



# Agenda

## Economic Development and Equity Subcommittee

Wednesday, April 27, 2022

10:00 AM

City Council Chambers

### **OPTIONS TO ACCESS THIS MEETING**

#### ***Request to speak at a meeting:***

- **Register online** by visiting the City Council Meetings page on phoenix.gov **at least 1 hour 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=eb992699e24c0b702d968aefaa1dc7a9e>

- **Register via telephone** at 602-262-6001 **at least 1 hour 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.

#### ***At the time of the meeting:***

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

- **Call-in** to listen to the meeting. Dial 602-666-0783 and Enter Meeting ID · # **2555 085 6406**(for English) or # **2559 934 9749** (for Spanish). Press # again when prompted for attendee ID.

#### ***Para nuestros residentes de habla hispana:***

- **Para registrarse para hablar en español**, llame al 602-666-0783 **al menos 1 hora 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 # **2559 934 9749** 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 # **2559 934 9749** Se proporciona interpretación simultánea para nuestros residentes durante todas las reuniones.

## **CALL TO ORDER**

## **000 CALL TO THE PUBLIC**

## **MINUTES OF MEETINGS**

### **1 Minutes of the Economic Development and Equity Subcommittee Meeting Page 7**

This item transmits the minutes of the Economic Development and Equity Subcommittee Meeting on March 23, 2022 for review, correction or approval by the Economic Development and Equity Subcommittee.

#### **THIS ITEM IS FOR POSSIBLE ACTION.**

#### **Responsible Department**

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

## **CONSENT ACTION (ITEM 2)**

### **2 Greater Phoenix Economic Council Annual Contract**

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This report requests the Economic Development and Equity Subcommittee recommend City Council approval to enter into an agreement with the Greater Phoenix Economic Council. The cost for Fiscal Year 2022-23 will not exceed \$798,306.

**THIS ITEM IS FOR CONSENT ACTION.**

**Responsible Department**

This item is submitted by Deputy City Managers Ginger Spencer, Mario Paniagua and Karen Peters, and the Aviation, Public Works, Water Services and Community and Economic Development departments.

**INFORMATION AND DISCUSSION (ITEMS 3- 4)**

**3 Interactive Digital Kiosks Recommendation and Agreement Authorization**

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This report provides information to the Economic Development and Equity (EDE) Subcommittee on staff's recommendation for City Council approval: 1) to enter into an agreement with IKE Smart City, LLC, to provide interactive digital kiosks in downtown Phoenix; 2) for one additional Street Transportation Department position funded by advertising revenues paid to the City by IKE Smart City, LLC through the interactive digital kiosk agreement; and 3) for an exception to Phoenix City Code 3-8 to allow off-site (off-premise) advertising on the interactive digital kiosks in public right-of-way. Attachment A provides the advertising standards the vendor will be required to follow.

**THIS ITEM IS FOR INFORMATION AND DISCUSSION.**

**Responsible Department**

This item is submitted by Deputy City Manager Mario Paniagua and the Street Transportation Department.

4 **2023 Super Bowl LVII Update**

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This report provides information to the Economic Development and Equity Subcommittee on planning and coordination efforts underway in preparation for Super Bowl LVII in February 2023.

**THIS ITEM IS FOR INFORMATION AND DISCUSSION.**

**Responsible Department**

This item is submitted by Deputy City Manager Inger Erickson and the Phoenix Convention Center Department.

**DISCUSSION AND POSSIBLE ACTION (ITEMS 5-6)**

5 **Downtown Redevelopment Tools Update**

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Staff will provide an overview and update to the Economic Development and Equity Subcommittee regarding two of the six Economic Development tools that are available to bring about redevelopment and new development opportunities in Downtown, and in some cases, around the City. Staff requests the Economic Development and Equity Subcommittee's input and guidance with respect to the use of these development tools.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

**Responsible Department**

This item is submitted by City Manager Jeffrey Barton, Deputy City Manager Ginger Spencer, the Community and Economic Development and Law Departments and the Office of Government Relations.

**6 Authorization to Enter into Development Agreement and other Agreements with Concord Wilshire Capital, LLC for the Redevelopment of Metrocenter Mall and the Acquisition and Construction of Public Parking Garages**

This report requests the Economic Development and Equity Subcommittee recommend City Council approval to enter into a development agreement with Concord Wilshire Capital, LLC or its City-approved designee (Developer) for the redevelopment of the former Metrocenter Mall and the construction and acquisition of up to nine public parking garages, as well as a garage asset management agreement and other agreements as necessary.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

**Responsible Department**

This item is submitted by Deputy City Manager Ginger Spencer and the Community and Economic Development Department.

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



## **Minutes of the Economic Development and Equity Subcommittee Meeting**

This item transmits the minutes of the Economic Development and Equity Subcommittee Meeting on March 23, 2022 for review, correction or approval by the Economic Development and Equity 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.

**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



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## Greater Phoenix Economic Council Annual Contract

This report requests the Economic Development and Equity Subcommittee recommend City Council approval to enter into an agreement with the Greater Phoenix Economic Council. The cost for Fiscal Year 2022-23 will not exceed \$798,306.

### **THIS ITEM IS FOR CONSENT ACTION.**

#### **Summary**

Greater Phoenix Economic Council's (GPEC) mission is to attract and grow quality businesses and advocate for Greater Phoenix's competitiveness. GPEC's efforts include marketing the region, coordination of regional prospect proposals and real estate tours, domestic and international sales missions, and other strategic activities resulting in business investment in the region.

The City of Phoenix has been a member of GPEC since the organization's inception in 1989. The annual fee for each GPEC member in Maricopa County is calculated using the per capita rate of \$0.4897, which is the same as last year, and is based on the most current population estimates from the Arizona Office of Economic Opportunity. The 2021 population estimate for Phoenix is 1,630,195. Based on this formula, the Fiscal Year (FY) 2022-23 agreement amount is \$798,306, which will be shared equally by the Aviation, Public Works, Water Services, and Community and Economic Development departments.

Staff recommends City Council approval to enter into a one-year contract with GPEC for FY 2022-23 for business attraction and development services. GPEC specifically collaborates with the Community and Economic Development Department every year to generate prospects and attract new business investment from outside the region. To date for FY 2021-22, GPEC has helped locate 38 companies to the region, expecting to create more than 8,628 jobs and make capital investments totaling nearly \$2.90 million. So far, 12 of those companies have chosen to locate in Phoenix.

GPEC represents 23 municipalities in the region including Maricopa County and conducts a variety of diverse and value-added services and activities on behalf of its members. In addition to the public sector members, more than 170 private investors

contribute resources to support GPEC's efforts.

**Contract Term**

The term of this one-year contract is July 1, 2022 to June 30, 2023.

**Financial Impact**

Based on the formula, the FY 2022-23 contract amount is \$798,306, which will be shared equally by the Aviation, Public Works, Water Services and Community and Economic Development departments.

**Responsible Department**

This item is submitted by Deputy City Managers Ginger Spencer, Mario Paniagua and Karen Peters, and the Aviation, Public Works, Water Services and Community and Economic Development departments.



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## Interactive Digital Kiosks Recommendation and Agreement Authorization

This report provides information to the Economic Development and Equity (EDE) Subcommittee on staff's recommendation for City Council approval: 1) to enter into an agreement with IKE Smart City, LLC, to provide interactive digital kiosks in downtown Phoenix; 2) for one additional Street Transportation Department position funded by advertising revenues paid to the City by IKE Smart City, LLC through the interactive digital kiosk agreement; and 3) for an exception to Phoenix City Code 3-8 to allow off-site (off-premise) advertising on the interactive digital kiosks in public right-of-way. Attachment A provides the advertising standards the vendor will be required to follow.

### **THIS ITEM IS FOR INFORMATION AND DISCUSSION.**

#### **Summary**

Static kiosks have been used in downtown areas across the United States, including Phoenix for many years to convey information to residents and visitors about upcoming community events, public meetings, and other pertinent information for residents and visitors. Technology advances have allowed for a more interactive experience with interactive digital kiosks that have a touch-screen design to provide real-time information. Digital kiosks can now provide free WiFi access, emergency call access, way-finding, local business advertisement opportunities, access to services, and local employment information. Interactive digital kiosks have been deployed in major cities across the United States and locally in Mesa and Tempe.

Based on discussions with Council Members and downtown stakeholders, the Street Transportation Department (Streets) has been working to provide interactive digital kiosks as an innovative way to enhance visitor and resident experiences, promote events, provide directions, explore venues, post job opportunities, offer social services, conduct surveys, and generate additional revenue to the City.

This item has been reviewed and approved by the Information Technology Services Department.

With a few exceptions, Phoenix City Code 3-8 prohibits advertising in public right-of-way. The digital interactive kiosks that will be operated and maintained by IKE Smart

City, LLC will be installed in the public right-of-way. As approved, the digital interactive kiosks in the public right-of-way would be granted an exception to Phoenix City Code 3-8 to allow off-site (off-premise) advertising.

### **Procurement Information**

Streets conducted a Request for Information (RFI) process last Fall for Interactive Digital Kiosks at the request of the TIP Subcommittee. Staff intended to utilize the RFI and industry responses to identify industry best practices, constraints, opportunities, and interested vendors. Eight firms responded to the RFI.

Based on the RFI responses, Streets issued a Request for Proposal (RFP) for Interactive Digital Kiosks in January 2022. Three firms responded to RFP 63-2213 with one firm deemed non-responsive. Following a review of the proposals, in consideration of the RFP criteria, the evaluation panel deemed IKE Smart City, LLC to have the most responsive and responsible proposal.

The selection was made using a competitive procurement process in accordance with Phoenix City Code Chapter 43 and Administrative Regulation 3.10.

The evaluation panel consisted of staff from the Public Transit, Street Transportation, and Community and Economic Development departments and a representative from the Communications Office. Each proposal was evaluated and scored on the following criteria (1,000 total possible points):

- Method of Approach - 250 Points
- Revenue Sharing Plan - 250 Points
- Specifications and Technical Abilities - 200 Points
- Qualifications and Experience - 125 Points
- Content Management and Communications System - 75 Points
- Value Added Services - 75 Points
- References - 25 Points

The evaluation committee recommendations were reached by consensus in consideration of the published selection criteria. The results are as follows:

#### Selected Firm

IKE Smart City, LLC: Rank 1

#### Additional Proposer

Smart City Media, LLC: Rank 2

### **Contract Term**

The initial term will be for five years, with an option for one five-year extension.

### **Financial Impact**

This is a revenue-generating contract only with no capital outlay required by the City. Annually, IKE Smart City, LLC will pay to the City, the greater of 32 percent of Gross Advertising Revenues, or \$14,000 per kiosk in years one through five, increasing at 10 percent every five years thereafter. Based on the initial deployment of 20 kiosks, the minimum annual guaranteed (MAG) revenue is \$280,000 or approximately \$2.94 million over the life of the contract with extensions included.

All expenses will be borne by the advertising contractor. The MAG will not decrease below the level of annual revenue outlined. Annually, the City will be paid the percentage of gross advertising sales revenue or the MAG; whichever is greater. Streets will utilize the annual revenues to cover the costs of the additional staff time for the City to manage and administer the interactive digital kiosks contract.

The City will also receive 12.5 percent of advertising time at no cost to the City to be dedicated to promote civic content and \$550,000 in annual advertising for Phoenix across IKE Smart City, LLC kiosks and large format signs in more than 25 markets where IKE Smart City, LLC operates.

The one additional Street Transportation Department position requested will be funded entirely by advertising revenues paid to the City by IKE Smart City, LLC through the interactive digital kiosk agreement.

### **Concurrence/Previous Council Action**

The Transportation, Infrastructure and Planning Subcommittee:

- Heard this item on Sept. 15, 2021; and
- Recommended City Council approval on April 20, 2022, by a vote of 4-0.

The Economic Development and Equity Subcommittee heard this item on Oct. 27, 2021.

### **Location**

Council Districts: 7 and 8

### **Responsible Department**

This item is submitted by Deputy City Manager Mario Paniagua and the Street Transportation Department.

# Attachment A

## KIOSK ADVERTISING STANDARDS

A. It is the intent of the City of Phoenix Street Transportation Department that all advertising on interactive digital kiosks are non-public forums and are set aside only for commercial advertisements or for City-specific services.

B. The City's primary purpose for the kiosk advertisements, outside of informing the public about City services, is generating revenue.

C. Kiosk advertising must be compliant with the Federal Trade Commission (FTC) Laws, specifically Section 5 of the FTC Act (truth-in-advertising).

1. Under the law, claims in advertising must be truthful, cannot be deceptive or unfair, and must be evidence-based
2. Disclosures must be clear and conspicuous
3. Consumer protection laws must be followed

D. Other than for City-specific services, no advertising will be accepted for use on any kiosk that fails to comply with the following standards:

1. The subject matter of and the speech in the advertisement must be limited to a proposed commercial transaction.
2. The advertising must not:
  - a. Be false, misleading, or deceptive.
  - b. Relate to an illegal activity.
  - c. Contain non-commercial speech.
  - d. Advertise or depict, by language or graphics, violence or anti-social behavior.
  - e. Advertise or depict language, gestures, conduct, or graphical representations that are obscene, pornographic, vulgar, profane, or scatological.
  - f. Depict a nude or seminude person, as those terms are defined in Section 11-811, Arizona Revised Statutes, or the exposed buttocks of any person.
  - g. Depict, relate to, or reference a website or other medium that relates to specified sexual activities or specified anatomical areas as those terms are defined in Section 11-811, Arizona Revised Statutes.

## **Attachment A**

- h. Advertise or depict the use of tobacco, vaping or smoking products, including if the product is advertised or depicted in a non-smoking form.
- i. Advertise or depict the use of spirituous liquor as that term is defined in Section 4-101, Arizona Revised Statutes:  
On kiosks located less than 600 feet from a church or similar structure of worship, or school building.



## 2023 Super Bowl LVII Update

This report provides information to the Economic Development and Equity Subcommittee on planning and coordination efforts underway in preparation for Super Bowl LVII in February 2023.

### **THIS ITEM IS FOR INFORMATION AND DISCUSSION.**

#### **Summary**

On June 2, 2021, the National Football League (NFL) and Arizona Super Bowl Host Committee announced that Super Bowl LVII will be played on Sunday, February 12, 2023. While State Farm Stadium in Glendale will be the site of the game, a majority of official fan-related activities and events will be focused in downtown Phoenix over multiple days including the Phoenix Convention Center, Symphony Hall, and other City-owned venues to be announced. This marks the fourth time that the Greater Phoenix region will host the Super Bowl. Arizona last hosted Super Bowl XLIX in 2015 which generated a record economic impact of \$720 million for the region and brought more than one million people to downtown Phoenix. To ensure that Phoenix shines under this global spotlight, the City established a Super Bowl Steering Committee which will be utilized to support the planning efforts of the NFL and Arizona Super Bowl Host Committee.

The City Super Bowl LVII Steering Committee includes representatives from multiple City departments to ensure citywide collaboration, communication, and accountability in planning and coordination in critical areas of event planning, communications, permitting, operational logistics and incident management. The Steering Committee structure includes 10 Working Groups responsible for developing operational plans and coordination between City departments and partner agencies to ensure successful event implementation of the many activities related to the Super Bowl.

#### City of Phoenix Super Bowl LVII Steering Committee Working Groups:

- Airport Coordination
- Business Licensing
- Downtown Community Outreach
- Green Initiatives

- Marketing & Communications
- Parking Coordination
- Permitting, Zoning, Signage
- Public Safety
- Public Transit
- Streets & Traffic

Staff from Arizona Super Bowl Host Committee, Greater Phoenix Convention and Visitors Bureau, and Downtown Phoenix Inc. are also members of the Steering Committee and participate in various Working Groups. The Steering Committee began meeting regularly since January 2022.

The Arizona Super Bowl Host Committee, represented by President and CEO Jay Parry and Senior Vice President, Kyle Hedstrom, will present an overview of downtown event programming for Super Bowl LVII.

**Location**

Citywide

**Responsible Department**

This item is submitted by Deputy City Manager Inger Erickson and the Phoenix Convention Center Department.



## **Downtown Redevelopment Tools Update**

Staff will provide an overview and update to the Economic Development and Equity Subcommittee regarding two of the six Economic Development tools that are available to bring about redevelopment and new development opportunities in Downtown, and in some cases, around the City. Staff requests the Economic Development and Equity Subcommittee's input and guidance with respect to the use of these development tools.

### **THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

#### **Summary**

Over the course of the next three meetings, staff from the Community and Economic Development Department (CEDD) will present an update to the Economic Development and Equity Subcommittee on the development and redevelopment tools available in Downtown Phoenix, and for particular programs, around the balance of the City. At this meeting, CEDD staff will be joined by the Office of Government Relations and the Law Department to discuss the Theme Park legislation and to provide an overview of opportunities relating to a Downtown entertainment "district." Staff is seeking Subcommittee direction regarding the use of redevelopment tools for the future of Downtown.

Future topics will include:

- Government Property Lease Excise Tax
- Strategic Economic Development Fund
- Historic Preservation Funding
- Infrastructure Investments

#### **Location**

Downtown Phoenix, generally bounded by McDowell Road on the north, 7th Street on the east, 7th Avenue on the west, and on the south by Grant Street.

Council Districts: 7 and 8

#### **Responsible Department**

This item is submitted by City Manager Jeffrey Barton, Deputy City Manager Ginger Spencer, the Community and Economic Development and Law Departments and the Office of Government Relations.



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**Authorization to Enter into Development Agreement and other Agreements with Concord Wilshire Capital, LLC for the Redevelopment of Metrocenter Mall and the Acquisition and Construction of Public Parking Garages**

This report requests the Economic Development and Equity Subcommittee recommend City Council approval to enter into a development agreement with Concord Wilshire Capital, LLC or its City-approved designee (Developer) for the redevelopment of the former Metrocenter Mall and the construction and acquisition of up to nine public parking garages, as well as a garage asset management agreement and other agreements as necessary.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

**Summary**

Developer is under contract to purchase five parcels, totaling an estimated 79 acres, located at the former Metrocenter Mall located at 9817 N. Metro Pkwy. W (Site). Developer intends to demolish the former mall, which closed in June 2020 and redevelop the property transforming it into a mixed-use project (Project) supporting City redevelopment goals. Site is located in the North Mountain Redevelopment Area established by Council in 2014, which contemplates revitalization of the former mall. At full build-out, the project will contain an estimated 3,200 multi-family units, 383,000 square feet of retail & commercial space, a public greenspace and an estimated 5,786 parking spaces located in up to nine (9) parking garages throughout the Site. The Project is intended to be built in three (3) phases and at full-build-out will represent a total capital investment of \$935.9 Million.

The City recognizes the significant economic impact of the redevelopment, and has identified a need for public parking facilities to accommodate additional densities as authorized by the Planned Unit Development (PUD) approved by Council in 2016. To assist with the redevelopment, staff recommends the City enter into a Development Agreement (DA) with the Developer. The proposed DA shall contain the following business terms that have been negotiated by Staff and the Developer:

- Developer shall have six (6) months from Council authorization to enter into the DA and secure additional parcels to construct the Project. Any deviation to the parcels

composing the Site and the resulting Project must be approved by the CEDD Director.

- Developer shall finance, develop and construct all Project improvements and must comply with Title 34 of Arizona Revised Statutes for any improvements proposed to be transferred to City ownership.
- Parking garage assets constructed by Developer shall be transferred to City-ownership once it has received a Certificate of Occupancy (CofO) and Developer has satisfied all environmental and real estate due diligence on each garage parcel to the City's satisfaction. Each garage will be built on the Site, but the exact locations of each garage parcel will be subject to further negotiation between the Developer and City staff.
- Each parking garage asset, land and structure, has an estimated value of \$16.4 Million. City shall reimburse Developer the cost of construction, a commercially reasonable management fee of up to 4.5%, and the fair market value of the land as verified by a City-approved appraisal.
- Upon transfer of the first garage of the Project, a Metrocenter Garage Revenue Fund shall be established to collect all user revenue. The fund shall be utilized to pay all annual operations and maintenance (O&M) costs as well as fund a capital reserve for long-term capital needs.
- Each garage shall contain easement agreements with the property owners within the Site. Easements shall contain terms & conditions obligating properties who benefit from the easements to pay sufficient annual O&M and capital costs to operate and maintain each garage. These annual amounts shall be determined by an independent third-party feasibility analysis.
- Upon the initial date of transfer to the City of first garage constructed through the agreement, the City shall dedicate 100% of the City's general fund portion of construction, lease, retail and other eligible transaction privilege tax dollars (TPT), as verifiable by the City, to the Garage Revenue Fund for a period of 25 years, from two geographies described below:
  1. Project Site Area: Includes the Site location upon completion of each phase improvements as described above. Within the Project Site Area, 100% of the City's general fund portion of eligible TPT generated from eligible activities will be dedicated to the Metrocenter Garage Revenue Fund for a period of 25 years from the completion of each garage. The term for each phase will begin upon completion of the phase and continue for a period of twenty-five years after. The eligible TPT generated for each phase is estimated at \$58.6 Million total over the term of the agreement. This amount includes an estimated \$3.43 Million of Construction Sales Tax, which will be generated prior to the 25 year term, but will not be deposited into the Metrocenter Garage Revenue Fund until the Developer receives a CofO for a Parking Garage Asset.

2. **Benefited Area:** Bounded by 35th Avenue to the West, Peoria Ave. to the North, I-17 to the East and the Arizona Canal to the South. This area is designed to capture increased economic activity resulting from the Project, but beyond the boundaries of the Site. In this area, for a period of 25 years from the completion of the first phase, 100% of the City of Phoenix general fund portion of eligible TPT generated from economic activity over and above the current baseline amount of TPT generated as of FY 2021-2022 will be deposited into the Metrocenter Garage Revenue Fund. The total eligible TPT in this area is estimated at \$9.2 Million total over the 25-year period.
- Once annual O&M and capital requirements for all garages are satisfied, the City shall make an annual payment to the Developer for a period of not longer than 25 years for each phase in the amount of the TPT deposited into the Metrocenter Garage Revenue Fund plus the user generated revenue, less the O&M and capital expenses. The aggregate value of these payments shall not exceed the acquisition value of the garages. Any additional funds remaining in the Metrocenter Garage Revenue Fund after completion of the payments for the last garage would be the property of the City.
  - Should the revenues pledged by the City from TPT collections, construction sales tax reimbursements, and annual payments from the Garage Revenue Fund over the term of the DA not equal the acquisition cost for any garage, the City shall have no obligation to address any shortfall. The City's financial contribution is limited to these aforementioned sources.
  - Developer shall have the option to enter into a management agreement with the City to manage the garages and the Metrocenter Garage Revenue Fund.
  - Parking Garages shall be open to public and parking revenue generated by public parking, special event parking, surface parking revenue, etc., will be contributed towards the Metrocenter Garage Revenue Fund.
  - Developer shall have the following construction performance benchmarks:
    1. Within twenty-four (24) months of signing the DA, Developer shall obtain demolition permits for the existing mall structure and receive the first building permit for the Project.
    2. Within thirty-six (36) months of receiving the aforementioned permits, Developer shall receive CofO for the first phase of the Project.
    3. Following completion of the first phase, Developer shall have thirty-six (36) months to receive a CofO for each subsequent phase of the Project in order to retain eligibility for any reimbursements.
  - Public access to the greenspace constructed adjacent to the future LRT Station shall be secured through a perpetual easement agreement with the Developer.
  - Developer will have a first right of refusal to purchase any garages from the City at fair market value at the conclusion of the twenty-five (25) year reimbursement

period.

- The DA will include other terms and conditions as needed.

Developer and the City are discussing the potential of the establishment of a Community Facilities District (CFD) to facilitate development of the Project. Should Developer intend to utilize a CFD, the Developer shall file an application with the City pursuant to Arizona Revised Statutes (ARS), title 48, chapter 4, article 6 (A.R.S. Sections 48-701 to 48- 724) and the City's CFD Financial Policy and Process Guidelines. Should the Developer file and complete the CFD application process, staff will review and an item will be placed on a future Council Agenda to request the formal creation of the CFD. Staff requests to collaborate with Developer on this application should the Developer select this option for the Project.

### **Project Timeline**

- Summer 2022 - Developer completes real estate transactions to acquire Site
- Fall 2022/Winter 2023 - Demolition of former Metrocenter Mall
- Early 2023 - Commence Construction of Phase 1
- Late-2024 - Early-2025 - Completion of Phase 1
- 2025 - 2027 - Phase 2 Construction
- 2027 - 2029 - Phase 3 Construction
- 2029 - Completion of All Phases

### **Financial Impact**

The City's financial impact will be the contribution of City of Phoenix share of eligible general fund sales taxes generated from the properties located within the Project Site and new sales taxes generated in the surrounding Benefited Area. Staff estimates the following TPT proceeds (General Fund portion only) to be generated and pledged to acquisition of the Garage Assets:

#### Project Area Generated TPT

An estimated total of \$58.6 Million for Project Area Generated TPT. The first phase is anticipated to receive a Certificate of Occupancy in FY 2024-25. Construction Sales Tax will be generated as early as FY 2022-23, but will not be reimbursed until CofO is received.

#### Benefited Area Generated TPT

An estimated total of \$9.2 Million.

The estimated TPT generated and pledged to the project from the above categories is \$67.8 Million.

Only revenue generated by the Project within the Project Site or the Benefited Area shall be used for reimbursements. No other City revenues beyond these two geographies and the revenue from the garages shall be utilized.

The Project is expected to generate \$89.4 Million in non-General Fund TPT Revenues over 25 years. Furthermore, the Project will be at the center of an important economic development opportunity that will create several thousand new jobs for the community.

**Concurrence/Previous Council Action**

None.

**Public Outreach**

Staff and the Developer presented the Project to the North Mountain Village Planning Committee on April 20, 2022, a meeting of District 1 Residents on April 25, 2022, and a meeting of the Metro District Community Collaboration Group to be held on April 27, 2022.

**Location**

9817 N Metro Pkwy N.  
Council District: 1

**Responsible Department**

This item is submitted by Deputy City Manager Ginger Spencer and the Community and Economic Development Department.