

**Phoenix City Council
Economic Development and Equity Subcommittee
Summary Minutes
Wednesday, March 23, 2022**

City Council Chambers
200 W. Jefferson St.
Phoenix, Ariz.

Subcommittee Members Present

Vice Mayor Laura Pastor, Chair
Councilwoman Yassamin Ansari
Councilwoman Ann O'Brien
Councilwoman Debra Stark

Subcommittee Members Absent

CALL TO ORDER

Councilwoman Stark called the Economic Development and Equity Subcommittee to order at 10:02 a.m. with Councilwoman Ansari and Councilwoman O'Brien present.

CALL TO THE PUBLIC

MINUTES OF MEETINGS

1. Minutes of the Economic Development and Equity Subcommittee Meeting

Councilwoman O'Brien made a motion to approve the minutes of February 15, 2022 and February 23, 2022 Economic Development and Equity Subcommittee meetings. Councilmember Ansari seconded the motion, which passed unanimously 3-0.

CONSENT ACTION (ITEMS 2-3)

2. Award for Federal HOME Funds for Affordable Housing Development Projects

3. Three-Year Membership Agreement with Downtown Phoenix Inc.

Councilwoman O'Brien made a motion to approve all consent items. Councilwoman Ansari seconded the motion, which passed unanimously 3-0.

Discussion and Possible Action (ITEMS 4-6)

4. Authorization to Host Familiarization Tour in 2023

Vice Mayor Pastor joined the meeting at 10:05 a.m.

Community and Economic Development Director Christine Mackay and Deputy Phoenix Convention Center Director Jerry Harper gave a presentation on the 2023 Familiarization Tour. Ms. Mackay provided background on previous familiarization tours and discussed the 2023 familiarization event proposal that would take place in February

2023. She stated staff would take 15 industry leaders on a tour of the City, attend celebration and sporting events, and meet with City leaders. Ms. Mackay noted the cost of the tour would not require additional budgetary allocation and would not exceed \$75,000. She requested the Economic Development and Equity Subcommittee recommend City Council approval to enter into an agreement with VisitPhoenix for the coordination of a familiarization tour for national site selectors and developers during the time of the Super Bowl LVII in February 2023.

Councilwoman Stark asked staff for an example of an industry leader.

Ms. Mackay stated it could be a business developer, a site selector, or executive business members related to expansion of projects in Phoenix.

Councilwoman Stark asked when staff would determine the 15 industry leaders.

Ms. Mackay replied staff would work with Councilmembers to showcase the entire Phoenix area and select the 15 industry leaders based on Councilmember input. She noted staff would finalize the list of industry leaders 90 days before the start of the tour.

Councilwoman O'Brien asked staff to describe business expansions that occurred directly from the previous familiarization tour in 2016.

Ms. Mackay replied staff toured with site selectors that developed the Park Central area and noted other key developments.

Vice Mayor Pastor asked how staff determines the 15 site selectors.

Ms. Mackay replied staff would work closely with Councilmembers to identify possible development areas or areas to highlight within each Council district.

Vice Mayor Pastor asked if staff would be able to include 16 site selectors for the 2023 familiarization tour to identify two potential sites for development in each Council district.

Councilwoman Ansari stated her support for two site selectors for each district. She asked if staff had previously engaged Sister Cities for the familiarization tours.

Ms. Mackay stated her support for including 16 site selectors for the 2023 familiarization tours. She also noted staff works closely with Sister Cities and would include them in future tours.

Vice Mayor Pastor highlighted areas in the City for economic development.

Councilwoman O'Brien asked if staff would partner with community leaders in the City.

Ms. Mackay noted many community partners the City has collaborated with in the past.

Vice Mayor Pastor discussed the need to work with Visit Phoenix, Downtown Phoenix Inc., and the Convention Center to utilize their networks. Vice Mayor Pastor asked if staff would need to increase the allocated budget to incorporate another site selector.

Ms. Mackay replied staff would not need additional funding.

Councilwoman O'Brien made a motion to approve staff's recommendation and include 16 site selectors. Councilwoman Ansari seconded the motion, which passed unanimously 4-0.

5. Downtown Update

Deputy City Manager Alan Stephenson, Community and Economic Development Director Christine Mackay, Deputy Phoenix Convention Center Director Jerry Harper, and President of Downtown Phoenix, Inc. Devney Preuss gave a Downtown Phoenix update.

Mr. Stephenson discussed the early planning efforts of the Downtown Phoenix area as well as several economic development efforts and projects that attempted to revitalize the area.

Ms. Mackay discussed revitalization projects like the Arizona Center, Chase Field Stadium, Footprint Center, and the Phoenix Biomedical Campus. She also discussed developments such as the Arizona State University Downtown campus, Light Rail, and several residential construction projects.

Mr. Harper spoke about the economic impact of the Phoenix Convention Center and the creation of an entertainment district.

Mr. Stephenson discussed many areas within Downtown Phoenix that had seen a large amount of growth, and he also discussed the downtown redevelopment area plan.

Ms. Mackay ended the presentation by listing many considerations to further develop the downtown area and City.

Councilwoman Stark asked what the population was in Downtown Phoenix.

Ms. Preuss replied there were 20,000 residents in the downtown area, noting the population was expected to grow by another 10,000 individuals.

Councilwoman Stark asked where the downtown boundaries were.

Ms. Preuss noted the downtown area was between 7th Ave. and 7th St. from McDowell Rd. to the Warehouse District.

Councilwoman Stark asked how staff was addressing affordable housing.

Ms. Mackay noted workforce housing would continue to be developed and funded as the Government Property Lease Excise Tax (GPLET) develops. She noted that City-owned lots could be leveraged to create some affordable workforce housing.

Councilwoman Ansari noted her excitement for the development in the downtown area. She asked how the City could revitalize the government core.

Mr. Stephenson replied staff was focused on this area as the City moves forward with development opportunities. He stated he was hopeful to host events that used to occur in the area.

Ms. Mackay discussed the possibility of the westward Light Rail expansion activating some of the ground floors of government mall areas.

Councilwoman Ansari asked what tools the City had to improve lots without a zoning change or use permit. She noted issues with a Chick-fil-A drive through.

Mr. Stephenson noted the Downtown planning code allowed for drive-thru's but staff could review the standards and potentially restrict drive-thru's in areas with high traffic volume.

Councilwoman Ansari asked how staff would leverage General Obligation Bonds to improve the City.

Ms. Mackay noted she was working closely with executive staff at the City on coordination efforts for improvement.

Vice Mayor Pastor asked staff to clarify the Convention Sports & Leisure (CSL) Market Feasibility Study conducted in 2019.

Mr. Harper replied the City engaged with CSL to compare the Phoenix Convention Center to other convention centers in the United States and assess the future of the Convention Center.

Ms. Mackay stated the 2019 CSL study was conducted to better inform the Council on how to leverage development assets in the City.

Vice Mayor Pastor noted the importance of leveraging City owned land. She asked staff what the difference was between an Entertainment District and a Theme Park.

Ms. Mackay replied State Statute defines theme park districts to assist with funding or bond sales related to a theme park or sports venue. She stated the theme park boundary area was approved by Council and the theme park board was given authority to sell state revenue bonds and create a tax to improve the area. She noted the entertainment district was an informal process in which the City creates a connective area between major theme park or sports venues.

Councilwoman Stark asked staff to clarify theme park areas.

Ms. Mackay replied the Council would set the theme park boundaries and allow a theme park board to operate the area.

Councilwoman O'Brien requested a follow up agenda item on theme park boundaries. She also asked when Council would receive an update on the CLS market and feasibility study.

Mr. Harper stated that staff would return with the updated CLS study would return to Council in 30 to 45 days.

Vice Mayor Pastor asked Ms. Preuss how the Downtown Phoenix, Inc. collaborates with the City.

Ms. Preuss replied the Downtown Phoenix, Inc was created in 2014 as an umbrella organization and works extensively with the City on economic development issues. She noted the organization aims to enhance services in the downtown area and support City staff.

Vice Mayor Pastor asked Ms. Preuss to elaborate on efforts toward affordable housing, education, and workforce development.

Ms. Preuss replied Downtown Phoenix, Inc. works to make the downtown area better and focuses on bringing in additional educational and workforce opportunities to the downtown area.

6. Hermosillo Mexico RFP

Community and Economic Development Director Christine Mackay, Deputy Community and Economic Development Director Nathan Wright, and Special Projects Administrator Gretchen Wolfe gave a presentation on the Hermosillo Mexico Trade Development Consulting Services Request for Proposal (RFP).

Ms. Mackay discussed the partnership history with the Hermosillo Office, noting a one-year Hermosillo Trade Office contract was awarded in November 2021. She stated in early 2022 the Hermosillo office opened in person.

Mr. Wright spoke about the largest export trade patterns for each state and said Mexico was the largest trade partner for Arizona. Mr. Wright discussed the various economic opportunities in Hermosillo and highlighted several trade services in the area. He said the current RFP contract between the City and Hermosillo expires in November 2022 and would take six months to be approved.

Ms. Wolfe discussed the minimum qualifications and evaluation criteria for the Hermosillo consulting services procurement process.

Ms. Mackay requested the Economic Development and Equity Subcommittee recommend City Council approval to issue a request for proposals for Hermosillo Mexico Trade Development Consulting Services.

Vice Mayor Pastor asked staff to clarify the contract terms with the Hermosillo Mexico trade office.

Ms. Mackay replied the previous contract term was for one year with no additional renewals and expires on November 25, 2022. She stated if the RFP was not approved, the current contract could resume month-to-month to ensure the Hermosillo Office does not close.

Councilwoman O'Brien asked staff to elaborate on the larger economic opportunities in Mexico.

Ms. Mackay replied in March of 2020 staff brought forward a larger strategy for the City to gain a foothold in economic opportunities across North America. She stated staff brought forward the Hermosillo economic strategy separately before bringing forward the entire economic development strategy in Mexico.

Councilwoman O'Brien asked if the strategy was previously brought before a subcommittee or full Council in March of 2020.

Ms. Mackay noted the pandemic stalled movement of the Mexico economic development strategy.

Councilwoman O'Brien made a motion to approve staff's recommendation. Councilwoman Stark seconded the motion, which passed unanimously 4-0.

CALL TO THE PUBLIC

No call to the public

FUTURE AGENDA ITEMS

The 2023 Super Bowl Update, Establishment of a Community Facilities District at Metro Center Mall, Theme Park Boundaries, and Downtown Area Economic Development Tools were requested.

ADJOURNMENT

Vice Mayor Pastor adjourned the meeting at 11:28 a.m.

Respectfully submitted,

Cooper Payne
Management Intern