

City of Phoenix

*Meeting Location:
City Council Chambers
200 W. Jefferson St.
Phoenix, Arizona 85003*



City of Phoenix

Agenda

Wednesday, November 12, 2025

10:00 AM

City Council Chambers

Economic Development and the Arts Subcommittee

*Vice Mayor Ann O'Brien, Chair
Councilwoman Laura Pastor
Councilman Kevin Robinson
Councilwoman Debra Stark*

If viewing this packet electronically in PDF, open and use bookmarks to navigate easily from one item to another.

OPTIONS TO ACCESS THIS MEETING

Virtual Request to speak at a meeting:

- Register online by visiting the City Council Meetings page on phoenix.gov at least 2 hours prior to the start of this meeting. Then, click on this link at the time of the meeting and join the Webex to speak:

<https://phoenixcitycouncil.webex.com/phoenixcitycouncil/onstage/g.php?MTID=e8db7e574d5ee068cd7bd6d055252a544>

- Register via telephone at 602-262-6001 at least 2 hours prior to the start of this meeting, noting the item number. Then, use the Call-in phone number and Meeting ID listed below at the time of the meeting to call-in and speak.

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- Register in person at a kiosk located at the City Council Chambers, 200 W. Jefferson St., Phoenix, Arizona, 85003. Arrive 1 hour prior to the start of this meeting. Depending on seating availability, residents will attend and speak from the Upper Chambers, Lower Chambers or City Hall location.

- Individuals should arrive early, 1 hour prior to the start of the meeting to submit an in-person request to speak before the item is called. After the item is called, requests to speak for that item will not be accepted.

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- Watch the meeting live streamed on phoenix.gov or Phoenix Channel 11 on Cox Cable, or using the Webex link provided above.

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Para nuestros residentes de habla hispana:

- Para registrarse para hablar en español, llame al 602-262-6001 al menos 2 horas antes del inicio de esta reunión e indique el número del tema. El día de la reunión, llame al 602-666-0783 e ingrese el número de identificación de la reunión 2553 271 1752#. El intérprete le indicará cuando sea su turno de hablar.

- Para solamente escuchar la reunión en español, llame a este mismo número el día de la reunión 602-666-0783; ingrese el número de identificación de la reunión 2553 271 1752#. Se proporciona interpretación simultánea para nuestros residentes durante todas las reuniones.

- Para asistir a la reunión en persona, vaya a las Cámaras del Concejo Municipal de Phoenix ubicadas en 200 W. Jefferson Street, Phoenix, AZ 85003. Llegue 1 hora antes del comienzo de la reunión. Si desea hablar, regístrese electrónicamente en uno de los quioscos, antes de que comience el tema. Una vez que se comience a discutir el tema, no se aceptarán nuevas solicitudes para hablar. Dependiendo de cuantos asientos haya disponibles, usted podría ser sentado en la parte superior de las cámaras, en el piso de abajo de las cámaras, o en el edificio municipal.

CALL TO ORDER

000 CALL TO THE PUBLIC

MINUTES OF MEETINGS

1 Minutes of the Economic Development and the Arts Subcommittee Meeting

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Attachments

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INFORMATION AND DISCUSSION (ITEM 2)

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000 CALL TO THE PUBLIC

FUTURE AGENDA ITEMS

ADJOURN

For further information or reasonable accommodations, please call the City Council Meeting Request line at 602-262-6001. 7-1-1 Friendly.

Persons paid to lobby on behalf of persons or organizations other than themselves must register with the City Clerk prior to lobbying or within five business days thereafter, and must register annually to continue lobbying. If you have any questions about registration or whether or not you must register, please contact the City Clerk's Office at 602-534-0490.

Members:

Vice Mayor Ann O'Brien, Chair
Councilwoman Laura Pastor
Councilman Kevin Robinson
Councilwoman Debra Stark



Economic Development and the Arts Subcommittee

Report

Agenda Date: 11/12/2025, Item No. 1

Minutes of the Economic Development and the Arts Subcommittee Meeting

This item transmits the minutes of the Economic Development and the Arts Subcommittee Meeting on October 14, 2025 for review, correction or approval by the Economic Development and the Arts Subcommittee.

THIS ITEM IS FOR POSSIBLE ACTION.

The minutes are included for review as **Attachment A**.

Responsible Department

This item is submitted by Deputy City Manager Ginger Spencer and the City Manager's Office.

ATTACHMENT A

**Phoenix City Council
Economic Development and the Arts (EDA) Subcommittee
Summary Minutes
Tuesday, October 14, 2025**

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

Subcommittee Members Present

Vice Mayor Ann O'Brien, Chair
Councilwoman Debra Stark
Councilman Kevin Robinson
Councilwoman Laura Pastor

Subcommittee Members Absent

CALL TO ORDER

Vice Mayor O'Brien called the Economic Development and the Arts Subcommittee to order at 10:00 a.m. with Councilwoman Debra Stark, Councilman Kevin Robinson, and Councilwoman Laura Pastor present.

CALL TO THE PUBLIC

None.

MINUTES OF MEETINGS

1. Minutes of the Economic Development and the Arts Subcommittee Meeting

Councilwoman Stark made a motion to approve the minutes of the September 10, 2025 Economic Development and the Arts Subcommittee meeting. Councilman Robinson seconded the motion which passed unanimously, 4-0.

INFORMATION AND DISCUSSION

2. Art in Private Development

Arts and Culture Director Mitch Menchaca, Deputy Arts and Culture Director Carrie Brown, and Planning and Development Director Josh Bednarek presented on the item.

Katrina Kaylor shared her view on the importance of integrating art into private development as a citywide initiative. Ms. Kaylor stated the importance of expanding this effort through a formal City ordinance. She highlighted the strong community support, low risk, and high return on investment in making Phoenix a more creative, vibrant, and competitive place to live.

Patrick McDaniel shared his view on art in private development as a key driver of downtown Phoenix's growth, helping attract residents, businesses, and visitors. Mr. McDaniel encouraged the City to continue partnering with developers in innovative ways to integrate art as a tool for economic and community development.

Vice Mayor O'Brien stated the need for more visible and accessible public art across all areas of the City. Vice Mayor O'Brien said art fosters culture, and culture builds community, making it essential to Phoenix's growth and appeal as it attracts more residents and businesses into the City.

Councilwoman Stark expressed her support for expanding art in private development and emphasized public art builds community pride and revitalization. She endorsed pursuing a citywide ordinance to further this impact.

Councilwoman Pastor supported the idea of an ordinance but also stressed the importance of maintaining existing public art to preserve its impact and beauty over time.

Councilman Robinson expressed support for expanding public art and recognized its power to transform neighborhoods and bring communities together. Councilman Robinson praised the presentation and emphasized art is essential to creating vibrant, inclusive spaces that benefit all residents across Phoenix.

Vice Mayor O'Brien requested staff explore options for a citywide public art ordinance, including input from both the arts and development communities. Vice Mayor O'Brien asked staff when they would be able to come back and present on the request.

Director Menchaca responded the department could return in the Spring with their findings.

3. Smart City PHX Initiative Update

Office of Innovation Director Michael Hammett and Information Technology Director Steen Hambric presented on the item.

Councilwoman Stark requested a clarification on the Instant Language Assistant (ILA) program.

Director Hammett explained ILA is a translation tool similar to a tablet which allows staff to communicate with residents in over 200 languages.

Vice Mayor O'Brien expressed interest in receiving more information about the ILA program, particularly regarding technologies available to support individuals with hearing difficulties.

Councilwoman Stark expressed appreciation for the item, noting it aligned with a similar request she had made at the Transportation, Infrastructure, and Planning (TIP)

Subcommittee. She referenced Prescott Valley's smart meter rollout and inquired about Phoenix's plans, acknowledging the City's larger scale.

Councilman Robinson asked if this technology could enable location-based alerts to warn hikers about extreme heat at trailheads. Councilman Robinson acknowledged potential costs but emphasized the need to explore feasible safety solutions.

Director Hambric noted potential privacy concerns with direct mobile alerts. He indicated alternative Smart City technologies could address the issue in less intrusive ways and committed to returning to the subcommittee with more information on feasible options.

Councilman Robinson stressed the need to proactively warn the public to prevent high risk scenarios and reduce danger to firefighters on trails in City preserves. Councilman Robinson expressed appreciation for the discussion, presentation, and support for exploring solutions.

Councilwoman Pastor inquired how the City ensures Artificial Intelligence (AI) systems are implemented with appropriate safety, security, and user accessibility measures. Councilwoman Pastor expressed concern over AI reliability, citing a personal experience with a non-emergency line, and recommended thorough testing prior to public deployment to avoid community frustration.

Vice Mayor O'Brien thanked staff for their presentation and requested a future briefing to better understand how technology is coordinated across departments.

4. Phoenix-Hermosillo Trade Office Results and Update

Assistant Community and Economic Development Director Eric Johnson, Deputy Community and Economic Development Director Nathan Wright, and Economic Development Program Manager Juan Batres presented on the.

Vice Mayor O'Brien requested additional information on the long-term economic impact of companies supported by the City. She also expressed appreciation for the presentation, commending staff on their recent successes.

Councilwoman Pastor inquired about the meaning of soft landing in the context of business recruitment.

Program Manager Batres explained it refers to support provided to companies with no prior presence in Phoenix, helping them enter the market through resources like coworking spaces, or workforce assistance.

Councilwoman Pastor cited a past example of a business that struggled due to location and stressed the value of early engagement and tailored support. She emphasized the need for early support, such as market analysis and site selection, to help new businesses succeed and attract future investment.

Assistant Director Johnson acknowledged the need to strengthen outreach and communication regarding available business support tools. While resources are in place, he noted these are not always effectively connected with new businesses and committed to improving coordination efforts.

5. Community and Economic Development Update on Disposition of City-Owned Property

Assistant Community and Economic Development Director Eric Johnson and Deputy Community and Economic Development Director Xandon Keating presented on the item.

Councilwoman Pastor inquired about the future of the Ed Pastor Transit Center's name when the site is released for a Request for Proposals (RFP).

Assistant Director Johnson stated they would coordinate with the Public Transit Department to determine the appropriate process regarding the naming of the Ed Pastor Transit Center during the RFP process. He noted specific procedural details were not available at the time.

Councilwoman Pastor asked for clarification on the process and whether the existing name would be retained or transferred to another location.

Assistant Director stated the naming of the location would require further coordination with the Public Transit Department, the Mayor, and City Council. He stated additional time would be needed to evaluate and determine next steps.

Vice Mayor O'Brien requested staff to conduct additional research regarding the naming of the Ed Pastor Transit Center and provide an update to the subcommittee at a future time.

Vice Mayor O'Brien inquired whether the American Institute of Architects contest at 7th Avenue and Washington includes all three parcels at the site.

Deputy Director Keating noted the design should incorporate all three parcels, either as a connected concept or standalone elements, but integration of all parcels was expected.

Vice Mayor O'Brien asked whether parameters were provided based on the area's conditions and approved uses, to ensure proposals aligned with the contest requirements.

Deputy Director Keating answered yes.

Vice Mayor O'Brien expressed appreciation for the updates and presentation and stated she looks forward to the continued progress and the release of RFPs to help advance the City's development.

CALL TO THE PUBLIC

None.

FUTURE AGENDA ITEMS

None

ADJOURNMENT

Chairwoman O'Brien adjourned the meeting at 11:36 a.m.

Respectfully submitted,

Dayana Rosas
Management Fellow

DRAFT

Light Rail's Impact on Economic Development and Community Visioning - Citywide

This report provides the Economic Development and the Arts Subcommittee with an update on the economic development impact of light rail across the region and community visioning for the future of Phoenix's light rail corridors.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Summary

Light rail is a crucial driver of economic development for any city because it fundamentally transforms urban real estate and labor markets. Its most significant impact is generating Transit-Oriented Development (TOD), which concentrates private investment in high-density residential and commercial projects around stations, substantially increasing the municipal tax base. By offering fast and reliable transportation, a rail system dramatically expands the size of the accessible labor pool for businesses and the range of job opportunities for residents, leading to greater market efficiency. Furthermore, light rail signals a city's commitment to modern infrastructure and sustainability, which is vital for attracting and retaining the talented young professionals who fuel long-term innovation and growth. Ultimately, this investment in connectivity results in a more productive, attractive, and fiscally robust metropolitan area, while offering the City increased opportunities to attract quality companies and high-wage jobs that desire to locate in urban areas, not suburban areas. As the fifth largest City in the country, Phoenix must be able to compete economically with other urban markets in a knowledge based economy and light rail construction makes it possible for the City to compete for these types of economic development opportunities.

The Valley Metro Rail system has spurred a massive wave of development across its three member cities: Phoenix, Tempe, and Mesa. Total capital investment along the rail lines now exceeds \$20 billion, with private construction accounting for over \$16 billion of that amount. This investment has fundamentally reshaped the corridor, resulting in the creation of over 50,000 new housing units across the three cities. New urban amenities, like full-service grocery stores, have opened in downtown Phoenix and downtown Tempe, while Arizona State University has expanded its presence in all

three areas, including opening a satellite campus along the light rail in downtown Mesa.

The Planning and Development Department (PDD) has created transit-oriented community (TOC) plans for seven communities situated along the City's growing light rail network and is working to create three additional district plans. TOC allows for planning to go beyond traditional (re)development to accomplish connectivity to multi-modal options. These plans are developed through extensive, equitable, and highly purposeful community engagement processes, resulting in visionary yet practical strategies for how these areas can evolve over the next 10-25 years to benefit from high-capacity transit and walkable urban investments.

The planning processes and the resultant plans answer three fundamental questions: Who We Are, What We Want, and How We Get There. The plans are highly customized to the specific physical, social, and economic needs and aspirations of these individual communities, and the plans contain an implementation roadmap that emphasizes short-term actions for the City (and its partners), the business community and developers, and residents and neighborhoods.

These Council-adopted plans provide land use policy guidance, lay the foundation for future transportation and infrastructure investments, establish policy support for pursuing grant and funding opportunities, and guide diverse stakeholders on how they can help implement the vision.

The Community and Economic Development Department (CEDD) has sought to execute the communities' vision within each TOC Planning Area by attracting private investment for mixed-use development with appropriate urban design and scale. CEDD's efforts include marketing the light rail corridor opportunities, managing assistance tools and processes to develop city-owned property. When utilizing these efforts, CEDD strives to attract privately led projects that meet the TOC vision, supports existing and new businesses, as well as connects and attracts the workforce to employment opportunities.

Since the inception of Metro Light Rail's construction in 2005, there has been \$11.6 billion of capital investment within Phoenix's TOC Planning Areas. Of the \$11.6 billion, 72 percent or \$8.4 billion is comprised of private capital investment. Within Phoenix, we have seen that for each \$1 of light rail's capital costs, about \$3 of private capital investment has been through projects built along the corridor. While the City did not have an initial snapshot of transaction privilege taxes (TPT) along the light rail corridor prior to construction, we can conclude that light rail has a significant positive impact to the City's tax revenues due to the combination of new construction, businesses,

residents, students and visitors using the light rail system and services along the light rail corridor such as restaurants, shops and entertainment venues.

The TOC Areas within Phoenix have seen approximately 12.4 million new gross square feet of commercial space (office and retail), 25,300 new residential units, and nearly 4,100 new hotel rooms developed. Projects such as The Metropolitan, along with several multi-acre City-owned sites for 19 North, the Capitol Extension and South Central, are expected to drive at least another \$5 billion in capital investment. CEDD includes light rail as one of our primary marketing details as a key public transportation and community asset that drives further capital investment and connects people to places.

Responsible Department

This item is submitted by Assistant City Manager Lori Bays, Deputy City Managers Amber Williamson and Alan Stephenson, and the Community and Economic Development, Public Transit and Planning and Development departments.

Report

Agenda Date: 11/12/2025, Item No. 3

Phoenix Sister Cities, Inc. Contract - Request to Award - Citywide

This report requests the Economic Development and the Arts Subcommittee recommend City Council approval to execute a five-year agreement with Phoenix Sister Cities, Inc., beginning July 1, 2026 through June 30, 2031, to support program coordination in youth and education, municipal and technical cooperation, business, and arts and culture with Phoenix's 11 Sister Cities. The total aggregate value of the contract will not exceed \$1,775,000.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

Phoenix Sister Cities, Inc. (PSC) is a 501(c)(3) nonprofit organization established in 1972. It is responsible for coordinating exchange programs in youth and education, municipal and technical cooperation, business, and arts and culture with Phoenix's 11 Sister Cities. Currently, the City has Sister Cities relationships with Calgary, Canada; Catania, Italy; Chengdu, China; Ennis, Ireland; Hermosillo, Mexico; Himeji, Japan; Grenoble, France; Prague, Czech Republic; Ramat-Gan, Israel; Suwon, South Korea; and Taipei, Taiwan.

PSC exists to create people-to-people relationships between the residents of Phoenix and its Sister Cities through commercial, educational, cultural and artistic exchange programs and events that create and sustain global, long-term, international partnerships and business opportunities for Phoenix. The City has contracted with PSC since the mid-1980s. The organization is administered by a Board of Directors composed of PSC Commissioners appointed by the Mayor and approved by the City Council, and the chairpersons of the 11 Sister Cities committees and the Disability Awareness Committee. Currently, five other community members serve as at-large Board members.

During the last contract period, July 1, 2021 through June 30, 2026, PSC coordinated the following:

- Six delegation trips for elected officials, business leaders and members of the community. These delegations visited: Hermosillo, Mexico (2022); Taipei, Taiwan,

Suwon, South Korea, and Himeji, Japan (2023); Ennis, Ireland (2023); Grenoble, France (2024); Catania, Italy (2024); and, Prague, Czech Republic (2025). Each trip included meetings with elected officials, discussions with leaders in the arts and cultural communities, and dialogues and round-tables with business leaders.

- Delegation visits from Suwon, South Korea (2021, 2023 and 2024); Ennis, Ireland (2024); Ramat Gan, Israel (2022); and Taipei, Taiwan (2019). PSC also hosted trade missions from Calgary, Canada (2022, 2023 and 2024) and business missions from Prague, Czech Republic (2022 and 2023).
- Youth Ambassador Exchanges for Phoenix-resident high school sophomores and juniors in 2022, 2023, 2024 and 2025. PSC also worked with Ajou University in Suwon, South Korea, to organize an exchange of law students in 2023, 2024, and 2025.
- Several major cultural events with community partners. In 2022 and 2023, thousands of guests celebrated El Grito, recognizing Phoenix's relationship with Hermosillo, Mexico. In 2022, 2023, 2024, and 2025, Phoenix celebrated Double Ten - Taiwan's national holiday, recognizing Phoenix's relationship with Taipei. This year, Double Ten drew more than 5,000 participants to ASU West for a traditional Asian night market.
- The 2024 and 2025 Phoenix Global Forum, in partnership with the International Economic Forum of the Americas. Drawing hundreds of C-Suite representatives of international companies, participants explored the many issues associated with globalization and the knowledge required to realize long-term sustainable growth.
- The negotiation and ultimately successful signing of a Sister Cities agreement with Suwon, South Korea in October 2021.
- The development of a soft-landing for companies from Phoenix's sister cities. Currently, two companies from Taiwan and two companies from Calgary, Canada, are residents at Galvanize.

Beginning in Fiscal Year (FY) 2026-27, funding for PSC will support:

- Youth Ambassador scholarships to increase opportunities for youth/families unable to afford program costs (e.g., airfare, hosting);
- Staff support for the adoption of up to four new Sister Cities: Braga, Portugal; a city in Africa - discussions are underway with Cape Town, South Africa; Medellin, Colombia; and a city in Australia - perhaps in the region around Melbourne (contingent upon City Council approval);
- Staff support for Business Development programs - including a project to increase foreign direct investment in Phoenix; and expansion of efforts to attract businesses from Phoenix's Sister Cities; and
- Support for programming associated with the 50th anniversaries with Sister Cities

Hermosillo, Mexico (2026); Himeji, Japan (2026); and, Taipei, Taiwan (2029).

The estimated annual expenditures for the five-year contract term are as follows:

- FY 2026-27 \$345,000
- FY 2027-28 \$350,000
- FY 2028-29 \$355,000
- FY 2029-30 \$360,000
- FY 2030-31 \$365,000

Procurement Information and Contract Term

In compliance with Section I, Paragraph 6 of Administrative Regulation 3.10, this procurement is a Special Circumstance Without Competition Determination. If approved, the term of this new five-year contract will be July 1, 2026 through June 30, 2031. There are no options to extend this contract beyond the five-year period.

Financial Impact

The total aggregate value of the five-year contract will not exceed \$1,775,000. Funding is available in the Community and Economic Development Department Operating Budget.

Responsible Department

This item is submitted by Assistant City Manager Lori Bays and the Community and Economic Development Department.

Report

Agenda Date: 11/12/2025, Item No. 4

Employer-Developed Registered Apprenticeship Program Memoranda of Understanding with Maricopa County Community College District and Northern Arizona University - Citywide

This report requests the Economic Development and the Arts Subcommittee recommend City Council approval to enter into Memorandums of Understanding (MOUs) with the Maricopa County Community College District (MCCCD) and Northern Arizona University (NAU) to provide related technical instruction (RTI) and educational services for the Phoenix Business and Workforce Development Board (Board) employer-developed apprenticeship programs. The aggregate value of these contracts will not exceed \$650,000.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

The Board provides strategic guidance for workforce programs under the Workforce Innovation and Opportunity Act (WIOA), collaborating with employers, education institutions, and state agencies to develop career pathways in high-demand sectors. As outlined in its strategic plan, the Board has identified apprenticeship expansion as a key strategy to strengthen the regional talent pipeline and address employer workforce needs. While the Board offers strategic oversight and program sponsorship, the Community and Economic Development Department (CEDD) serves as the registered apprenticeship program sponsor and fiscal intermediary. In this role, CEDD is responsible for executing agreements, managing funds, and ensuring compliance with all applicable state, federal, and City requirements. These employer-developed apprenticeship programs are separate from and not a part of the City of Phoenix's existing registered apprenticeship training programs.

Apprenticeships combine paid employment with structured related technical instruction, allowing participants to earn while they learn. Nationally, 93 percent of apprentices remain employed after completion, and every \$1 invested in apprenticeship programs yields a \$1.47 return on investment. The Board, in partnership with the U.S. Department of Labor's (USDOL) industry Intermediary, the

National Institute for Industry and Career Advancements (NIICA), collaborated with education and industry partners to develop standardized training programs that can be replicated across employers.

In January 2024, CEDD registered its first Employer-Developed Registered Apprenticeship program in semiconductor and advanced manufacturing for Industrial Maintenance Technician (Facilities Technician), in partnership with the MCCCCD and TSMC Arizona Corporation. Subsequently, two additional programs were launched:

- Manufacturing Technician Apprenticeship - Equipment Technician (12-18 months)
- Nanotechnology Technician Apprenticeship - Process Technician (24-36 months)

These programs were developed collaboratively with NAU and MCCCCD's Estrella Mountain, and Rio Salado Community College. They provide clear pathways for participants to advance within the semiconductor and advanced manufacturing sectors. Estimated program costs per participant range from \$1,300 to \$5,000, with future cohorts estimated at approximately \$216,666 annually, reflecting the investment required to deliver high-quality training and support services.

The first apprenticeship program, with eight Facilities Technicians, began in April 2024 and was supported through the City's AZQuest Grant, a USDOL National Dislocated Worker Grant in partnership with the Arizona Office of Economic Opportunity. A second cohort, including 10 Process Technicians, 18 Manufacturing Technicians, and 18 Facilities Technicians was supported by a \$127,502 grant from the SEMI Foundation through the Arizona Commerce Authority Apprenticeship Expansion Grant.

To ensure program quality and accountability, MOUs will be established with MCCCCD and NAU. These MOUs will outline classroom instruction to ensure alignment with approved apprenticeship standards and require regular progress reports and data-sharing provisions to track enrollment.

CEDD will coordinate with education partners and employers to deliver related technical instruction, maintain participant and employer records, and report outcomes through the U.S. Department of Labor's Register Apprenticeship Partners Information System (RAPIDS), coordinate with Arizona Department of Economic Security Apprenticeship Office, and promote apprenticeship opportunities within the community.

This item aligns with the Phoenix Business and Workforce Development Board's Strategic Plan, approved by the Board on March 21, 2024, which identified Registered Apprenticeships as a key strategy to strengthen employer partnerships and create sustainable career pathways in high-demand industries. Additionally, this effort is in

alignment with the City's strategic plan focus on Economic Development and Education and CEDDs goals to develop a skilled workforce in high-growth and high-wage sectors.

Contract Term

The term of the agreements will be three years with one two-year renewal option.

Financial Impact

The total aggregate value of the contracts will not exceed \$650,000. Funding for this program will be provided by employer agreements and funding from other entities. There is no impact to the General Fund.

Responsible Department

This item is submitted by Assistant City Manager Lori Bays and the Community and Economic Development Department.

Report

Agenda Date: 11/12/2025, Item No. 5

Employer-Developed Registered Apprenticeship Employer Program Contracts - Citywide

This report requests the Economic Development and the Arts Subcommittee recommend City Council approval to contract with employers and other entities that will participate in employer-developed Registered Apprenticeship Programs and provide funding to support these programs.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

The Phoenix Business and Workforce Development Board (Board) provides strategic guidance for workforce programs and coordinates efforts with employers, education partners, and state agencies to develop career pathways in high-demand sectors for the City of Phoenix. The Board was established as a requirement of the City's Workforce Innovation and Opportunity Act (WIOA) grant funds, in addition to providing this critical community stakeholder feedback and direction for Phoenix. The Board identified apprenticeship expansion as a key focal point in its strategic plan to strengthen the regional talent pipeline and meet employer workforce needs. These employer-developed apprenticeship programs are separate from and not a part of the City of Phoenix's existing registered apprenticeship training programs.

While the Board provides strategic oversight and program sponsorship, the City, through the Community and Economic Development Department (CEDD), serves as the registered apprenticeship program sponsor and fiscal intermediary. In this role, CEDD is responsible for executing contracts, managing funds, and ensuring compliance with all applicable state, federal, and City requirements. Working with the U.S. Department of Labor's (DOL) industry Intermediary, the National Institute for Industry and Career Advancements (NIICA), the Board collaborated with education and industry partners to create training standards for Registered Apprenticeship Programs that can be replicated across employers. In January 2024, the City registered its first apprenticeship program in the semiconductor and advanced manufacturing field for Industrial Maintenance Technicians (Facilities Technicians) in partnership with the Maricopa Community College District (MCCCD) and TSMC Arizona Corporation. Subsequently, two additional programs were launched:

- Manufacturing Technician Apprenticeship - Equipment Technician (Program length: 12-18 months).
- Nanotechnology Technician Apprenticeship - Process Technician (Program length: 24-36 months).

The Registered Apprenticeship Programs were developed collaboratively with MCCC'D's Estrella Mountain and Rio Salado community colleges, and Northern Arizona University (NAU). These programs provide a pathway for participants to advance within the semiconductor and advanced manufacturing sectors. Apprenticeships combine paid employment with structured Related Technical Instruction (RTI), allowing participants to earn while they learn. Nationally, 93 percent of apprentices remain employed after completion, and every \$1 invested in apprenticeship programs, yields a \$1.47 return on investment.

The first apprenticeship program, with eight Facilities Technicians, began in April 2024, and was supported through the City's AZQuest Grant, a DOL National Dislocated Worker Grant in partnership with the Arizona Office of Economic Opportunity. A second cohort, including 10 Process Technicians, 18 Manufacturing Technicians, and 18 Facilities Technicians costing \$127,502, was funded by the SEMI Foundation through the Arizona Commerce Authority Apprenticeship Expansion Grant. Moving forward, the estimated program costs per participant ranges from \$1,300 to \$5,000, with future cohorts estimated at approximately \$216,666 annually, reflecting the investment required to deliver high-quality training and support services.

If approved, CEDD will coordinate with education partners and employers to ensure delivery of RTI, maintain participant and employer records and report outcomes through the DOL Registered Apprenticeship Partners Information Database System (RAPIDS), coordinate with the Arizona Department of Economic Security Apprenticeship Office, and promote apprenticeship opportunities within the community. Staff will also administer employer contracts, monitor wage progression schedules, and ensure equal opportunity compliance. Through its sponsorship role, the City provides employers with a streamlined pathway to participate in Registered Apprenticeship Programs while ensuring accountability, quality, and alignment with the Board's and City's workforce priorities.

Employer contracts will: 1) define on-the-job training standards, mentorship expectations, and performance reporting; 2) ensure compliance with safety, nondiscrimination, and equal opportunity laws; 3) require submission of apprentice progress, hours worked, and wage updates; and 4) specify funding obligations to

support the apprenticeships, education, administrative and compliance costs. CEDD will oversee program operations, including employer outreach, coordination with partners, management of funds, and collaboration with the Arizona Department of Economic Security Apprenticeship Office.

The program is currently supported by staff funded by WIOA; however, approval of this action would allow the City to off-set staff and administrative costs through the funding received the employer agreements and other entities.

Contract Term

The term of the contracts will be three years.

Financial Impact

The total aggregate value of the contracts will not exceed \$650,000. Funding will be provided through the employer agreements. There is no impact to the General Fund.

Responsible Department

This item is submitted by Assistant City Manager Lori Bays and the Community and Economic Development Department.