Klapp seconded the motion, which carried 7/0.

## REGULAR AGENDA

### 5. Granite Reef Townhomes (aka Hudson East) Non-Major General Plan Amendment and Rezoning (8-GP-2016 and 10-ZN-2016)

**Requests:**

1. Adopt **Resolution No. 10871** approving a Non-Major General Plan Amendment to the Scottsdale General Plan 2001 Conceptual Land Use Map from Commercial to Urban Neighborhoods on a 1.27±-acre site.
2. Adopt **Ordinance No. 4317** approving a zoning district map amendment from Neighborhood Commercial (C-1) zoning to Multiple-Family Residential (R-5) zoning on a 1.27±-acre site.

**Location:** 8340 and 8350 E. McDonald Drive

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

Senior Planner Dan Symer gave a PowerPoint presentation (attached) on the proposed non-major general plan amendment and rezoning requests.

Applicant Representative Alexandra Schuchler gave a PowerPoint presentation (attached) on the proposed non-major general plan amendment and rezoning requests.

Mayor Lane opened public testimony.

The following spoke in opposition to the non-major general plan amendment and rezoning requests:

- Christina Echavarria, Scottsdale resident
- Terry Tower, Scottsdale resident
- Lisa Chamberlin, Scottsdale resident
- Randa Hightower, Scottsdale resident

Mayor Lane closed public testimony.

### **MOTION AND VOTE – ITEM 5**

Councilwoman Littlefield made a motion to adopt Resolution No. 10871 and Ordinance No. 4317, including the stipulations presented by Planning, and adding the stipulation that: "Except for a stairwell penthouse above the second story to access a roof top patio and parapet walls or railing, a patio above the second story shall not be enclosed by walls, roof, or trellis." Councilman Smith seconded the motion, which carried 7/0.

### 16. Experience Scottsdale Destination Marketing Services Agreement

**Request:** Adopt **Resolution No. 10895** authorizing Agreement 2017-079-COS with Scottsdale Convention and Visitors Bureau Inc., d/b/a Experience Scottsdale, for use of the Tourism Development Fund for the provision of destination marketing services.

**Staff Contact(s):** Karen Churchard, Tourism and Events Director, 480-312-2890, [kchurchard@scottsdaleaz.gov](mailto:kchurchard@scottsdaleaz.gov)

Tourism and Events Director Karen Churchard gave a PowerPoint presentation (attached) on the Experience Scottsdale destination marketing services agreement.

Mayor Lane opened public testimony.

The following offered comments on the Experience Scottsdale destination marketing services agreement:

- Sandra Schenkat, Scottsdale resident, expressed concern on behalf Howard Myers and herself and asked for revisions to the contract
- Bob Pejman, Scottsdale resident, asked for additional marketing efforts in the Downtown
- French Thompson, Scottsdale Gallery Association, asked for additional marketing efforts in the Downtown

The following spoke in support of the Experience Scottsdale destination marketing services agreement:

- Mike Sarguine, Scottsdale resident
- Jack Miller, Experience Scottsdale
- Mark Hiegel, Scottsdale Chamber of Commerce

The following spoke in opposition to the Experience Scottsdale destination marketing services agreement:

- Mark Stuart, Scottsdale resident

Mayor Lane closed public testimony.

Councilmembers suggested increasing marketing efforts in the Downtown and providing the Council with progress reports related to Downtown marketing. Staff was encouraged to working closer with the Downtown merchants before decisions are made that will impact the downtown area.

### **MOTION AND VOTE – ITEM 16**

Councilwoman Milhaven made a motion to adopt Resolution No. 10895 authorizing Agreement 2017-079-COS with Scottsdale Convention and Visitors Bureau, doing business as Experience Scottsdale. Councilmember Korte seconded the motion, which carried 7/0.

**PUBLIC COMMENT – None**

### **CITIZEN PETITIONS**

#### **21. 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

### 22. Loss Trust Fund Board

**Request:** At the request of Councilman Smith, direct staff to review the Loss Trust Fund Board ordinance and to agendaize a presentation, discussion, and possible direction to staff regarding potential updates to the ordinance, including suggestions for a new name that would be more indicative of the board's purpose, meeting and membership requirements, and the board's duties and responsibilities.

#### MOTION AND VOTE – ITEM 22

Councilman Smith made a motion to direct staff to review the Loss Trust Fund Board ordinance and to agendaize a presentation, discussion, and possible direction to staff regarding potential updates to the ordinance, including suggestions for a new name that would be more indicative of the board's purpose, meeting and membership requirements, and the board's duties and responsibilities. Councilwoman Littlefield seconded the motion, which carried 7/0.

### 23. Boards, Commissions, and Task Force Nominations (Note: Interviews and appointments scheduled for September 12, 2017)

Airport Advisory Commission (*two vacancies*) – Councilwoman Littlefield nominated Larry Bernosky and John “Brad” Berry and Vice Mayor Klapp nominated Elizabeth Kaplan.

Development Review Board (*two design vacancies, one development vacancy*) – Councilwoman Milhaven nominated Doug Craig, William Scarbrough, and Joe Young; Vice Mayor Klapp nominated Peter Koliopoulos and Ted Luther; and Mayor Lane nominated Andrea Davis and Troy Hill.

Industrial Development Authority (*one vacancy*) – Vice Mayor Klapp nominated John Bradley.

Library Board (*one vacancy*) – Mayor Lane nominated Janet Smigielski, Councilmember Korte nominated Dana Rakinic, and Councilman Smith nominated Ruth Wachs.

McDowell Sonoran Preserve Commission (*one vacancy*) – Councilmember Korte nominated Jace McKeighan.

Planning Commission (*one vacancy*) – Councilman Phillips nominated Ali Fakh and Councilwoman Littlefield nominated Joanne Phillips.

Tourism Development Commission (*one hotelier vacancy*) – Councilwoman Littlefield nominated David Winter.

Transportation Commission – Path and Trails Subcommittee (*one vacancy*) – Councilman Smith nominated Jenna Warner.

**ADJOURNMENT**

The Regular City Council Meeting adjourned at 7:33 P.M.

**SUBMITTED BY:**

A handwritten signature in blue ink, appearing to read "Carolyn Jagger".

**Carolyn Jagger**  
City Clerk

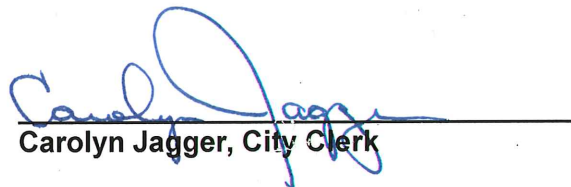
Officially approved by the City Council on September 19, 2017

**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 28<sup>th</sup> day of August 2017.

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

**DATED** this 19<sup>th</sup> day of September 2017.

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

## Enhancing Scottsdale's Business Brand

FY 2016/17 STRATEGIC PLAN ACCOMPLISHMENTS

GOAL OF ECONOMIC DEVELOPMENT STRATEGIC PLAN AS ADOPTED FEB.17, 2015

2

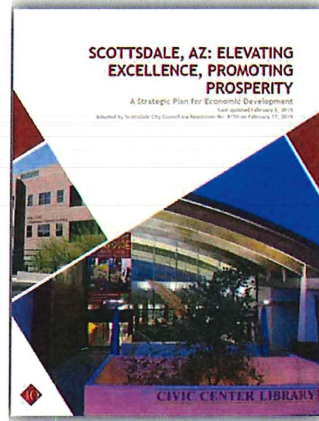
To elevate, enhance and ensure  
Scottsdale's sustained desirability  
as a place in which to live, learn, do  
business, work, recreate and visit.

CARRYING OUT THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY ALSO  
SERVES AS ONE OF THE SIX CITY COUNCIL STRATEGIC PRIORITIES ADOPTED SEPT. 20, 2016

## Strategic Plan Action Agenda

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1. Retain and grow existing economic drivers and employers
2. Support efforts that will enable Scottsdale's present and future employers to cultivate, retain and attract the talent that they need
3. Focus efforts and investment in strengthening key employment and business centers
4. Elevate Scottsdale's engagement in the national and international economic development arena
5. Build a Scottsdale business location brand on par with Scottsdale's tourism brand
6. Grow and attract quality firms and jobs – domestic and global in targeted sectors



## Industry Trends

4

- 8.5% Retail Vacancy Rate (+1.6%)
- 12.4% Office Vacancy Rate (-2.1%)
- 7.9% Industrial Vacancy Rate (+1.9%)
- 28.4% growth in corporate HQ positions
- 25% growth in financial services workforce
- 18% growth in healthcare and bioscience jobs
- Year to date, median home sales price +4.1%; in Downtown only, it is +8.2%

Since 2012:

**30%**

Tech Workforce Growth

**46%**

Insurance Occupations Growth

**18%**

Bio-Life Science Jobs Growth

# Achievements Summary

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- 1. New jobs and associated strong wages came to Scottsdale:** 1,019 jobs in the first 12 months of operations with an average wage of \$62,744.
- 2. Business outreach remained a top priority:** 111 direct business visits representing more than 4,330 new jobs in three years.
- The department was **formally recognized as best in class** by the International Economic Development Council.
- Private resources allowed the department to do **more for small business and marketing.**
- The economic development message was sent far and wide: **Increase in social media reach of 200% or more** and a 114% increase in website visitors.
- Time and resources focused on **supporting place making strategies** to ensure an attractive location for employees.

# Key Performance Indicators

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Since the approval of the Economic Development Strategic Plan Feb. 17, 2015:

**\$16.2 M**  
5-Year Direct Economic Impact

**2,576**  
Jobs in First 12 Months of Operation

**226**  
Business Retention Visits

**1 M**  
Square Feet of Commercial Space Filled

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## Retention & Growth

- Talent Optimization Panels
- Relocation Guide and Website
- South by Southwest Job Market
- AdvaMed conference and visiting CEOs
- Connect the Tech San Francisco
- ICSC RECON National Retail Convention
- 60+ commercial broker meetings
- 105 new leads



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## Events and Programs

- Mayor and Council Breakfast
- Fourth Annual Cure Corridor Event
- Lisa Clarke Talk: Mayo DMC
- Broker Appreciation Event



## Startup Support

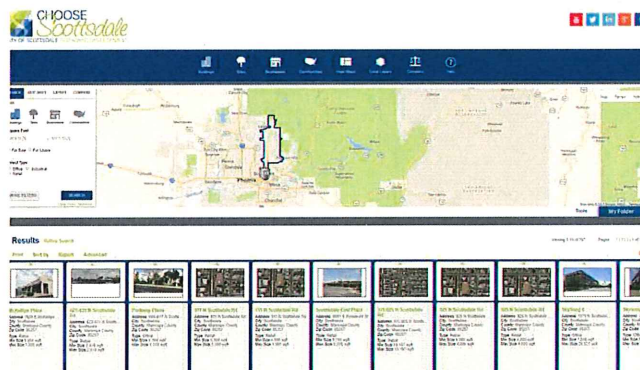
"The information presented and speakers who were made accessible are great resources for entrepreneurs like myself. It's also very encouraging to see cities like Scottsdale recognizing the importance of cultivating startups and entrepreneurship. Its partnerships like this that really help move the whole startup business ecosystem forward."

- Steven Haase, small business training series participant



## Special Initiatives

- Downtown parking management enhancements
- ScottsdaleSites.com
- TheMindSuite business survey





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## Strategic Marketing



- > Site selector and broker campaign
- > Social media targeted advertising
- > Airport FBO advertisement partnership



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## Recognitions and Awards

Accredited Economic Development Organization, Multiple Awards, and Two Team Members Achieving Certified Economic Developer Status

## FY 2017/18 Action Plan Focus

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- ▶ Utilize results of business survey to develop programs or service improvements
- ▶ Grow 'Work Scottsdale' initiative with increased collaboration
- ▶ Focus on redevelopment opportunities and brand in Airpark area
- ▶ Increase support programs for small business
- ▶ Intensify market visit participation with GPEC and ACA
- ▶ Expand internal direct lead generation
- ▶ Rebuild ChooseScottsdale.com site with visit increase goal of 25%
- ▶ Focus business and talent attraction efforts on California market

## Mark Your Calendars

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September 28:

**Mayor and Council Economic Development Breakfast**

December 8:

**5<sup>th</sup> Annual Cure Corridor Event**

For more events, programs and news visit  
**[ChooseScottsdale.com/news](http://ChooseScottsdale.com/news)**

CITY OF SCOTTSDALE ECONOMIC DEVELOPMENT MISSION

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"Through its economic development investments and programs, the City of Scottsdale retains, grows and attracts targeted sources of wealth generation to enhance the community's tax base and quality of life, preserve the natural environment and foster prosperity for all citizens."

THANK YOU.

City of Scottsdale

Economic Development Team

480-312-7689

[business@scottsdaleaz.gov](mailto:business@scottsdaleaz.gov)



### **III. HOW DO WE RECOVER THE \$750,000 FOR THE PUBLIC.**

**Recovering the money occurs in two steps.**

#### **Step 1: Create Enforceable Agreements to Get the Money Back from the Private Parties**

The City council partially took the first step in December of 2016. Their lawyers agreed to pay the city \$75,000 of the settlement, for their role in the fraud.

Now, the city council needs to create an enforceable agreement to get the remaining \$675,000 back from the other parties. This money will then go into the general fund, for the use of everyone in Scottsdale. It's unclear whether the city council has made any efforts to get our money back from the private parties. If they have not, then they must begin forthwith.

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#### **Step 2: Make Sure That the City Council Gets Our Money Back**

I am assume that the council has not taken any action to recover our monies. If I am wrong, I hope that the council will correct me.

I propose the following simple solution. I am giving the city council forty-five days, starting tomorrow, to create an enforceable agreement to recover these funds in less than three years. If no enforceable agreement is in place in forty-five days, then I will sue on behalf of the public to recover these monies. This suit will include the individual members of the city council, the city attorney, the city manager and the city treasurer, all in their individual capacities. Our laws make you each jointly and severally liable for the misuse of public monies.

I have heard a lot of whining about members of the city council being named individually in lawsuits. This is standard procedure, when a public official violates their oath of office, violates their fiduciary obligations to the public, or violates other state or federal laws.

Lawsuits against individual council members and city officers are meant to punish them for violating their obligations to the public. These lawsuits are meant to deter future unlawful behavior. These lawsuits protect the public purse, and make our city a better, more lawful society.

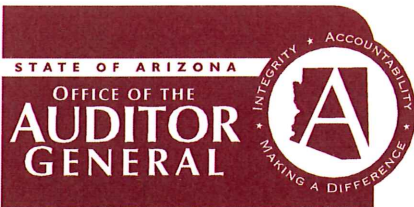
4

#### **IV: SUMMARY AND CONCLUSIONS**

Mayor and members of the council, you have forty-five days to get our money back. After this, I will take steps to get the money from you and your families personally. Our city should never have gone down this sordid, corrupt path. Now, it's time to take a new, honest direction.

## **SCOTTSDALE ...**

## **A CHANGE WILL DO US GOOD!!!**



## Fraud Prevention Alert— Protecting Public Money

### WHY ARE WE ISSUING THIS ALERT?

Our Office has recently issued several reports on instances of criminal activity in which public money has been misused by government employees, resulting in their indictment on felony charges. In addition, the Attorney General's Office is currently investigating a number of school districts that may have exceeded their express and implied authority by creating and operating foundations or nonprofit corporations, thereby misusing district money, supplies, equipment, and personnel.

This alert outlines how governing bodies can help protect public monies by exercising appropriate oversight. Specifically, public officials should ensure that they do not:

- Violate the public monies gift clause of the Arizona Constitution;
- Incur costs involving private organizations that exceed the public benefit; and
- Commingle public monies with private monies.

Putting effective controls in place can help ensure compliance with state laws and help prevent fraud, waste, and abuse.



2013

November • Alert No. 13-01

### Use of public monies is legally restricted

Public officials with oversight authority have a responsibility to prudently manage money entrusted to them and ensure that sufficient internal controls are designed and implemented to protect those monies. In particular, officials should ensure public money is not given or loaned to private entities or persons in violation of legal restrictions as outlined in this alert. Specifically:

**Constitution of the State of Arizona, Arizona Revised Statutes (A.R.S.) Const. Art. IX, §7**—Prohibits gifts of public monies, including donations or loans of public money to private individuals or organizations.<sup>1</sup>

**A.R.S. §35-301**—Asserts, in part, that a public officer who is responsible for receiving, safekeeping, or disbursing public money is guilty of a class 4 felony if he uses the money for his own or another's use without authority of the law or if he deposits it in a bank except for safekeeping purposes. See A.R.S. §35-301 for a complete list of violations.

**Attorney General Opinion I10-003**—Directs that the expenditure of public monies must be for a public purpose in which the expenditure does not exceed the worth of the direct benefits enjoyed by the public body.

### Appropriate oversight and controls help protect public monies

Governing bodies should exercise their fiduciary responsibility to help protect public monies by establishing and enforcing policies that incorporate fundamental controls, such as:

- Stipulating that public monies will not be misused and will only be expended within their express and implied authority for public purposes in which the expenditure does not exceed the worth of the direct public benefits.

For instance, our Office reported in March 2013 that employees of two different Arizona school districts had misused more than \$45,000 of public money for themselves and for others, including paying for personal purchases and a superintendent's retirement party with alcoholic beverages.<sup>2</sup> They were each indicted by a State Grand Jury on felony counts related to theft, misuse of public monies, and fraudulent schemes.

<sup>1</sup> Public money as defined in A.R.S. §35-302 includes bonds and other evidences of indebtedness and money belonging to, received by, or held by state, county, district, city, or town officers in their official capacity.

<sup>2</sup> Glendale Elementary School District No. 40, March 2013, and Paradise Valley Unified School District No. 69, March 2013.

- Ensuring public monies are not improperly given, donated, or loaned to private individuals or organizations. Further, public monies cannot be commingled with private monies.

There have been numerous instances in which public entities have unlawfully given or loaned public monies to private organizations. For example:

- Our Office reported, as early as 2006, that three Arizona governmental entities had improperly paid for, or loaned money to, various nonprofit corporations for their payroll expenses.<sup>3</sup> These unlawful payments totaled more than \$3 million.
  - The Attorney General's Office advised an Arizona school district in May 2013, that at least \$35,000 was expended in violation of the district's express and implied authority and did not support the district's legal purpose of educating Arizona youth. In fact, this school district improperly spent more than \$10,000 on collegiate scholarships and other unallowable items and gave nearly \$25,000 to a private, nonprofit corporation that manages and invests charitable donations and endowments.
- Prohibiting public officials and employees from using public resources to benefit private business operations. Absent express statutory authority, political subdivisions have no legal right to create, operate, or administer private entities such as foundations, booster clubs, or parent groups.

In 2013, the Attorney General's Office also advised more than one Arizona school district that they had acted without statutory authority when creating and operating an education foundation, thereby misusing district supplies, equipment, and personnel to administer the foundation's finances and assist with foundation fundraisers.

- Restricting use of the public entity's employer (taxpayer) identification number (EIN) to only those bank accounts authorized and allowable under Arizona Revised Statutes. Private entities, such as booster clubs, parent groups, and foundations, should use their own EIN when establishing bank accounts. Public entities should work to recover any public money held in unauthorized accounts, seek removal of their EIN from these accounts, and request the bank to refrain from opening any accounts using their EIN without written evidence of the governing authority's approval.

In August 2011, our Office issued guidance on this matter in response to the question of whether school districts should allow their EIN to be used by certain private entities. This guidance is available on our Web site.

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<sup>3</sup> Maricopa County Community College District, April 2009, Maricopa Regional School District No. 509, September 2007, and Santa Cruz County, March 2006.



## Hudson East

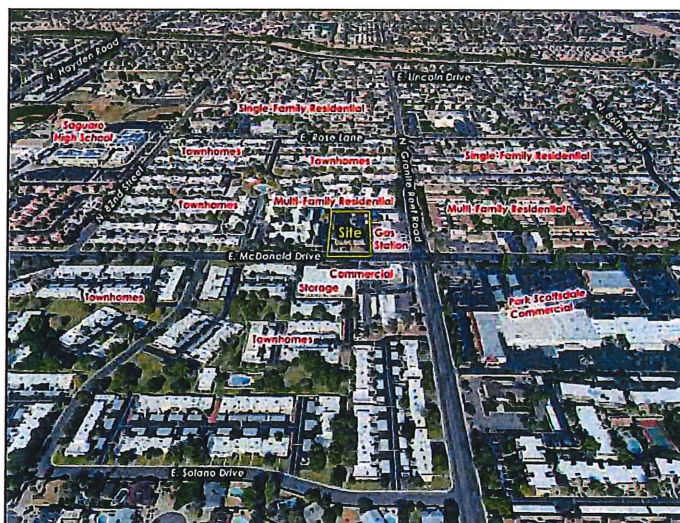
8-GP-2016 and 10-ZN-2016

City Council

August 28, 2017

Coordinator: Dan Symer, AICP

## Hudson East



CONTEXT AERIAL

8-GP-2016 and 10-ZN-2016

## Hudson East



DETAIL AERIAL

8-GP-2016 and 10-ZN-2016

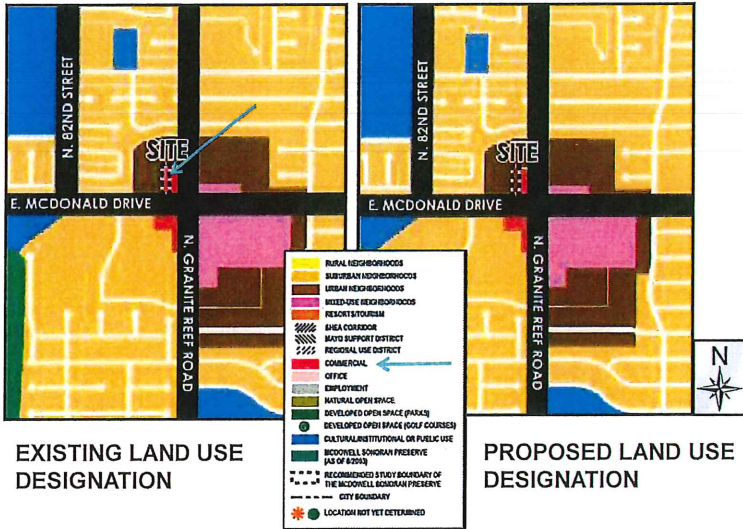
## Hudson East



### Request:

- 1) Non-major General Plan amendment from Commercial to Urban Neighborhoods
- 2) Zoning District Map Amendment to rezone the property from Neighborhood Commercial (C-1) zoning to Multiple Family (R-5) zoning on a +/-1.27-acre site located at 8340 & 8350 E. McDonald Drive.

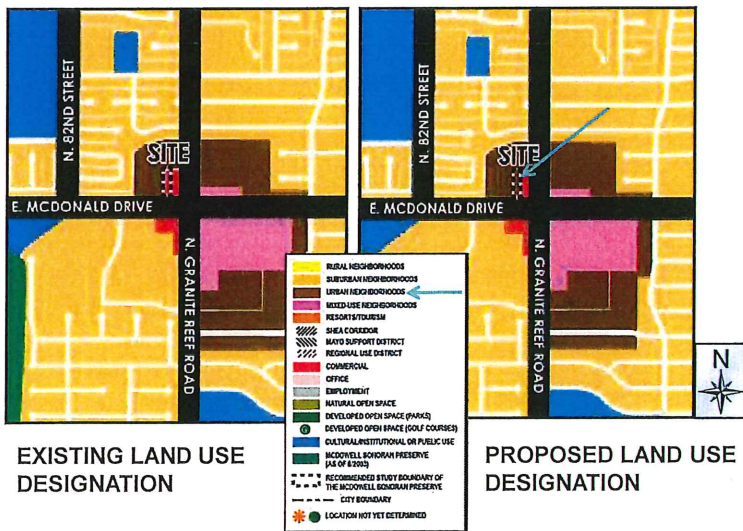
### Hudson East



GENERAL PLAN LAND USE

8-GP-2016 and 10-ZN-2016

### Hudson East



GENERAL PLAN LAND USE

8-GP-2016 and 10-ZN-2016

## Hudson East



### Activity Areas

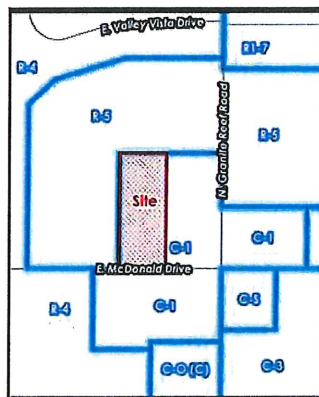
This area is contemplated to consist of a mixture of land uses with moderate intensities, mixed-use developments, and multi-family residential density that complement activity area land uses, and "...support reinvestment, revitalization, and new and infill development."

(SSCAP LU 2.2, and 5.3, 5.4.3)

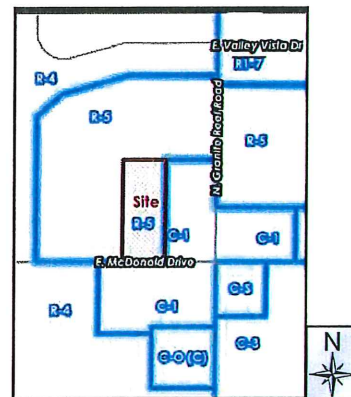
SOUTHERN AREA CHARACTER PLAN

8-GP-2016 and 10-ZN-2016

## Hudson East



EXISTING ZONING



PROPOSED ZONING

ZONING

8-GP-2016 and 10-ZN-2016

## Hudson East



### Development Information

Proposed Use:	Multi-family
Parcel Size:	1.27 gross acres
Existing Zoning (C-1) Building Height Allowed:	36 feet
Building Height Building Allowed (R-5):	36 feet
Building Height Proposed:	± 32 feet 6 inches (top of stairwell penthouse)
Parking Required:	36 spaces
Parking Provided:	45 spaces
Open Space Provided:	11,900 square feet
Density Proposed:	14.17 dwelling unit per acre

## Hudson East

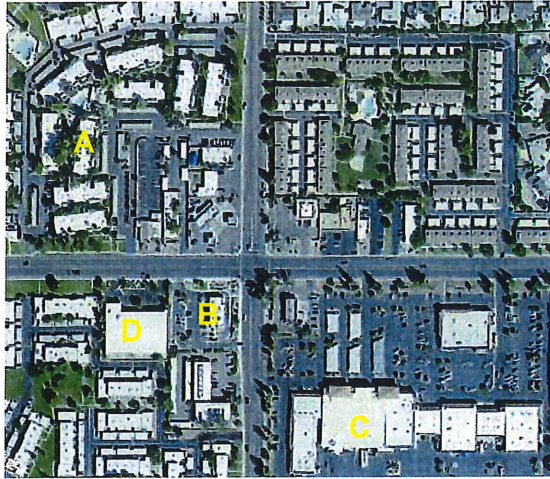
**8-GP-2016 and 10-ZN-2016**

City Council

August 28, 2017

Coordinator: Dan Symer, AICP

## Hudson East



A. Multi-family  
Parapet ± 23 Feet

B. McDonald's  
Parapet ± 21 Feet  
Tower ± 24 Feet

C. Basha's  
Parapet ± 26 Feet  
Tower ± 36 Feet

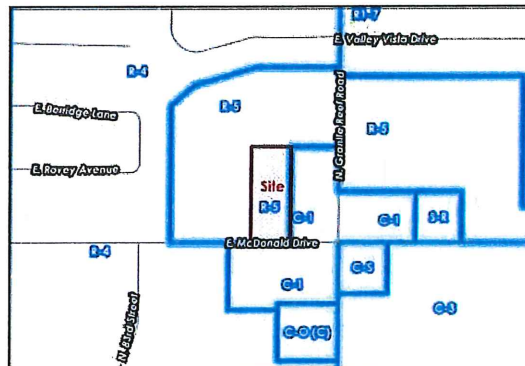
D. Community Storage  
Parapet ± 22 Feet



HEIGHTS

8-GP-2016 and 10-ZN-2016

## Hudson East



PROPOSED ZONING

8-GP-2016 and 10-ZN-2016

## Hudson East



### Proposed Development Plan

Number of Dwelling Units: 18 Units  
Building Height Proposed: ± 32 feet 6 inches  
Two story with roof top access  
Building Height Allowed: 36 feet  
Parking Required: 36 spaces  
Parking Provided: 45 spaces  
Density Proposed: 14.17 du/ac

### Previous Development Plan

Number of Dwelling Units: 22 Units  
Building Height Proposed: ± 34 feet 6 inches  
Three story with roof top access  
Building Height Allowed: 36 feet  
Parking Required: 45 spaces  
Parking Provided: 47 spaces  
Density Proposed: 17.32 du/ac

DEVELOPMENT INFORMATION

8-GP-2016 and 10-ZN-2016

## Hudson East



### Development Information

Proposed Use:	Multi-family
Parcel Size:	1.27 gross acres
Existing Zoning (C-1) Building Height Allowed:	36 feet
Building Height Building Allowed:	36 feet
Building Height Proposed:	± 34 feet 6 inches
Parking Provided:	47 spaces
Open Space Provided:	19,700 square feet
Density Proposed:	17.32 dwelling unit per acre

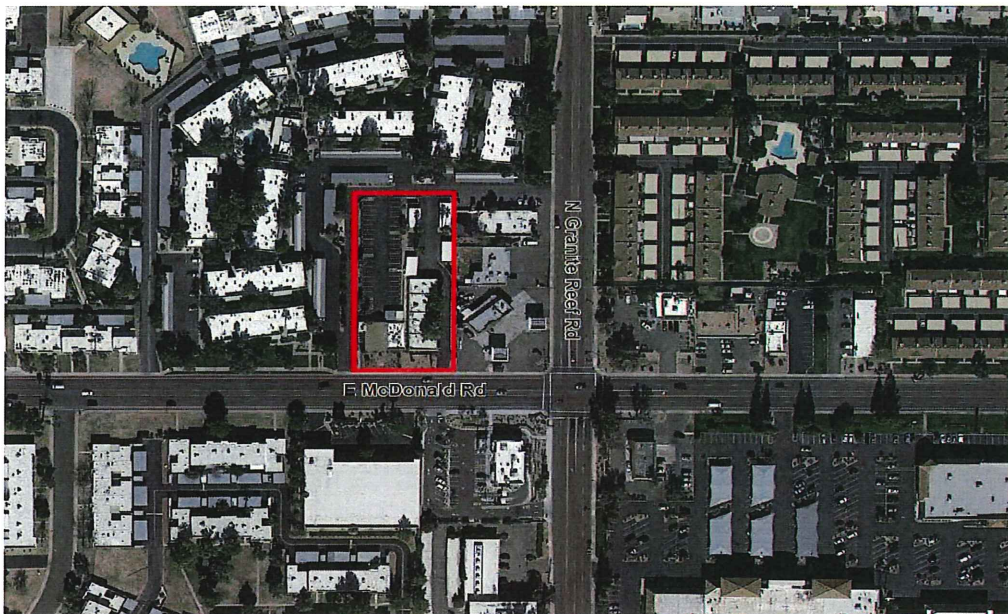
DEVELOPMENT INFORMATION

8-GP-2016 and 10-ZN-2016

# GRANITE REEF TOWNHOMES

REVISION TO AN APPLICATION FOR REZONE AND  
NON-MAJOR GENERAL PLAN AMENDMENT  
8-GP-2016 AND 10-ZN-2016

## PROJECT LOCATION NWC OF GRANITE REEF AND MCDONALD





# PROPERTY INFORMATION & PROJECT REQUEST

## PROPERTY INFORMATION

- **PROPERTY SIZE: 1.27 (+/-) ACRES**

## PROPERTY GENERAL PLAN/ZONING

- **CURRENT GENERAL PLAN: COMMERCIAL**
- **PROPOSED GENERAL PLAN: URBAN NEIGHBORHOODS**
  
- **CURRENT ZONING: C-1 (NEIGHBORHOOD COMMERCIAL)**
- **PROPOSED ZONING: R-5 (MULTI-FAMILY RESIDENTIAL)**

## SURROUNDING USES:

- **NORTH: R-5**
- **EAST: C-1**
- **SOUTH: C-1**
- **WEST: R-5**

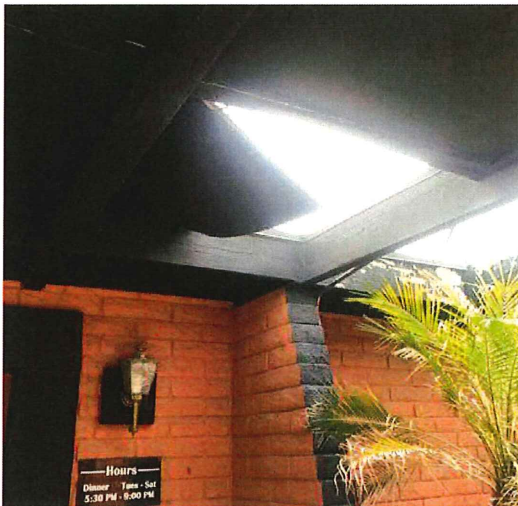
## PROPERTY HISTORY

- **VOLTAIRE**  
§ FRENCH RESTAURANT  
§ OPEN 34 YEARS
  
- **BROOKLYN CAFÉ**  
§ NAME CHANGED IN 2013  
§ OPERATED 1 YEAR
  
- **CLOSED 4/13/2014**
  
- **VACANT FOR PAST 3 YEARS**

## CURRENT PROPERTY PHOTOS



## CURRENT PROPERTY PHOTOS

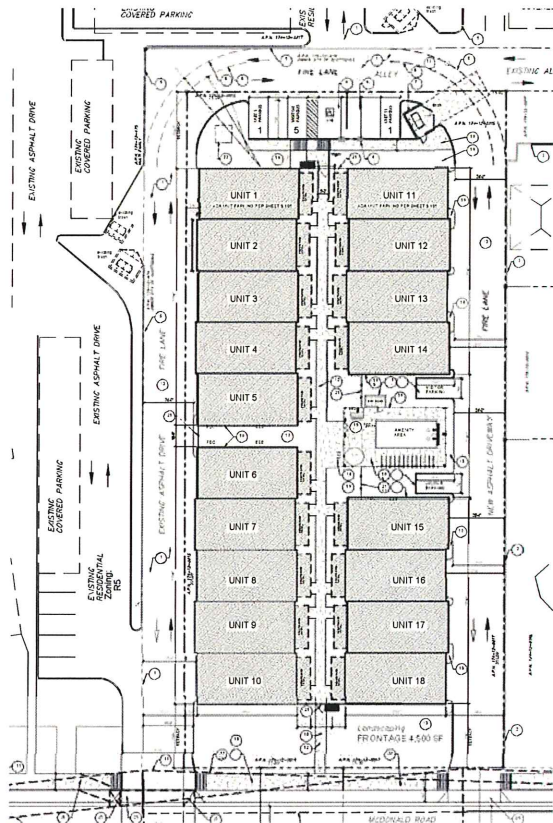
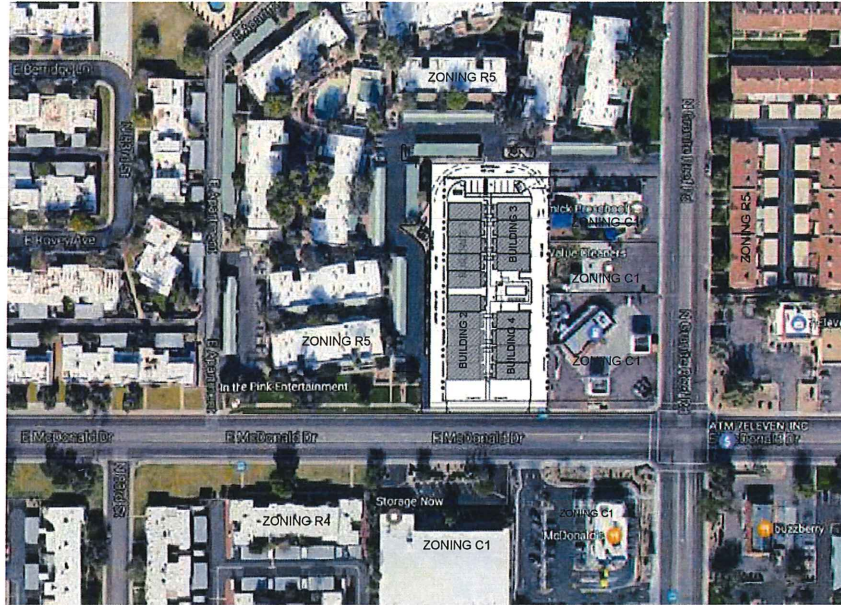


# CURRENT PROPERTY PHOTOS



RETAIL  
AND  
MEDICAL/  
OFFICE  
VACANCY IN  
THE AREA

# NEIGHBORHOOD CONTEXT PLAN



**PROPOSED  
SITE PLAN**

## KEY DEVELOPMENT INFORMATION

### DENSITY

- ALLOWED PER CODE
  - 23/DU PER ACRE
  
- PROPOSED PER PLAN
  - 14.17/DU PER ACRE
  
- %39 BELOW MAXIMUM

### HEIGHT

- ALLOWED PER CODE
  - §36'
  
- PROPOSED PER PLAN
  - §32'9"
  - MAJORITY OF THE BUILDING AT 25'2"
  
- 86.2% OF BUILDING/ROOF AREA AT 25'2" OR BELOW

## KEY DEVELOPMENT INFORMATION CONT.

### OPEN SPACE

- REQUIRED
  - §10,395 S.F.
  
- PROVIDED
  - §11,009 S.F.
  
- 11 % ABOVE MINIMUM

### PRIVATE OPEN SPACE

- REQUIRED
  - 121 S.F. PER UNIT
  
- PROVIDED
  - 560 S.F. PER UNIT
  
- 462 % ABOVE MINIMUM

# KEY DEVELOPMENT INFORMATION CONT.

## PARKING

- **REQUIRED**
  - 36 SPACES
  
- **PROVIDED**
  - 45 SPACES
  
- **EXTRA PARKING**
  - REQUIRED – 0
  - PROVIDED – 9
  
- **900 % ABOVE CODE**

## TRAFFIC

- **PROPOSED PLAN  
COULD GENERATE UP  
TO 172 TRIPS DAILY**
  
- **ESTIMATED 570  
FEWER TRIPS DAILY  
THAN  
UNDER C-1 ZONING**



PROPOSED  
ELEVATION  
VIEW FROM  
MCDONALD DR  
WEST BUILDING



PROPOSED  
ELEVATION  
VIEW FROM  
MCDONALD DR  
EAST BUILDING

## SUMMARY

- **SITE HAS BEEN VACANT FOR 3 YEARS**
- **SITE IS UNDERUTILIZED**
- **COMMERCIAL VACANCY IN THE IMMEDIATE AREA IS HIGH**
- **TARGETED INFILL REDEVELOPMENT SUCH AS THE PROPOSED PLAN WILL AID IN REVITALIZATION OF THE AREA**
- **ZONING REQUEST OF R-5 COMPLIMENTS EXISTING DEVELOPMENT TO THE NORTH AND WEST**
- **PROPOSED PLAN ADDRESSES CONCERNS RAISED FROM STAKEHOLDERS DURING NEIGHBORHOOD OUTREACH AND PLANNING COMMISSION**
- **WE ARE EXCITED TO BRING MUCH NEEDED ACTIVITY TO THE NEIGHBORHOOD**

**Destination Marketing Services Agreement  
Experience Scottsdale**

City Council Meeting  
August 28, 2017

**Destination Marketing Agreement Funding**

- The city's destination marketing services program of work has been provided by Experience Scottsdale since 1977
- Program funding is based on Proposition 200 which says "50% of total annual bed tax collections shall be used toward destination marketing."



### **Destination Marketing Agreement Timeframe**

- Proposing a new five-year destination marketing services agreement with Experience Scottsdale (2017-2021)
- Agreement may be extended for an additional five years, subject to City Council approval

### **Existing Contract Terms**

#### Quarterly:

- Performance measures
- Programming updates
- Financial reports

#### Annually:

- Annual Audit
- Financial and performance reports

*Funding and marketing activities require annual City Council approval.*

## New Contract Terms

- Assist the City in its efforts to promote city-owned venues and Downtown Scottsdale
- Provide no-cost advertisements in the Experience Scottsdale produced guides
- Equally share in the payment of Fiesta Bowl Agreement
- Enhanced Transparency for procurement, travel and compensation policies and provide IRS Form 990
- Keep Non-Program Costs within a competitive range

## Destination Marketing Agreement

FY 2017/18 Budget Forecasted Bed Tax Revenues \$19,441,159

Revenues to Experience Scottsdale from City of Scottsdale:

ITEM	FY 2016/17 Actuals	FY 2017/18 Budget
Contract Base Funding Marketing Communications Convention Sales & Services Tourism	\$9,357,000	\$9,720,580
Fiesta Bowl Agreement	\$310,850	\$161,643
True-Up / (Overpayment)	\$234,166	\$118,475
	\$9,902,016	\$10,000,698

## **Requested Action**

Adopt Resolution No. 10895 authorizing Contract No. 2017-079-COS and the use of the Tourism Development Fund for the provision of destination marketing services between the City and the Scottsdale Convention & Visitors Bureau D/B/A Experience Scottsdale

9-500.14. Use of city or town resources or employees to influence elections; prohibition; civil penalty; definitions

A. A city or town shall not spend or use its resources, including the use or expenditure of monies, accounts, credit, facilities, vehicles, postage, telecommunications, computer hardware and software, web pages, personnel, equipment, materials, buildings or any other thing of value of the city or town, for the purpose of influencing the outcomes of elections. Notwithstanding this section, a city or town may distribute informational pamphlets on a proposed bond election as provided in section 35-454 if those informational pamphlets present factual information in a neutral manner. Nothing in this section precludes a city or town from reporting on official actions of the governing body.

B. The prohibition on the use of public resources to influence the outcome of bond, budget override and other tax-related elections includes the use of city-focused or town-focused promotional expenditures that occur after an election is called and through election day. This prohibition does not include routine city or town communications.

C. This section does not prohibit the use of city or town resources, including facilities and equipment, for government-sponsored forums or debates if the government sponsor remains impartial and the events are purely informational and provide an equal opportunity to all viewpoints. The rental and use of a public facility by a private person or entity that may lawfully attempt to influence the outcome of an election is permitted if it does not occur at the same time and place as a government-sponsored forum or debate.

D. Employees of a city or town shall not use the authority of their positions to influence the vote or political activities of any subordinate employee.

E. The attorney general or the county attorney of the county in which an alleged violation of this section occurred may initiate a suit in the superior court in the county in which the city or town is located for the purpose of complying with this section.

F. For each violation of this section, the court may impose a civil penalty not to exceed five thousand dollars plus any amount of misused funds subtracted from the city or town budget against a person who knowingly violates or aids another person in violating this section. The person determined to be out of compliance with this section is responsible for the payment of all penalties and misused funds. City or town funds or insurance payments shall not be used to pay these penalties or misused funds. All misused funds collected pursuant to this section shall be returned to the city or town whose funds were misused.

G. Nothing contained in this section shall be construed as denying the civil and political liberties of any employee as guaranteed by the United States and Arizona Constitutions.

H. For the purposes of this section:

1. "Government-sponsored forum or debate" means any event, or part of an event or meeting, in which the government is an official sponsor, which is open to the public or to invited members of the public, and whose purpose is to inform the public about an issue or proposition that is before the voters.

2. "Influencing the outcomes of elections" means supporting or opposing a candidate for nomination or election to public office or the recall of a public officer or supporting or opposing a ballot measure, question or proposition, including any bond, budget or override election and supporting or opposing the circulation of a petition for the recall of a public officer or a petition for a ballot measure, question or proposition in any manner that is not impartial or neutral.

3. "Misused funds" means city or town monies or resources used unlawfully as proscribed by this section.

4. "Routine city or town communications" means messages or advertisements that are germane to the functions of the city or town and that maintain the frequency, scope and distribution consistent with past practices or are necessary for public safety.