

# CITY COUNCIL REPORT



Meeting Date: May 14, 2013  
 General Plan Element: *Preservation & Environmental Planning*  
 General Plan Goal: *Acquire the land within the recommended study boundary of the McDowell Sonoran Preserve*

## **ACTION**

**Resolution Approving Growing Smarter Grant Applications.** Adopt Resolution No. 9400 authorizing the City to submit an application to the Arizona State Parks for Growing Smarter State Trust Land Acquisition Grants for up to 50 percent of the cost of acquiring approximately 2,365 acres of State Trust Land for the McDowell Sonoran Preserve.

If awarded, authorize acceptance of the Growing Smarter grant and authorize the creation of a new cost center to record the related grant activity. Also authorize a transfer of budget appropriation from the Expanded McDowell Sonoran Preserve CIP project number 458-P0505 to the new grant cost center to record the grant activity.

## **BACKGROUND**

On July 3, 2012, the City Council approved an update to the Strategic Land Acquisition Plan for the McDowell Sonoran Preserve and in accordance with the priorities of the updated Plan, directed staff to initiate appropriate application with the Arizona State Land Department to begin the acquisition process on an application for approximately 2,365 acres of State Trust Land (see Attachment #2 – Strategic Acquisition Plan Map). This direction anticipated that staff would return at this time to secure City Council approval authorizing the grant application to the Arizona State Parks Board for Growing Smarter State Trust Land Acquisition Grant funding to assist with up to 50% of the cost to acquire the State Trust Land.

The parcel comprising the approximate 2,365 acres of State Trust Land is located within the expanded Recommended Study Boundary (RSB) for the Preserve approved by City Council, and within the geographic area where Scottsdale voters approved spending Preserve tax funds for land acquisition through propositions passed in 1995 and 2004 (See Attachment # 3, – Priority Parcel 5). Additionally these State Trust Lands were found suitable for conservation under the Arizona Preserve Initiative (API) by State Land Commissioner Order No. 211-1997/1998 issued on January 21<sup>st</sup>, 1998.

The purpose of the Growing Smarter grant program is to conserve open space. The funds are available through passage of Proposition 303 by Arizona voters that established an annual

appropriation of \$20 million in the Land Conservation Fund for 10 years for a total of \$200 million. The total amount of funds available in FY 2013 for the program is estimated at \$16 million- all of which are unspent funds from past years which are carried forward. No more than 50% of the available revenues can go to a single County; therefore approximately \$8 million is available in Maricopa County. Scottsdale is eligible to receive funds from this grant program.

## **ANALYSIS & ASSESSMENT**

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### **Recent Staff Action**

To be eligible to apply for grant funding in 2013, applicants must have a pending acquisition application with the State Land Department. As noted previously, Scottsdale submitted an application to the State Land Department in 2012 to purchase the subject State Trust Lands. The State is in the process of appraising the property. The application also requires the applicant to document that funds are available to acquire the property.

The 2,365 acres of State Trust Land are in the Recommended Study Boundary of the Preserve. The lands generally are located from Thunderbird Road north 2 miles to the Bell road alignment and from roughly the 120<sup>th</sup> Street Alignment east 2 miles to 136<sup>th</sup> Street. In 1995, Scottsdale voters approved acquiring land when they passed Proposition 400 increasing the sales and privilege tax to acquire land for the Preserve. Additional funding for land acquisition was approved by voters in 2004.

The State Land Commissioner reclassified this property as suitable for conservation under the API in January 1998. The property contains a diversity of land forms including predominantly mountainous topography with exposed bedrock, boulder outcrops, steep slopes, portions of the southern ridgeline of the McDowell Mountains and upper Sonoran Desert vegetation with a number of washes exhibiting extensive riparian plants and housing abundant wildlife, including Taliesin, Quartz and Lost Dog Washes. This proposed acquisition will provide a preserve and wildlife connection from our 27,800 acres of protected lands to the preserve lands in Fountain Hills.

The land in this planned acquisition area is to remain primarily in a natural condition with some existing and new trails. Additionally staff anticipates future restoration projects along old jeep road scars which will return damaged areas to a natural condition.

### **Policy Implications**

The grant application process requires the governing body to certify by resolution the approval of the application, signature authorization, the availability of local acquisition funds, and authorization to sign a Participant Agreement with Arizona State Parks prior to submission of application to the Board. Award of grant funding will require a conservation easement to be placed on the property which would be consistent with the goals of the Preserve.

The approval of Resolution No. 9400 will document Scottsdale's support for the Growing Smarter Grant application to Arizona State Parks. Approval of the resolution does not commit Scottsdale to

spend any funds or to acquire these State Land parcels. The decision whether to acquire these State Land parcels will be a subsequent decision of the City Council once all appraisals are completed and based on direction to City staff on how to proceed at the State Land Department auctions for the parcels.

If the grant is received, the City would save up to 50% of the cost for the acquisition. These savings would be available for future land acquisition in the Recommended Study Boundary of the Preserve.

### **Community Involvement**

Scottsdale citizens through the non-profit McDowell Sonoran Conservancy initiated the preservation of Scottsdale's McDowell Mountains and Sonoran Desert in 1990. The City Council, based on recommendations from the McDowell Sonoran Preserve Commission, identified land within an approximately 34,400-acre Recommended Study Boundary for inclusion in the McDowell Sonoran Preserve. Two citizen task forces, the McDowell Mountains and the Desert Preservation, were involved in identifying land for inclusion in the Recommended Study Boundary and in identifying implementation strategies.

The McDowell Sonoran Preserve is supported by seven public votes; five in support of funding for the Preserve, and two related Preserve questions. The City Council and voters have approved the specific boundary in which all acquisitions are made. The McDowell Sonoran Preserve Commission continues to support the preservation of all land within the approved Recommended Study Boundary. Scottsdale residents have indicated a strong desire to maintain the Preserve for the enjoyment of this and future generations.

## **RESOURCE IMPACTS**

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### **Available funding**

The Growing Smarter Grant application requires the grantee to provide at least 50% of the total acquisition cost. Debt service for a potential Preserve General Obligation bond issue is included in the 2013/14 budget process and is to be paid from the dedicated Preserve City transaction privilege taxes approved by the voters in 1995 and 2004. Conservative cash flow projections indicate sufficient transaction privilege tax revenue collections to meet current debt service requirements and debt service requirements associated with the potential new Preserve General Obligation bond issue. However, these new bonds are direct and general obligations of the City and their issuance establishes an obligation to levy ad valorem taxes for payment of the principal and interest if there is insufficient funding available from the transaction privilege tax collections.

If the City is the winning bidder at the auction, the entire purchase price (less the 10% of appraised value that the City will have already deposited) will be due within 30 days of the auction.

### **Staffing, Workload Impact**

Minimal impacts - Staff are working with the McDowell Sonoran Conservancy (MSC) to provide expanded volunteer resources – per our joint agreement approved in fall of 2009 and updated in

2011, in which the MSC is committed to provide volunteer support and other forms of assistance to existing and planned expansions to the Preserve. Through such cooperative efforts, long envisioned by the Preserve supporters, staffing costs will be minimized.

**Maintenance Requirements**

Minimal maintenance is required for the vast majority of the planned new land areas since it is to remain in a natural state. With a successful acquisition of this State Trust land, staff will initiate trail design to address site access restrictions and trail connections and those estimated costs have been anticipated for the upcoming budget year(s).

**Future Budget Implications**

The grant funds will reduce the cost to the City for the acquisition of this State Trust Land parcel by up to 50%. Every dollar of grant funds received will reduce by a dollar the amount of Preserve tax that is needed to acquire this parcel of State Trust Land. These Preserve tax funds will be available for future land acquisitions and improvements in the planned Preserve boundary.

**OPTIONS & STAFF RECOMMENDATION**

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**Recommended Approach**

Adopt Resolution No. 9400 authorizing the City to apply to the Arizona State Parks for a Growing Smarter State Trust Land Acquisition Grant for up to 50 percent of the cost of acquiring approximately 2,365 acres of State Trust Land for the McDowell Sonoran Preserve.

If awarded, authorize acceptance of the Growing Smarter grants and authorize the creation of a new cost center to record the related grant activity. Also authorize a transfer of budget appropriation from the Expanded McDowell Sonoran Preserve CIP project number 458-P0505 to the new grant cost center to record the grant activity.

**Proposed Next Steps**

If City Council approves the resolution, staff will submit the grant application to Arizona State Parks and will continue to monitor and respond to requirements of both the State Parks and State Land Department application/auction processes.

Additionally staff will be working to coordinate the required State agency steps with the city financing and payment obligations and strategies.

**RESPONSIBLE DEPARTMENT(S)**

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Preserve, Finance and Accounting Division

**STAFF CONTACTS (S)**

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Kroy S. Ekblaw, Preserve Director/Strategic Projects, (480) 312-7064, KEkblaw@ScottsdaleAZ.gov

Lee Guillory, Finance Director, (480) 312-7084, LGuillory@ScottsdaleAZ.gov

**APPROVED BY**

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Kroy S. Ekblaw, Preserve Director/ Strategic Projects

(480) 312-7064, KEkblaw@ScottsdaleAZ.gov

4/29/2013  
\_\_\_\_\_  
Date

  
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David N. Smith, City Treasurer

(480) 312-2364, DAsmith@ScottsdaleAZ.gov

4/29/13  
\_\_\_\_\_  
Date

**ATTACHMENTS**

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1. Resolution No. 9400
2. Strategic Acquisition Plan Map
3. Location Map – Priority Parcel 5

RESOLUTION NO. 9400

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE MAYOR TO SIGN AND STAFF TO SUBMIT AN APPLICATION FOR ARIZONA STATE PARKS GROWING SMARTER GRANT FUNDS FOR ACQUIRING STATE TRUST LANDS FOR THE MCDOWELL SONORAN PRESERVE AND TO ACCEPT THE GRANT FUNDING SHOULD THE APPLICATION BE SUCCESSFUL

WHEREAS, the Legislature under A.R.S. § 41-511 has authorized the establishment of the Growing Smarter State Trust Land Acquisition Grant Program providing funds to the State of Arizona and other eligible applicants for the purpose of conserving open spaces in or near urban areas and other areas experiencing high growth pressures; and

WHEREAS, the Arizona State Parks Board (the "Board") is responsible for the administration of the program within the State, including the establishment of rules and procedures governing applications by local agencies under the program; and

WHEREAS, the procedures established by the Board require the applicant prior to the submission of an application to the Board to certify by resolution approval of the application, signature authorization, the availability of local matching funds, and authorization to sign a Participant Agreement,

NOW, THEREFORE BE IT RESOLVED THAT the Council of the City of Scottsdale hereby:

Section 1. Approves the filing of an application for FY 2013 Growing Smarter State Trust Land Acquisition grant assistance, authorizes the Mayor or his designee as set forth herein to sign the application, and authorizes the City to accept the grant if awarded; and

Section 2. Certifies that the application is consistent and compatible with all adopted plans and programs of the City of Scottsdale as they relate to the applications; and

Section 3. Agrees to comply with all appropriate procedures, guidelines, and requirements established by the Board, including placing a conservation easement over the lands as required by the Growing Smarter Program as a part of the application process; and

Section 4. Certifies that the City of Scottsdale will comply with all appropriate state and federal regulations, policies, guidelines, and requirements as they relate to the application; and

Section 5. Certifies that the City of Scottsdale will provide matching funds of at least 50% of the project costs, using the proceeds from the general fund, which will be reimbursed from the sale of Preserve general obligation bonds, which bonds will be repaid by the debt service of the Preserve tax as a source; and

Section 6. Appoints Kroy Ekblaw as agent of the City of Scottsdale to conduct all negotiations, execute and submit all documents including, but not limited to, applications, agreements, amendments, billing statements, and related documents which may be necessary for the completion of the project; and

Section 7. If the Growing Smarter grant is awarded, authorizes acceptance of the Growing Smarter grant, and authorizes the creation of a new cost center to record the related grant activity; and

Section 8. Authorizes a transfer of budget appropriation from the Expanded McDowell Sonoran Preserve CIP project number 458-P0505 to the new grant cost center to record the grant activity.

PASSED AND ADOPTED by the Council of the City of Scottsdale this 14<sup>th</sup> day of May, 2013.

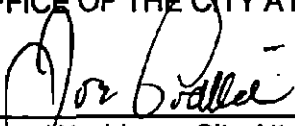
City of Scottsdale, an  
Arizona municipal corporation

By: \_\_\_\_\_  
W. J. "Jim" Lane, Mayor

ATTEST

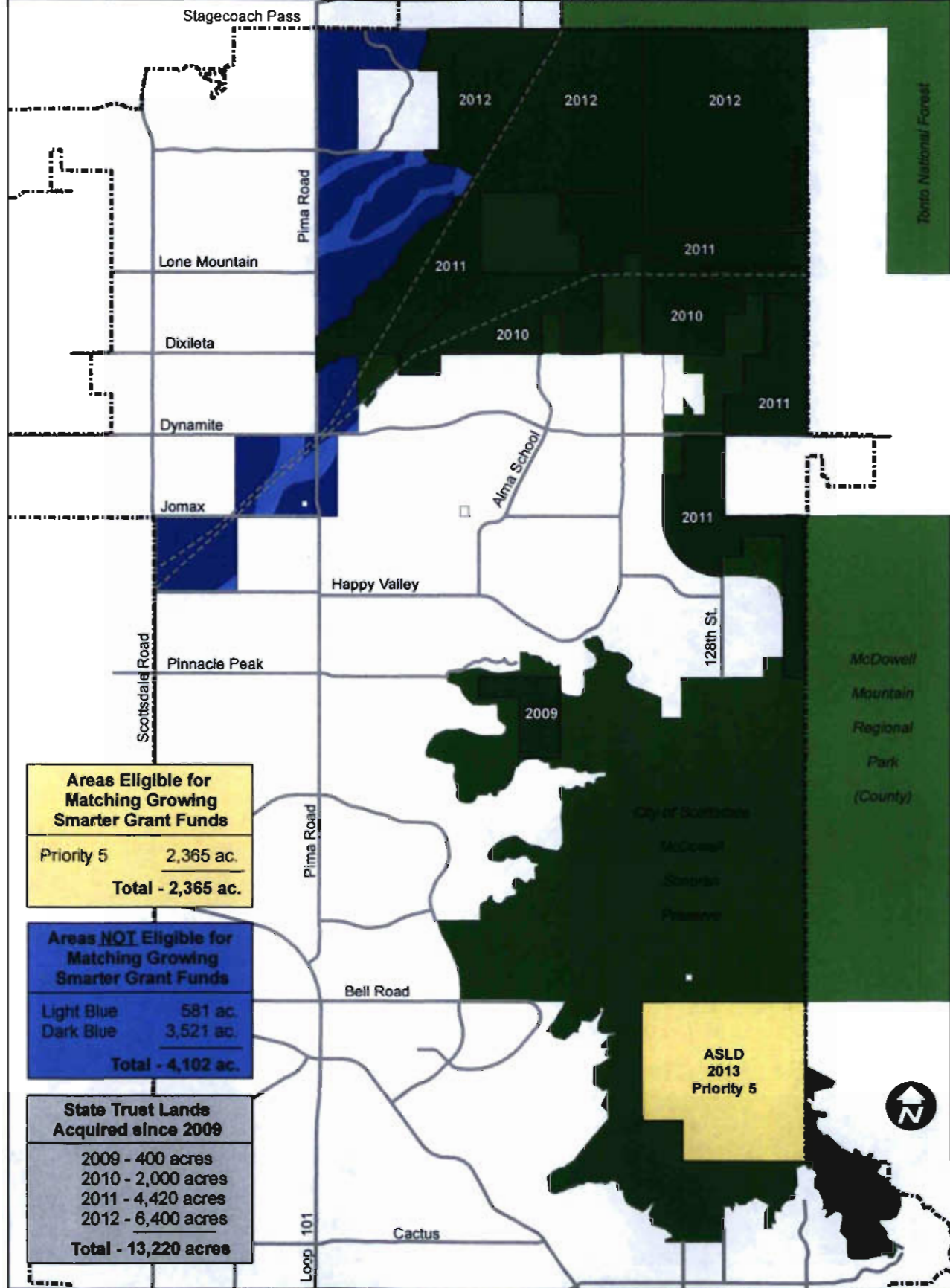
By: \_\_\_\_\_  
Carolyn Jagger, City Clerk

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY

  
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Bruce Washburn, City Attorney  
By Joe Padilla, Senior Assistant City Attorney

# Preserve Land Status - Approved 7/3/12

Note: Acquisition Priority 5 was approved by City Council on 7/3/12



Areas Eligible for Matching Growing Smarter Grant Funds	
Priority 5	2,365 ac.
<b>Total</b>	<b>2,365 ac.</b>

Areas NOT Eligible for Matching Growing Smarter Grant Funds	
Light Blue	581 ac.
Dark Blue	3,521 ac.
<b>Total</b>	<b>4,102 ac.</b>

State Trust Lands Acquired since 2009	
2009	400 acres
2010	2,000 acres
2011	4,420 acres
2012	6,400 acres
<b>Total</b>	<b>13,220 acres</b>

ASLD  
2013  
Priority 5

ASLD 2013 Priority 5	ASLD Not Restricted	ASLD No Restrict	ASLD Total
2,400	581	3,521	27,800

Note: All acreage figures are approximate.

Map Date: April 2013



## Attachment 2





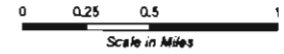
Attachment 3

2013 State Land Acquisition - City of Scottsdale - McDowell Sonoran Preserve

Map Date: April 2013  
Photo Date: Nov. 2007



- Scottsdale Preserve
- Proposed Acquisition - Parcel 5
- Township-Range-Section



Notice: This document is provided for general information purposes only. The City of Scottsdale does not warrant its accuracy, completeness, or suitability for any particular purpose. It should not be relied upon without field verification.