

**3. Eddie's House Restaurant Liquor License (43-LL-2008)**

**Request:** Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) liquor license for an existing location with a new owner.

**Location:** 7042 E. Indian School Road

**Staff Contact(s):** Connie Padian, Interim Planning and Development Services General Manager, 480-312-2664, [cpadian@scottsdaleaz.gov](mailto:cpadian@scottsdaleaz.gov)

**4. McCormick & Schmick's Restaurant Liquor License (44-LL-2008)**

**Request:** Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) liquor license for an existing location with a new owner.

**Location:** 8777 N. Scottsdale Road, Suite 308

**Staff Contact(s):** Connie Padian, Interim Planning and Development Services General Manager, 480-312-2664, [cpadian@scottsdaleaz.gov](mailto:cpadian@scottsdaleaz.gov)

**5. Scottsdale East Plaza Rezoning (13-ZN-2007)**

**Requests:**

1. Approve a rezoning from Regional Shopping Center District (C-S) to Highway Commercial District (C-3) for a 3.65-acre shopping center located at the southeast corner of North Hayden Road and East Roosevelt Street.
2. Adopt **Ordinance No. 3786** affirming the rezoning.
3. Adopt **Resolution No. 7612** approving Developing Agreement No. 2008-083-COS.

**Location:** 909 N. Hayden Road

**Related Policies, References:**

- General Plan
- 2-AB-2008 (being processed concurrently with 13-ZN-2007)
- 22-DR-2002#2 (approved June 14, 2004, but has since expired)
- 20-DR-2007 (to be reviewed by the Development Review Board following City Council action on the associated rezoning and abandonment cases)

**Staff Contact(s):** Connie Padian, Interim Planning and Development Services General Manager, 480-312-2664, [cpadian@scottsdaleaz.gov](mailto:cpadian@scottsdaleaz.gov); Lusía Galav, Current Planning Director, 480-312-2506, [lgalav@scottsdaleaz.gov](mailto:lgalav@scottsdaleaz.gov)

**6. Indian River Plaza Rezoning (5-ZN-2008)**

**Requests:**

1. Rezone from Neighborhood Commercial District (C-1) to Central Business District (C-2) on an approximate 8.6-acre parcel located on the southwest corner of East Thomas and North Hayden roads.
2. Adopt **Ordinance No. 3797** affirming the rezoning.

**Location:** 2820 N. Hayden Road

**Related Policies, References:** 17-UP-2007, 18-UP-2007

**Staff Contact(s):** Connie Padian, Interim Planning and Development Services General Manager, 480-312-2664, [cpadian@scottsdaleaz.gov](mailto:cpadian@scottsdaleaz.gov); Lusía Galav, Current Planning Director, 480-312-2506, [lgalav@scottsdaleaz.gov](mailto:lgalav@scottsdaleaz.gov)

**7. Pranksters Too Conditional Use Permits (17-UP-2007 and 18-UP-2007)**

**Requests:**

1. Approve a Conditional Use Permit for a bar at an existing restaurant for Case No. 17-UP-2007.

2. Adopt **Resolution No. 7631** affirming the Conditional Use Permit for a bar and finding that the conditional use permit criteria have been met for Case 17-UP-2007.
3. Approve a Conditional Use Permit for live entertainment at an existing restaurant for Case No. 18-UP-2007.
4. Adopt **Resolution No. 7632** affirming the Conditional Use Permit for live entertainment and finding that the conditional use permit criteria have been met for Case No. 18-UP-2007.

**Location:** 7919 E. Thomas Road, Suite 101

**Related Policies, References:** 42-LL-2007, 5-ZN-2008

**Staff Contact(s):** Connie Padian, Interim Planning and Development Services General Manager, 480-312-2664, [cpadian@scottsdaleaz.gov](mailto:cpadian@scottsdaleaz.gov); Lusia Galav, Current Planning Director, 480-312-2506, [lgalav@scottsdaleaz.gov](mailto:lgalav@scottsdaleaz.gov)

**8. Arizona Canal Shared Use Path Transportation Enhancement Funds Grant Application**

**Request(s):**

1. Adopt **Resolution No. 7643** authorizing the City to submit an application in the amount of \$500,000 to the Arizona Department of Transportation SAFETEA-LU Enhancement Program for the Arizona Canal Multiuse Path from 64<sup>th</sup> Street to Goldwater Boulevard.
2. Authorize the City to accept the grant if awarded.

**Staff Contact(s):** Mary O'Connor, Transportation General Manager, 480-312-2334, [moconnor@scottsdaleaz.gov](mailto:moconnor@scottsdaleaz.gov)

**9. Intergovernmental Agreement with the Arizona Department of Transportation to Obtain Grant Funds for the Purchase of Traffic Signal Controllers and Cabinets**

**Request:** Adopt **Resolution No. 7662** authorizing the Mayor to execute Intergovernmental Agreement No. 2008-099-COS with the Arizona Department of Transportation to obtain \$275,000 in Federal Congestion Mitigation and Air Quality grant funds for the purchase of traffic signal controllers and cabinets.

**Related Policies, References:**

- Intergovernmental Agreement No. 2006-175-COS
- City Procurement Code
- Code of Federal Regulations

**Staff Contact(s):** Mary O'Connor, Transportation General Manager, 480-312-2334, [moconnor@scottsdaleaz.gov](mailto:moconnor@scottsdaleaz.gov)

**10. Acceptance of State and Federal Grants for Aviation Capital Improvement Projects**

**Request:** Adopt **Resolution No. 7584** authorizing the City Manager, or designee, to accept Federal Aviation Administration and State Department of Transportation grants for projects included in the City's adopted five-year aviation capital improvement program budget.

**Staff Contact(s):** Mary O'Connor, Transportation General Manager, 480-312-2334, [moconnor@scottsdaleaz.gov](mailto:moconnor@scottsdaleaz.gov)

**11. Amend Scottsdale Revised Code Relating to the Roles and Responsibilities of the Airport Advisory Commission**

**Request:** Adopt **Ordinance No. 3793** amending Scottsdale Revised Code, Chapter Five, Section 5-109, to update and clarify the roles and responsibilities of the Airport Advisory Commission.

**Staff Contact(s):** Mary O'Connor, Transportation General Manager, 480-312-2334, [moconnor@scottsdaleaz.gov](mailto:moconnor@scottsdaleaz.gov)

- 12. Intergovernmental Agreement with Maricopa County for a Career Center at Vista del Camino Community Center**  
**Request:** Adopt **Resolution No. 7607** authorizing Intergovernmental Agreement No. 2008-080-COS with Maricopa County to operate and maintain a career center at Vista del Camino Community Center.  
**Staff Contact(s):** Debra Baird, Community Services General Manager, 480-312-2480, [dbaird@scottsdaleaz.gov](mailto:dbaird@scottsdaleaz.gov)
- 13. Scottsdale Stadium Concession and Catering Services Agreement**  
**Request:** Adopt **Resolution No. 7585** approving Agreement No. 2008-075-COS with Arizona Sportservice, Inc., to provide concession, catering, and alcoholic beverage services at Scottsdale Stadium for all events, with the exception of the annual San Francisco Giants Spring Training use period of January 1 through April 15.  
**Staff Contact(s):** Debra Baird, Community Services General Manager, 480-312-2480, [dbaird@scottsdaleaz.gov](mailto:dbaird@scottsdaleaz.gov)
- 14. Self-Funded Medical and Dental Plans Professional Auditing Services Contract Extension**  
**Request:** Adopt **Resolution No. 7622** authorizing extension of Contract No. 2006-108-COS with Chapman Kelly, Inc., for audits of the City's self-funded medical and dental plans.  
**Related Policies, References:**

  - June 20, 2006 Professional Services Contract No. 2006-108-COS with Chapman Kelly
  - March 18, 2008 Council Report concerning premium contribution rates and plan design changes for employee medical and dental plans for FY 2008/09
  - July 1, 2008 request to City Council to authorize extension of Contract No. 2006-107-COS for professional benefits consulting services for the City's self-funded medical and dental plans

**Staff Contact(s):** Neal Shearer, Acting Human Resources General Manager, 480-312-2604, [nshearer@scottsdaleaz.gov](mailto:nshearer@scottsdaleaz.gov)
- 15. Self-Funded Medical and Dental Plans Professional Benefits Consulting Services Contract Extension**  
**Request:** Adopt **Resolution No. 7623** authorizing extension of Contract No. 2006-107-COS for professional benefits consulting services for the City's self-funded medical and dental plans to Mercer Health and Benefits.  
**Related Policies, References:**

  - June 20, 2006 Professional Services Contract No. 2006-107-COS with Mercer
  - March 18, 2008 City Council Report concerning premium contribution rates and plan design changes for employee medical and dental plans for FY 2008/09
  - July 1, 2008 request to City Council to authorize extension of Contract No. 2006-108-COS for professional auditing services to audit the City's self-funded medical and dental plans

**Staff Contact(s):** Neal Shearer, Acting Human Resources General Manager, 480-312-2604, [nshearer@scottsdaleaz.gov](mailto:nshearer@scottsdaleaz.gov)
- 16. Associate City Judge Compensation**  
**Request:** Consider adjusting the annual salaries of Associate City Judges by 3%, effective the first pay period of FY 2008/09 and FY 2009/10. This results in annualized

base salaries of \$137,488 and \$141,606.40, respectively (percentage increases factored from hourly rates).

**Related Policies, References:** Scottsdale Revised Code Section 9-2 provides that the City Council will determine the compensation of the City judge and all other judges of the City court.

**Staff Contact(s):** Neal Shearer, Acting Human Resources General Manager, 480-312-2604, [nshearer@scottsdaleaz.gov](mailto:nshearer@scottsdaleaz.gov)

**17. Charter Officer Compensation Adjustments**

**Request:** Authorize compensation adjustments, effective July 1, 2008, for the City Attorney and City Clerk, pursuant to the attached amendment to their respective employment agreements.

**Staff Contact(s):** Neal Shearer, Acting Human Resources General Manager, 480-312-2604, [nshearer@scottsdaleaz.gov](mailto:nshearer@scottsdaleaz.gov)

**18. Scottsdale Sister Cities Association Contract Renewal**

**Request:** Adopt **Resolution No. 7653** authorizing Agreement No. 2008-100-COS in the amount of \$10,000 in FY 2008/09 and \$10,000 in FY 2009/10 with the Scottsdale Sister Cities Association, Inc., to: (1) Promote the City and the Scottsdale Sister Cities Association Inc.; (2) strengthen municipal and economic development partnerships between the City and existing, or newly designated Sister Cities; and (3) advance cultural and educational changes.

**Related Policies, References:**

- Agreement No. 2006-092-COS, between Scottsdale Sister Cities Association Inc., and the City, which expires June 30, 2008
- Scottsdale Revised Code Section 2-189 (Sole Source Contracts) and related rules

**Staff Contact(s):** Bridget Schwartz-Manock, Government Relations Director, 480-312-2423, [bschwartzmanock@scottsdaleaz.gov](mailto:bschwartzmanock@scottsdaleaz.gov)

**19. On-Call Engineering Support Services Contracts**

**Request:** Adopt **Resolution No. 7639** authorizing Engineering Services Contract No. 2008-092-COS, with Damon S. Williams Associates L.L.C., and Engineering Services Contract No. 2008-093-COS, with Valentine Environmental Engineering L.L.C., each for amounts not to exceed \$100,000, for on-call engineering support services.

**Staff Contact(s):** Marshall P. Brown, Water Resources General Manager, 480-312-5683, [mbrown@scottsdaleaz.gov](mailto:mbrown@scottsdaleaz.gov)

**20. Application for Modification of Designation of Assured Water Supply**

**Request:** Adopt **Resolution No. 7470** authorizing the Water Resources General Manager to submit an application for modification of the City's assured water supply designation to the Arizona Department of Water Resources (ADWR).

**Staff Contact(s):** Marshall P. Brown, Water Resources General Manager, 480-312-5683, [mbrown@scottsdaleaz.gov](mailto:mbrown@scottsdaleaz.gov)

**21. Professional Services Contract for Arizona American Water Company, Paradise Valley Water District Study**

**Requests:**

1. Adopt **Resolution No. 7659** authorizing Professional Services Contract No. 2008-102-COS with Carollo Engineers, P.C., and FCS Group for the amount not to exceed \$311,917 for the study of the Arizona American Water Company, Paradise Valley

Water District, and for submittal of confidential study documents to the City Attorney's Office.

2. Approve a \$311,917 budget contingency transfer to the Water Resources Department Consultants Expenditure Account No. 600-09010-52130.

**Staff Contact(s):** Marshall P. Brown, Water Resources General Manager, 480-312-5683, [mbrown@scottsdaleaz.gov](mailto:mbrown@scottsdaleaz.gov)

Discussion:

- Councilman Nelssen asked if funds were being set aside for potential use or would be spent. Assistant City Manager Roger Klingler said that the amount of the contract will be spent for the services provided by Carollo Engineers.
- Councilman Nelssen asked how the amount was determined, and if it is possible less than that amount will be spent. Mr. Klingler said this amount was determined by Carollo Engineers' bid through the RFP process. He added that it is possible the final amount expended could be less, depending on the number of hours the consultants spend on the project.
- Councilman Nelssen asked what services the City would receive for the money. Mr. Klingler said Carollo Engineers and FCS Group would be performing a thorough engineering and financial evaluation of the Arizona American Water Company, Paradise Valley Water District (AAWC, PVWD).
- Councilman Nelssen asked why the services could not be handled in-house. Mr. Klingler explained that the City does not have staff available with the necessary expertise to complete the project. He said the study will be a detailed analysis for a very specific purpose.
- Councilman Nelssen asked if the study is in anticipation of acquiring the AAWC, PVWD, or actually the first step in doing so. Mr. Klingler said staff is responding to the Council's direction to investigate all financial and engineering aspects of what it would take for the citizens of Scottsdale who are now served by AAWC to be served by the City. He believes the study will give the Council all the information needed to make a determination on how to proceed.
- Mayor Manross noted that the Council cannot make a prudent decision without a complete evaluation of all possible options.
- Councilman Nelssen asked if the study will provide a cost analysis on what it would take to absorb AAWC, PVWD into the City's water system. Mr. Klingler confirmed that it would.
- In response to Councilman Lane, Water Resources General Manager Marshall Brown said that the FCS Group would complete the financial evaluation of the study.
- Councilman Lane expressed concern that study documents are considered confidential. He believes there should be open disclosure to the public on the information that becomes available through the study. City Attorney Deborah Robberson said the documents are being prepared in anticipation of potential legal proceedings. She cautioned that, should the City end up in litigation with AAWC, portions of the information could be detrimental to the City if released. She said ultimately it will be up to the Council to determine how much of the information to make public.
- Councilman Lane noted that the scope of the study includes making a determination of a funding mechanism. Mr. Brown said the consultants would identify all feasible options for the City to consider.
- Councilman Lane said AAWC has indicated they will fight any proposed purchase and will not make information available for the assessment. Mr. Brown acknowledged that it

would make it more difficult for the consultants to obtain information, and that was one reason for the higher cost of the contract.

- Councilman Lane noted that outside counsel may be hired for the condemnation process. Ms. Robberson explained that the object of hiring legal expertise at this point is to ensure that the City is proceeding in a legally proficient manner from the beginning of the process, and to provide advice as the City moves forward in the analysis and evaluation of AAWC.
- Councilmember Drake believes that obtaining legal advice from an outside firm would be helpful, and said that there is a history of AAWC experiences in other cities with similar takeover and condemnation cases.
- Councilman Nelssen said that the goal is to get the highest quality drinking water to all Scottsdale residents. He believes residents have lost confidence in their drinking water supplier. Councilman Nelssen expressed concern about the cost of the study, but will support the item.
- Councilman McCullagh noted that much of the discussion centered on customer service, corporate citizenship, and contaminated water, but believes the larger issue is the sustainability of the City's water supply.

**22. Appaloosa Branch Library Construction Phase Services Contract**

**Request:** Adopt **Resolution No. 7580** authorizing CM@Risk Construction Phase Services Contract No. 2008-072-COS with Haydon Building Corporation in the amount of \$7,500,000 for construction of the Appaloosa Branch Library.

**Related Policies, References:**

- May 15, 2006 Council approved the location of the Appaloosa Branch Library
- December 11, 2006 Council approved the creation of a new CIP project funded with \$1,500,000 in Bond 2000 interest earnings for the purchase of the initial collection materials for the Appaloosa Library
- January 16, 2007 Council authorized award of Architectural Services Contract No. 2006-179-COS with DWL Architects + Planners, Inc., for the design of the Appaloosa Branch Library
- June 5, 2007 Council authorized award of CM@Risk Design Phase Services Contract No. 2007-084-COS with Haydon Building Corporation for Appaloosa Branch Library

**Staff Contact(s):** Dan Worth, Municipal Services General Manager, 480-312-2776, [dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)

**23. Water Campus Advanced Water Treatment Facility Expansion Engineering Design Services Contract**

**Requests:**

1. Adopt **Resolution No. 7652** authorizing the creation of a new capital project, Advanced Water Treatment – Phase 4, and funding the project with a \$6.0 million budget transfer from the SROG Sewer Capacity Management Program (605-V0706) capital project.
2. Adopt **Resolution No. 7648** authorizing Engineering Services Contract No. 2008-091-COS with Water Works Engineers for an amount not to exceed \$5,404,107 for design of the advanced water treatment facility phase 4 expansion at the Scottsdale Water Campus.

**Related Policies, References:**

- March 4, 2008 Council approved the 2008 Integrated Wastewater Master Plan

- April 1, 2008 Council adopted Resolution No. 7555 amending 15 previously approved Reclaimed Water Distribution System pipeline capacity agreements for cooperative financing from each of the golf courses to support expanding the advanced wastewater treatment system
  - May 26, 2006 Reclaimed Water Distribution System Water Quality Improvement Study prepared by Damon S. Williams Associates
- Staff Contact(s):** Dan Worth, Municipal Services General Manager, 480-312-2776, [dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)

**24. Office Building Space Lease Agreement Addendum**

**Requests:**

1. Adopt **Resolution No. 7637** authorizing Lease Agreement Modification No. 2006-223-COS-A1 for an additional 5,167 square feet of office space located at 4021 N. 75<sup>th</sup> Street for use by such City offices as may be considered appropriate, including the City Auditor and the Office of Environmental Initiatives.
2. Authorize a General Fund budget transfer from the Planning and Development Services Department to the City Auditor's Office in the amount of \$55,000 to fund the acquisition of office equipment and furniture for the newly leased space.

**Related Policies, References:**

- Article I, Section 3A of the City Charter gives the City authority to acquire property for any City purpose, in fee or lesser interest such as a lease
- March 6, 2007 Council authorized Lease Agreement No. 2006-223-COS for the leasing of office space at 4021 N. 75<sup>th</sup> Street for the Economic Vitality staff

**Staff Contact(s):** Dan Worth, Municipal Services General Manager, 480-312-2776, [dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)

**MOTION AND VOTE – CONSENT AGENDA**

COUNCILMAN MCCULLAGH MOVED TO APPROVE CONSENT AGENDA ITEMS 1 THROUGH 24. COUNCILMEMBER DRAKE SECONDED THE MOTION, WHICH CARRIED 7/0.

**REGULAR AGENDA**

**25. Scottsdale Trails Overview**

**Request:** Status report on existing facilities, current projects, and future planning efforts relating to the City's trail program outside the boundaries of the McDowell Sonoran Preserve, and possible Council discussion and direction to staff.

**Related Policies, References:**

- 2004 Scottsdale Trails Master Plan
- 2008 Transportation Master Plan

**Staff Contact(s):** Mary O'Connor, Transportation General Manager, 480-312-2334, [moconnor@scottsdaleaz.gov](mailto:moconnor@scottsdaleaz.gov)

Transportation General Manager Mary O'Connor gave an overview of the 2004 Scottsdale Trails Master Plan process, and asked the Council to provide direction that would enable staff to address issues that have arisen during implementation of the plan. She said the two focus areas that have been of particular concern to the community are Desert Foothills and Mescal Park.