

City of Phoenix

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



City of Phoenix

Agenda

Wednesday, March 26, 2025

10:00 AM

City Council Chambers

Economic Development and Housing Subcommittee

*Vice Mayor Ann O'Brien, Chair
Councilwoman Kesha Hodge Washington
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=e856b7db1bcefa7218a292d312bf772ef>

- 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.

In-Person Requests to speak at a meeting:

- 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 in-person from the Upper Chambers, Lower Chambers or City Hall depending on seating availability.

Para nuestros residentes de habla hispana:

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- 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 2552 093 1309#. 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 Housing Subcommittee Meeting

Page 6

Attachments

[Attachment A - February 12, 2025 EDH Minutes.pdf](#)

CONSENT ACTION (ITEMS 2-5)

- | | | |
|---|---|---------|
| 2 | Southeast Corner of Central Avenue and Broadway Road - Authorization to Issue Disposition and Redevelopment Solicitation - District 7 | Page 12 |
| 3 | 7th Avenue and Washington Street - Authorization to Issue Disposition and Redevelopment Solicitation | Page 15 |
| 4 | Authorization to Enter into a Membership Agreement with Downtown Phoenix Inc. | Page 18 |
| 5 | U.S. Department of Housing and Urban Development Five-Year Agency Plan and Annual Plans - Citywide | Page 20 |

INFORMATION ONLY (ITEMS 6-7)

- | | | |
|---|---|---------|
| 6 | Head Start Birth to Five Monthly Report - January - Districts 1, 3, 4, 5, 7 and 8 | Page 23 |
| | <i>Attachments</i> | |
| | Attachment A - January Fiscal Expenditures.pdf | |
| | Attachment B - Standards of Conduct Monitoring Report.pdf | |
| | Attachment C - January Attendance.pdf | |
| | Attachment D - January Medical and Dental Exams.pdf | |
| | Attachment E - January Program Information Summaries.pdf | |
| | Attachment F - ACF-OHS-IM-25-02.pdf | |
| 7 | Downtown Redevelopment Area Plan Update | Page 37 |

INFORMATION AND DISCUSSION (ITEM 8)

- | | | |
|---|--------------------------------|---------|
| 8 | Phoenix Bioscience Core Update | Page 39 |
|---|--------------------------------|---------|

DISCUSSION AND POSSIBLE ACTION (ITEMS 9-13)

- | | | |
|----|--|----------------|
| 9 | Consideration of a Possible Shopping Cart Restrictive Device Ordinance - Citywide | Page 40 |
| 10 | Acquisition of Vacant Land in Spark Area 2 Located at 702, 704, 706 S. 11th Street | Page 42 |
| 11 | Aviation Noise Land Disposal Located Adjacent to Interstate 17: Areas F, G, H, I and J | Page 44 |
| | <i>Attachments</i>
<u>Attachement A for 25-0371 Exhibit for F G H I and J.pdf</u> | |
| 12 | Development Agreement with Aardex LLC | Page 52 |
| 13 | 1016 N. 2nd Street Development Agreement RFP-CED23-SSR - Authorization for Sale and Redevelopment of City-Owned Parcels | Page 55 |

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 Kesha Hodge Washington
Councilman Kevin Robinson
Councilwoman Debra Stark

Report

Agenda Date: 3/26/2025, Item No. 1

Minutes of the Economic Development and Housing Subcommittee Meeting

This item transmits the minutes of the Economic Development and Housing Subcommittee Meeting on February 12, 2025 for review, correction or approval by the Economic Development and Housing 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 John Chan and the City Manager's Office.

Attachment A

**Phoenix City Council
Economic Development and Housing (EDH) Subcommittee
Summary Minutes
Wednesday, February 12, 2025**

City Council Chambers
200 W. Jefferson Street
Phoenix, AZ

Subcommittee Members Present

Vice Mayor Ann O'Brien, Chair
Councilwoman Debra Stark (Phone)
Councilman Kevin Robinson

Subcommittee Members Absent

Councilwoman Kesha Hodge Washington

CALL TO ORDER

Chairwoman O'Brien called the Economic Development and Housing Subcommittee to order at 11:06 a.m. with Councilwoman Stark and Councilman Robinson present.

CALL TO THE PUBLIC

None.

MINUTES OF MEETINGS

1. Minutes of the Economic Development and Housing Subcommittee Meeting

Councilwoman Stark made a motion to approve the minutes of the December 11, 2024, Economic Development and Housing Subcommittee meeting. Councilman Robinson seconded the motion which passed unanimously, 3-0.

CONSENT ACTION (ITEMS 2-5)

Items 2-6 were for consent action. No presentations were planned, but staff was available to answer questions.

2. Authorization to Contract with the Greater Phoenix Chamber Foundation

Consent only. No councilmember requested additional information.

3. Authorization to Submit an Application to Purchase Modular Buildings for the Head Start Birth to Five Program

Consent only. No councilmember requested additional information.

4. Head Start Birth to Five Program Approval to Submit Request of Disposition

Consent only. No councilmember requested additional information.

5. Shared Governance Agreement with Phoenix Business and Workforce Development Board

Consent only. No councilmember requested additional information.

Councilman Robinson made a motion to approve Items 2 through 6. Councilwoman Stark seconded the motion which passed unanimously, 3-0.

INFORMATION ONLY (ITEMS 6-7)

6. Head Start Birth to Five Monthly Report – December

Information only. No councilmember requested additional information.

7. Naloxone Program Update – September 2024 through November 2024

Information only. No councilmember requested additional information.

INFORMATION AND DISCUSSION (ITEMS 8)

8. Access to Chilled Drinking Water Initiative Update

Office of Innovation Director Michael Hammett and Administrative Assistant II Danielle Vermeer presented the item.

Councilwoman Stark thanked the Office of Innovation for their efforts on the Initiative.

Chairwoman O'Brien thanked the Mr. Hammett and his team and commended the team's achievements and partnerships they have formed as part of the initiative.

9. Downtown Phoenix Parking Master Plan

Community and Economic Development Director Christine Mackay, Assistant Street Transportation Director Briana Velez, Deputy Phoenix Convention Center Director April Truncellito, and Program Manager Jeff Stapleton presented the item.

Councilman Robinson asked if staff is looking at ways to ensure that private information is not being breached when using QR code.

Ms. Mackay answered that staff will work with the Police Department to ensure that the risk to the users is minimized.

Chairwoman O'Brien inquired if there is any parking fee for special events when meters are designated out of service.

Ms. Velez replied that there is no charge for special events while there is a \$10 charge for long-term construction.

Chairwoman O'Brien asked if there is a reason there is no parking fee for special events.

Ms. Velez answered the impact of special events is minimal as they only last a day or two and the City is trying to support and grow special events that occur in the City, which is more beneficial to the City.

Ms. Mackay added that special events provide larger economic benefits than revenue lost from parking due to the economic activity the events incur.

Chairwoman O'Brien expressed appreciation of the wayfinding signage, which will be beneficial to people trying to find parking in the area. She asked what the difference is between a mobile application and a web-based application.

Ms. Truncellito answered that a web-based application acts like a mobile application without the need to download the application, which makes it easier to use for a greater number of people and mitigates the need to download an application for people that are visiting for a day.

Chairwoman O'Brien inquired if there is still an option to pay parking fee with credit cards.

Ms. Truncellito explained people are still able to pay for parking with credit cards at the gate and the application is a way to navigate and purchase parking ahead of time.

Chairwoman O'Brien suggested involving Police Aides or Police Assistants to assist with enforcement for downtown parking.

Ms. Mackay replied she will discuss this matter with the Police Department.

Councilman Robinson stated the Park PHX application is very user friendly.

10. Phoenix Convention Center Booking Update

Phoenix Convention Center Director Jerry Harper, Deputy Phoenix Convention Center Director Sarah Field, Visit Phoenix President and CEO Ron Price, and Visit Phoenix Chief Sales Officer Lorne Edwards presented the item.

Councilman Robinson asked what types of conventions the City would we be in contention for if there was enough hotel rooms.

Mr. Edwards answered the City can grow further into hosting semiconductor, bioscience, and medical related conventions.

Councilman Robinson inquired what type of development can be accommodated in the south side of the Phoenix Convention Center (PCC).

Mr. Harper explained the south side of the PCC can fit two high-rise hotels with 800 to 1,200 rooms that is attached to more convention center space.

Councilman Robinson asked what more the City needs to do to attract larger hotels.

Mr. Price answered the City should first consider the locations and City would like to place the developments and then can consider pricing and potentially providing incentives to the developments the City seeks to attract.

Mr. Harper added that the expansion of PCC and development of the hotel makes the City more attractive to hotel developers.

Councilwoman Stark noted that activities inside the PCC often go beyond PCC itself and has an impact on attracting economic activity to downtown. She asked if the City is marketing the activities to do when people visit Phoenix such as outdoor activities.

Mr. Price explained the coexistence of an outdoor lifestyle with a rich urban environment is the focus of marketing for people visiting Phoenix as well as businesses that are considering relocating to Phoenix.

Chairwoman O'Brien inquired the reason the City of Dallas decided to completely rebuilt their convention center.

Mr. Harper answered while the City of Dallas originally wanted to simply expand their convention center, but there were obstacles such as an unutilized railroad track and landlock which led the City of Dallas to determine the best option was to rebuild.

Mr. Price added the City of Austin is taking a similar approach to create an environment ideal for future conventions.

Chairwoman O'Brien asked how the addition to the south side of PCC will improve its competitiveness.

Mr. Price answered that the City is limited by the number of hotel rooms in the downtown area and the addition will attract larger conventions to relocate to the City.

Deputy City Manager John Chan added that the Master Plan for the expansion of PCC would allow construction of an additional exhibition hall, which connects to the existing exhibition halls. He explained the expansion would provide two exhibit halls in excess of 300,000 square feet, which would allow the City to compete for 80 percent of the convention and trade shows market.

DISCUSSION AND POSSIBLE ACTION (ITEM 11)

11. Request Authorization to Issue Request for Proposals for the Southwest Corner of 2nd Street and Adams Street

Community and Economic Development Director Christine Mackay, Phoenix Convention Center Director Jerry Harper, Visit Phoenix Vice President Eric Kerr, Program Manager Eric Prochnow, and Special Projects Administrator Gretchen Wolfe presented the item.

Chairwoman O'Brien asked for further explanation of what the evaluation criteria, "Return to the City" means in the criteria for Request for Proposals (RFP).

Ms. Wolfe answered the City takes into account the combination of cash and quantifiable community benefits the bidder can provide as part of the evaluation criteria for selection for the RFP process.

Chairwoman O'Brien asked for further explanation of the 18-month timeline.

Ms. Mackay explained after the City Council approves the item, staff will create the Request for Proposals (RFP), assembles a panel for RFP selection, puts out the RFP for notice, and schedule multiple community meetings to incorporate community input. She added that after the community meetings, staff will bring the item to the City Council for approval.

Councilman Robinson made a motion to approve Item 11. Councilwoman Stark seconded the motion which passed unanimously, 3-0.

Ms. Margaret Schulz expressed concern that selling the site can introduce the risk of the developer not being able to finish the development and lose control over the site, recommending the City pursue options to lease the site.

Ms. Mackay explained the City would ensure the developer has paid for and acquired permits before the site is transferred to the developer.

CALL TO THE PUBLIC

None.

FUTURE AGENDA ITEMS

None.

ADJOURNMENT

Chairwoman O'Brien adjourned the meeting at 12:40 p.m.

Respectfully submitted,

Brian Seo
Management Fellow

Report

Agenda Date: 3/26/2025, Item No. 2

Southeast Corner of Central Avenue and Broadway Road - Authorization to Issue Disposition and Redevelopment Solicitation - District 7

Request the Economic Development and Housing Subcommittee recommend City Council authorization to issue a Request for Proposals (RFP) for the disposition and redevelopment of City-owned property located at the southeast corner of Central Avenue and Broadway Road.

THIS ITEM IS FOR CONSENT ACTION.

Summary

The City owns several vacant parcels located at the southeast corner of Central Avenue and Broadway Road (Site). This Site is comprised of approximately 3.75 acres and is adjacent to the South Central Light Rail. The Site has a mixture of zoning including C-3 - General Commercial (3.17 acres), C-1 - Neighborhood Retail (0.17 acres), P-1 - Parking (0.28 acres), and R-5 - Multifamily (0.13 acres).

In the early 1990s, the Neighborhood Services Department (NSD) purchased the Site for the elimination of blight, and NSD continues to manage the Site. In 2022, City Council approved an updated list of City-owned parcels ideal for affordable or mixed-income housing development, consistent with the third initiative of the Housing Phoenix Plan, Redevelop City-Owned Land with Mixed-Income Housing. The Site is included on this list.

Community and Economic Development Department (CED) staff are pursuing rezoning the Site to Walkable Urban Code (WU Code) to be consistent with the recommendations in the South Central Transit-Oriented Development Community Plan. Rezoning the Site prior to issuing a solicitation will allow for more impactful proposals.

With approval, CED will issue a solicitation seeking redevelopment proposals for the Site. Proposers will be required to demonstrate experience successfully completing at least one mixed-use development and at least one affordable housing development within the last five years. Staff has commissioned an appraisal of the Site, which will be issued with the RFP. Proposers may offer a combination of public benefit or cash

compensation for the fair market value of the Site. The RFP will seek proposals that:

- Are transit-oriented and mixed-use, which includes the project oriented towards Central Avenue.
- Provide affordable housing and ground floor commercial space.
- Restrict a minimum of 50 percent of units as affordable housing to households earning 80 percent or less of the area median income as defined by the U.S. Department of Housing and Urban Development.
- Includes a small local development partner.
- Capitalize on the prominent corner location adjacent to the South Central Light Rail.
- Focused on community placemaking, including public art
- Support NSD initiatives and long-term plans.
- Implement the recommendations and community vision outlined in the General Plan and the South Central Transit-Oriented Development Community Plan along with other relevant City plans.

Procurement Information

Responsive proposals will be evaluated by a panel including City staff and Community representatives. The evaluation criteria will be:

- | | |
|--|--------------|
| • Concept to Activate the Site | 0-375 points |
| • Return to the City | 0-350 points |
| • Proposer's Qualifications and Experience | 0-275 points |

The Concept to Redevelop the Site will also include a review of the proposed architecture for the developments, which shall be scored as part of the points given to any project. Additional points will also be given for sustainable development including micro-mobility and on-site generation

Following negotiations with the recommended proposer, staff will present business terms to the Economic Development and Housing Subcommittee for review and recommendation followed by the full City Council for approval.

Financial Impact

This action will have no financial impact on the General Fund.

Public Outreach

Staff presented and gathered public feedback regarding the rezoning and potential RFP at a community meeting held March 11, 2025.

Location

Southeast corner of Central Avenue and Broadway Road. Assessor Parcel Numbers 113-33-001A, 113-33-002, 113-33-006A, 113-33-007B, 113-33-007D, 113-33-007E, 113-33-008, 113-33-009 and 113-33-010B.

Council District: 7

Responsible Department

This item is submitted by Deputy City Managers John Chan and Alan Stephenson, and the Community and Economic Development and Neighborhood Services departments.

Report

Agenda Date: 3/26/2025, Item No. 3

7th Avenue and Washington Street - Authorization to Issue Disposition and Redevelopment Solicitation

THIS ITEM IS FOR CONSENT ACTION.

This report requests the Economic Development and Housing Subcommittee recommend City Council approval to issue a Request for Proposals (RFP) for the disposition and redevelopment of City-owned property located at 7th Avenue and Washington Street.

Summary

The City owns 4.63 acres of land located at the northwest, northeast and southwest corners of 7th Avenue and Washington Street (Site). The northeast corner, one city block of 1.76 acres, is currently occupied by the Phoenix Police Department Headquarters Building, which opened in 1974. This block is also known as Block 84 of the Original Townsite of Phoenix (Block 84). The northwest corner is also a full city block of 1.74 acres and is occupied by an employee parking lot supporting the police headquarters building. It is also known as Block 12 of the Neahr's Subdivision (Block 12). The City owns a portion of the southwest corner, 1.13 acres of vacant land. This block is also known as Block 13 of the Neahr's Subdivision (Block 13).

The Phoenix Police Department is scheduled to vacate Blocks 84 and 12 in 2026 when operations relocates to the 100 West Washington building, thereby making these properties available for disposition and redevelopment. The City-owned portions of Block 13 were acquired in 2010 and 2013 to support Transit-Oriented Development and possible routing of track along the future Capitol Mall/I-10 West Valley Metro Light Rail Extension. In 2021, City Council amended the Locally Preferred Alternative routing for this extension, moving the westbound track onto Washington Street. This action has made the City-owned portion of Block 13 available for disposition and redevelopment.

In anticipation of issuing an RFP, Community and Economic Development Department (CEDD) staff pursued adequate height and density entitlements for the Site to allow proposals to meet market demand and compliment the future Valley Metro Light Rail Station adjacent to the Site. Block 84 is zoned Downtown Code, Business Core Character Area and has a maximum allowable height of 600 feet and maximum allowable density of 218 dwelling units per acre (du/ac) and did not require any zoning

modifications. Blocks 12 and 13, while also being zoned Downtown Code - Business Core Character Area, had maximum allowable heights of only 30 feet and density of 14.5 du/ac. In June 2024, staff initiated a text amendment to raise the maximum allowable height on Blocks 12 and 13 to 250 feet and increase the maximum allowable density to 218 du/ac. A companion general plan amendment to change the Transit Oriented Development (TOD) Policy Plan's designation of the future Washington and Jefferson streets stations at 7th Avenue from 'Medium Urban Center' to 'Downtown Core' was also requested by Planning and Development Department staff. The text amendment and general plan amendment were approved at the March 5, 2025, Formal City Council Meeting.

With approval, CEDD will issue a solicitation seeking an urban, mixed-use development. The RFP will seek competitive proposals to bring appropriately dense development to the Site, consistent with the Downtown Code Form Based Zoning Ordinance. The Site's zoning provides for reduced setbacks and requirements for active uses facing the street. The Site will also be located directly adjacent to a future Metro Light Rail station and is walking distance to major public sector employers and the Downtown Core. To capitalize on the Site's location, staff will be seeking proposals that offer mixed-income housing, retail space and distinctive public art, noting the Site's transition between the Capitol Mall and Downtown Phoenix.

Prior to issuance of the RFP, an appraisal of the Site will be performed. The appraisal will establish the minimum purchase price for the Site. In addition to offering at least the minimum purchase price, proposers must have successfully completed at least one mixed-use project within the last seven years. The RFP will allow proposers to submit a response to one or multiple packages. The requirements of each package are further described below:

Package 1: Block 84

Proposals should include an urban, mixed-use project.

Package 2: Block 12

Proposals should include a mixed-use project with at least 30,000 square feet of commercial retail space as well as an enhanced pedestrian connection along the 8th Avenue public right of way to connect to the future Metro Light Rail Station on Washington Street.

Package 3: Block 13

Proposals should include a mixed-use project with at least 50 percent of residential units must be deed restricted as affordable housing to households earning no more than 60 percent of the Area Median Income.

The RFP will include standard terms, conditions and other necessary requirements. Proposals for any single package cannot be contingent on winning any other package (s). Proposals for each package will be evaluated according to the following evaluation criteria (1,000 possible points):

- Concept to Redevelop the Site (0-375 points)
- Return to the City (0-325 points)
- Proposer's Qualifications and Experience (0-300 points)

CEDD anticipates the RFP will be issued in late 2025 and be open for at least 90 days. Responsive proposals will be evaluated by a panel that includes City staff and community representatives. Following negotiations with a recommended proposer, business terms will be brought to this Subcommittee for review and recommendation, and then to the full City Council for consideration.

Financial Impact

There is no impact to the General Fund as a result of this action.

Public Outreach

Information regarding the opportunity was presented to the following neighborhood groups:

- Downtown Voices Coalition - January 11, 2025
- Central City Village Planning Committee - January 13, 2025
- Madison Pioneers Coalition - January 14, 2025

Location

The Site includes seven individual parcels (APN 112-04-110A, 112-05-032B, -033A, -035A, -036A, -037A and 112-20-038B) located at 7th Avenue and Washington Street. Council District: 7

Responsible Department

This item is submitted by Deputy City Manager John Chan and the Community and Economic Development Department.

Report

Agenda Date: 3/26/2025, Item No. 4

Authorization to Enter into a Membership Agreement with Downtown Phoenix Inc.

This report requests the Economic Development and Housing Subcommittee recommend City Council approval to enter into a three-year membership agreement, and other agreements as necessary (Agreements), with Downtown Phoenix, Inc. The fee for the three-year agreement is \$330,000. There is no impact to the General Fund.

THIS ITEM IS FOR CONSENT ACTION.

Summary

Downtown Phoenix, Inc. (DPI) is an established nonprofit entity designed specifically to enhance the economic and cultural vitality of the broader downtown Phoenix community. DPI coordinates activities between numerous affiliate organizations including the Phoenix Community Alliance and the Downtown Phoenix Community Development Corporation, and maintains the Downtown Phoenix Enhanced Municipal Services Advisory Board. Since 2013, the City has utilized DPI to serve as a liaison to downtown neighborhood and business organizations, expand and enhance special events, facilitate the creation of net new sales tax revenues, inspire civic pride, and provide social and family entertainment opportunities to the public. In addition to these benefits, the City receives six positions on the DPI Board of Directors including the Mayor, City Manager and four additional positions nominated by the Mayor or City Manager, as part of an active membership agreement.

The City's current membership expires on June 30, 2025. The new three-year membership agreement will begin July 1, 2025 and end on June 30, 2028. The agreement fee is for \$110,000 annually, not to exceed \$330,000 for the term of the agreement. The City's investment is leveraged by private sector dollars and DPI has obtained outside grants that continue to yield results for the City that would otherwise not be obtainable. The cost of the annual membership has only increased one time since 2013, from \$100,000 to \$110,000.

Contract Term

The term of the new agreement will be from July 1, 2025 through June 30, 2028, with no extension options.

Financial Impact

There is no impact to the General Fund. Funding for the three year term is available in the Downtown Community Reinvestment Fund.

Concurrence/Previous Council Action

City Council approved the current three-year agreement (Contract 1574014) with DPI on April 20, 2022 (Ordinance S-48535).

Location

Council Districts: 4, 7 and 8

Responsible Department

This item is submitted by Deputy City Manager John Chan and the Community and Economic Development Department.

U.S. Department of Housing and Urban Development Five-Year Agency Plan and Annual Plans - Citywide

This report requests the Economic Development and Housing Subcommittee to recommend Assisted Housing Governing Board (AHGB) approval for the adoption of the Housing Department's Five-Year Agency Plan and Fiscal Year (FY) 2025-26 Annual Plans: Annual Agency Plan, Housing Choice Voucher Administrative Plan, the Public Housing Admissions and Continued Occupancy Policy, the Capital Fund Program, and the Capital Fund Five-Year Action Plan. There is no impact to the General Fund.

THIS ITEM IS FOR CONSENT ACTION.

Summary

The City of Phoenix Housing Department is required by federal regulation to update and submit plans and policies to the U.S. Department of Housing and Urban Development (HUD) each year.

Annual Agency Plan

The Annual Agency Plan provides an annual overview of community needs and available resources, identifies methods to address the needs, and translates those methods into the Housing Department's policies and programs to meet local housing needs, goals, and objectives outlined in the Five-Year Annual Agency Plan. Significant changes in the FY 2025-26 Annual Agency Plan include:

- Notification of HUD approved disposition application for the homeownership component of Edison-Eastlake Choice Neighborhoods.
- Notification of completion of the rehabilitation of Pine Towers.
- Notification of award from HUD of an Edison-Eastlake Choice Neighborhoods Supplemental Grant in 2024.
- Notification of award from HUD for a renewal of two ROSS Service Coordinator Grants in 2024.
- Notification of award from HUD of a Choice Neighborhood Planning Grant for the Marcos de Niza community.

- Notification of Rental Assistance Demonstration (RAD) conversion applications submitted for Aeroterra II and Aeroterra III.
- Notification of a Section 18 application submittal of 53 scattered sites for disposal, intent to apply and utilize temporary protection vouchers in 2025, and the intent to submit additional annual applications.
- Completion of a new HUD designated plan for elderly and/or disabled families.
- Completion of two approved Section 18 applications totaling 17 scattered sites homes.
- Completion of the second Digital Hive at the Emmett McLoughlin Community Training and Education Center in Henson Village.
- Completion of demolition of the former Sidney P. Osborn public housing site was completed in 2024.

The 2025-2030 Five-Year Plan

The Five-Year Plan reiterates the Housing Department's mission and commitment to the following goals:

- Promote quality affordable housing.
- Strengthen communities.
- Increase homeownership opportunities.
- Ensure equal opportunity in housing.
- Promote and support housing for homeless persons and other special needs populations.

Housing Choice Voucher Administrative Plan

The Housing Choice Voucher (HCV) Administrative Plan has been amended to clarify and modify policies and to conform to changes in federal regulations and the Annual Agency Plan. Significant changes to the HCV Administrative Plan include:

- The HCV program was identified by HUD as having to implement small area fair market rents for 2025. As a result, payment standards are now adjusted based on the zip codes in which tenants currently reside or choose to reside.
- Veterans Affairs Supportive Housing applicants who meet the low-income limits at 80 percent of the area median income may be admitted.
- Mainstream applicants cannot have a residency preference applied. Mainstream voucher holders will also be provided with a search time of 210 days.
- Abatements for failed inspections must now be 90 days to allow tenants sufficient time to move.

Admissions and Continued Occupancy Policy

The Admissions and Continued Occupancy Policy has been amended to clarify and modify policies and to conform to changes in federal regulations and the Annual Agency Plan. There are no significant changes to the Admissions and Continued Occupancy Policy.

Capital Fund Program

The Capital Fund Program provides funding to rehabilitate and replace the systems and structures of the Housing Department's Public Housing properties. The Capital Fund Program reflects the following improvements:

- Major rehabilitation of Maryvale Parkway Terrace. Maryvale Parkway Terrace is a senior public housing apartment complex with 108 units and a separate community center. The rehabilitation scope includes the full remodel of all 108 units and the community center. Major systems will be replaced, including the main sewer lines and electrical system.
- Implementation of the RAD program at Aeroterra Phase II and III. This HUD program converts public housing units to project-based voucher assistance, providing a long-term, more reliable funding source for the property.

Concurrence/Previous Council Action

- On March 20, 2024, the AHGB approved the adoption of the Housing Department's FY 2024-25 Annual Agency Plan through Resolution Number 220.

Public Outreach

The Resident Advisory Board representing the Housing Department programs met on February 25, 2025, to consider these documents. As required by federal regulation, the public was given a 45-day notice to provide comments. A public hearing was held on March 3, 2025, to obtain input and comments from the public on the proposed Five-Year Agency Plan, Annual Agency Plan, proposed Admissions and Continued Occupancy Policy, proposed Housing Choice Voucher Administrative Plan, and the proposed Capital Fund Program. Comments are documented and considered before submission to HUD.

Financial Impact

There is no impact to the General Fund. All programs included in the Annual Agency Plans are federally-funded.

Responsible Department

This item is submitted by Deputy City Manager Gina Montes and the Housing Department.

Report

Agenda Date: 3/26/2025, Item No. 6

Head Start Birth to Five Monthly Report - January - Districts 1, 3, 4, 5, 7 and 8

This report provides the Economic Development and Housing Subcommittee, which serves as the City of Phoenix Head Start Birth to Five Governing Board, with an updated summary of the Head Start Birth to Five Program's financial and programmatic status.

THIS ITEM IS FOR INFORMATION ONLY.

Summary

The Improving Head Start for School Readiness Act of 2007 requires each Head Start Grantee to share monthly information with the Governing Board and Policy Council on program planning, policies and operations. In compliance with the Act, the Head Start program provides a monthly report on the following areas:

- Fiscal expenditures.
- Enrollment reports.
- School attendance.
- Medical/dental exams.
- Program information summaries.
- Nutrition.
- Child Incident Reports.
- Program Instructions or Information Memorandums.

Fiscal Expenditures

Attachment A shows year-to-date expenditures for the Fiscal Year 2024-25. The report includes a breakdown of each Education Service Provider, Child Care Partnership, Policy Council and the administrative support budget.

Enrollment Reports

The Office of Head Start requires programs to report the total number of children enrolled on the last day of each month. At the end of January, the total program enrollment was 2,198 out of 2,209 available slots, or 99.5 percent.

Enrollment at the end of January for the Preschool Education Service Providers was 1,952 slots filled out of 1,957, or 99.7 percent.

Early Head Start, which includes home-based and center-based year-round programming, ended the month with 246 slots filled out of 252, or 97.6 percent. The home-based program filled 92 out of 64 slots, or 143.8 percent, and the center-based program filled 154 out of 188 slots, or 81.9 percent. Due to lower enrollment in the center-based program, additional families have been enrolled in the home-based program to maintain full enrollment.

Full Enrollment Initiative

The Full Enrollment Initiative for the Head Start Birth to Five Program concluded on April 4, 2024. On October 1, the program received a final letter from the Office of Head Start designating it as chronically under enrolled. The letter noted that, due to measurable progress towards achieving full enrollment, the Office of Head Start will not reduce the base grant for the Head Start Birth to Five Program at the time.

The Head Start Birth to Five Program received official notice of an enrollment reduction from the Office of Head Start on November 28, 2024. As a result, the program is fully enrolled for the months of November and December 2024, as well as January 2025. To finalize the Full Enrollment Initiative, the program must maintain full enrollment for six consecutive months, ending April 2025.

Risk Assessment Notification Review

The Head Start Birth to Five program received a Risk Assessment Notification in April 2024 due to a violation by a provider of the Head Start Program Performance Standards, specifically regarding the Standards of Conduct. Training and technical assistance to enhance the Birth to Five's current policies and procedures for ensuring the safety of children has been provided through Region 9 Head Start Office. The final task on the Quality Improvement Plan is one last round of monitoring conducted by the Education Service Providers in each of their classrooms. **Attachment B** illustrated the key findings and trends identified through the monitoring process.

The Risk Assessment Notification process officially concluded on February 6, 2025. The follow-up review team from the Office of Head Start Region IX conducted an on-site visit February 11 and 12, 2025. During this review, 19 classrooms were visited, and documentation was provided to demonstrate evidence of compliance. The information collected by the Region IX review team will be compiled and submitted to the Office of Head Start, who will determine whether the Head Start Birth to Five Program has successfully addressed the deficiency. The official determination will take approximately four to six weeks to receive.

School Attendance

The annual target for attendance set by the Office of Head Start is 85 percent.

Attachment C indicates the year-to-date average attendance through the end of January. Head Start Preschool was 70 percent. The Early Head Start Center-Based program was 52 percent.

Medical/Dental Exams

Head Start regulations require all children have medical and dental exams annually. At the end of January, 2,324 medical and 2,054 dental exams were completed, totaling 4,378 exams, as illustrated in **Attachment D**. The target goals have been updated to reflect the new enrollment number.

Program Information Summaries

Please see **Attachment E**.

Nutrition

Each program must design and carry out nutrition services that are culturally and developmentally appropriate and provide children with up to two-thirds of their daily nutritional requirements. Nutrition services must meet the nutritional needs and feeding requirements of each child, including children with identified food allergies, children with disabilities, and children who have special diets due to religion and family preference. In addition, a program must serve meals and snacks that meet U.S. Department of Agriculture dietary patterns and are high in nutrients and low in fat, sugar, and salt. Children in the Early Head Start Center-Based classrooms receive protein, fruits, vegetables, and low carbohydrates during breakfast and lunch with milk or water. Snacks include protein and low carbohydrates with milk or water.

Child Incident Reports

The Head Start Program Performance Standards require programs submit reports, related to any significant incidents affecting the health and safety of the program participations. This includes injuries requiring hospitalization, emergency room treatment, or doctor's visit, as well as inappropriate discipline, potential child abuse or maltreatment, lack of supervision, or unauthorized release of a child. There were no Child Incident Reports submitted to the Office of Head Start in January.

Department of Child Safety Reports

All Head Start and Early Head Start staff are required to report suspected child abuse and neglect to protect children and help children and families connect to services. During the month of January, one report was made to the Department of Child Safety.

Program Instructions or Information Memorandums

Periodically, the Office of Head Start needs to provide information or programmatic updates to all Head Start Grantees. This is done through Program Instructions (PIs) and Information Memorandums (IMs). PIs provide information or recommendations from the U.S. Department of Health and Human Services Administration for Children and Families to States, Tribes, grantees, and others on various issues of child welfare that usually result in guidance or policy changes. IMs provide up-to-date information but do not establish requirements or supersede existing laws or official guidance. In January, one IM was released, **see Attachment F**. There were no PI's released.

Locations

Alhambra Elementary School District, 4510 N. 37th Avenue
Cartwright Elementary School District, 5220 W. Indian School Road
Deer Valley Unified School District, 20402 N. 15th Avenue
Fowler Elementary School District, 1617 S. 67th Avenue
Isaac School District, 3348 W. McDowell Road
Laveen Elementary School District, 5601 W. Dobbins Road
Murphy Elementary School District, 3140 W. Buckeye Road
Pendergast Elementary School District, 3802 N. 91st Avenue
Phoenix Elementary School District, 1817 N. 7th Street
Riverside Elementary School District, 1414 S. 51st Avenue
Roosevelt Elementary School District, 6000 S. 7th Street
Washington Elementary School District, 4650 W. Sweetwater Avenue
Wilson Elementary School District, 3025 E. Fillmore Street
Council Districts: 1, 3, 4, 5, 7 and 8

Responsible Department

This item is submitted by Deputy City Manager Gina Montes and the Human Services Department.

ATTACHMENT A

Fiscal Expenditures Yr 1 FY 24 Head Start Financial Summary Grant 890215 Planned level of Expenditures

Fund Center	Program	FTE	Revised Budget 2024-2025	FY24 YEAR-TO- DATE Expenditures Federal Fund	FY24 Remaining Balance	FY24 YEAR-TO-DATE % Spent
8940050001	HS Administration	12	\$ 3,421,915.00	\$ 1,756,905.21	\$ 1,665,009.79	51%
8940050004	HS T&TA	-	\$ 325,611.00	\$ 142,547.31	\$ 183,063.69	44%
8940050012	HS Policy Council	-	\$ 42,262.00	20,507	\$ 21,755.05	49%
8940050015	HS Mental Health	4	\$ 549,830.00	327,628	\$ 222,201.93	60%
8940050016	HS Casework Support	67	\$ 6,637,147.00	3,665,678	\$ 2,971,468.94	55%
8940050017	HS Classroom Support	16	\$ 1,897,078.00	\$ 1,178,438.90	\$ 718,639.10	62%
	Total City of Phoenix	99	\$ 12,873,843	\$ 7,091,705	\$ 5,782,139	55%
8940051001	Alhambra	-	\$ 4,717,709	\$ 1,742,528	\$ 2,975,181	36.9%
8940051003	Booker T Washington	-	\$ 4,331,452	\$ 2,260,810	\$ 2,070,642	52%
8940051005	Washington	-	\$ 3,719,399	\$ 1,792,849	\$ 1,926,550	48%
8940051006	Deer Valley	-	\$ 1,913,945	\$ 688,034	\$ 1,225,911	36%
8940051010	Greater Phoenix Urban League	-	\$ 7,415,258	\$ 4,436,387	\$ 2,978,870	60%
8940051116	Fowler	-	\$ 1,340,478	\$ 465,386	\$ 875,091	35%
	Total Education Service Providers	-	\$ 23,438,240	\$ 11,385,995	\$ 12,052,245	49%
8940505021	Early Head Start Operations Support	54	\$ 6,703,424	\$ 3,781,022	\$ 2,922,402	56%
8940505024	Early Head Start T&TA	-	\$ 161,858	\$ 60,220	\$ 101,638	37%
8940505025	EHS Deer Valley		1,048,064	314,414	\$ 733,650	30%
8940505026	EHS Fowler		685,540	142,036	\$ 543,504	21%
	Total Early Head Start	54	\$ 8,598,886	\$ 4,297,692	\$ 4,301,194	50%
	Subtotal		\$ 44,910,969	\$ 22,775,391	\$ 22,135,578	51%
	Grand Total	153	44,910,969	22,775,391	22,135,578	51%
	Revenues - PMS		44,910,969	18,125,973	26,784,996	40%



Standards of Conduct Monitoring Report Education Service Provider Results

Purpose

The Head Start Program Performance Standards require that programs ensure no child is left alone or unsupervised by staff, consultants, contractors, or volunteers while under their care.

In alignment with the Office of Head Start's requirements, the City of Phoenix Head Start Birth to Five Program must ensure that staff consistently implement active supervision strategies. Additionally, it is essential for all staff, consultants, contractors, and volunteers to adhere to the program's Standards of Conduct as specified in section [1302.90\(c\)\(1\)\(i-iv\)](#).

This monitoring will enable the City of Phoenix Head Start Birth to Five Program to identify necessary changes and build capacity, ensuring that children are properly supervised while in the care of caregivers and that caregivers comply with the Standards of Conduct.

Process

The Education Service Providers conducted 135 classroom observations in January 2025. They utilized a monitoring protocol with seven questions created by the City of Phoenix Head Start Birth to Five Program.

The table below indicates the number of classrooms in compliance, the number of classrooms in non-compliance, and the number of classrooms where the area of non-compliance was corrected on-site or immediately.

Table 1.1 – Key Findings and Trends

Compliance Indicators	Compliant	Non-compliant	Corrected On-site
1. Children are always within sight and sound of the teaching staff.	124	3	8
2. Teaching staff ensure all children are safe and accounted for during transitions (counting was observed when leaving the classroom & upon returning).	122	4	9
3. Teaching staff can reply immediately and accurately as to how many children are in attendance at the time of the visit. (Cross-check with sign-in roster & whiteboard)	127	2	6
4. Staff effectively position themselves to supervise all children in the classroom and/or on the playground.	124	4	7
5. Staff use teacher talk to communicate children's locations and changes to the typical routine (e.g., the flow of children, staff changes, taking children to the restroom, etc.).	122	7	6

Compliance Indicators	Compliant	Non-compliant	Corrected On-site
6. When there is conflict in the classroom, the staff responds appropriately. (Staff remain calm, recognize children's feelings, get down on the child's level, encourage the use of Conscious Discipline strategies)	132	2	1
7. Staff guide children's movement in the classroom appropriately. (Staff gently guide children, use self and parallel talk, are respectful with children, use music to prompt transitions, etc.)	134	0	1

Areas of Non-Compliance

Areas of non-compliance that cannot be corrected on-site are documented in ChildPlus through an action plan completed by the Education Service Provider, which includes an anticipated correction date. The Head Start Birth to Five Quality Assurance Monitoring team reviews these action plans and follows up within five days of the correction date to ensure that all necessary corrections have been completed. Once the corrections have been verified, the Quality Assurance Monitor closes the action plan.

ATTACHMENT C

Percentage of Preschool Attendance		
Target: 85%	YTD Percent:	70%

Goal:

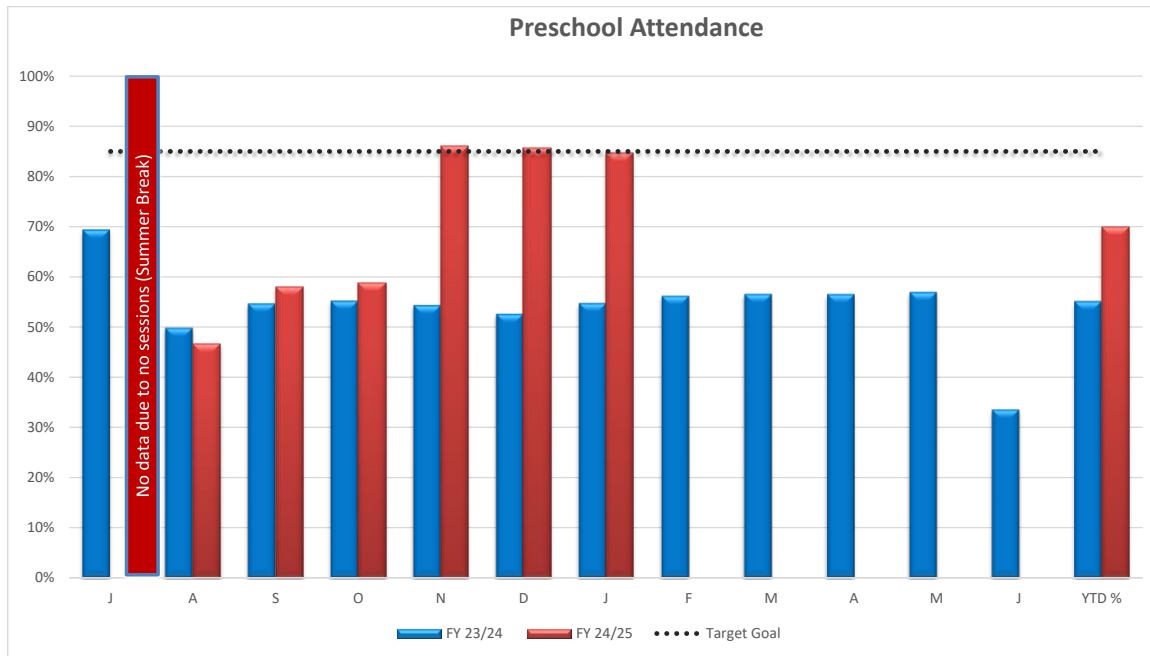
Increase attendance of Head Start Birth to Five children.

Target:

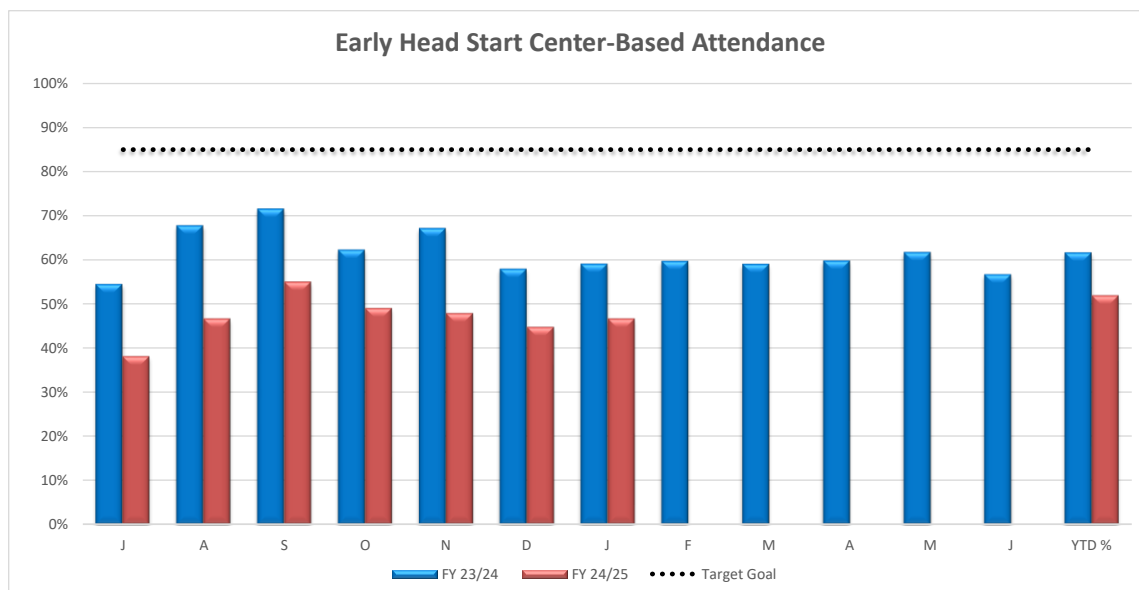
85% of children will attend each day.

Significance:

Attendance is a key factor in being able to get children ready to attend kindergarten.



Percentage of Child Care Partnership Attendance		
Target: 85%	YTD Percent:	52%



ATTACHMENT D

Head Start Birth to Five Medical Exams Completed

Target: 2,209 exams

FY 24-25 Medical Exams:

2,324

Goal:

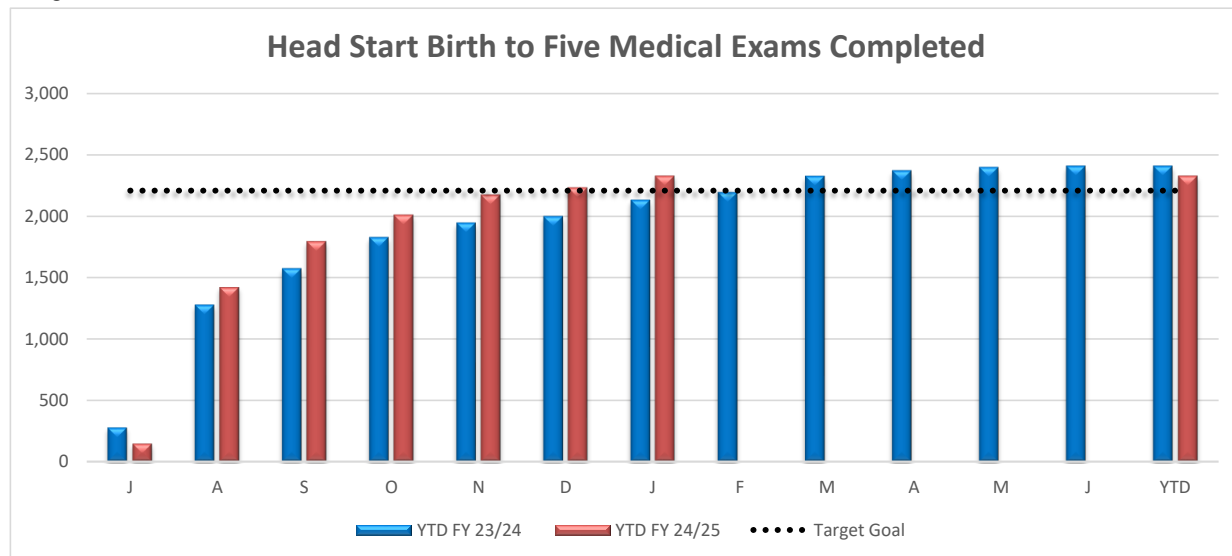
Ensure Head Start Birth to Five children receive necessary medical and dental exams.

Target:

2,209 Medical Exams and 2,209 Dental Exams

Significance:

Head Start Birth to Five children are required to have medical and dental exams as part of the Head Start regulations.

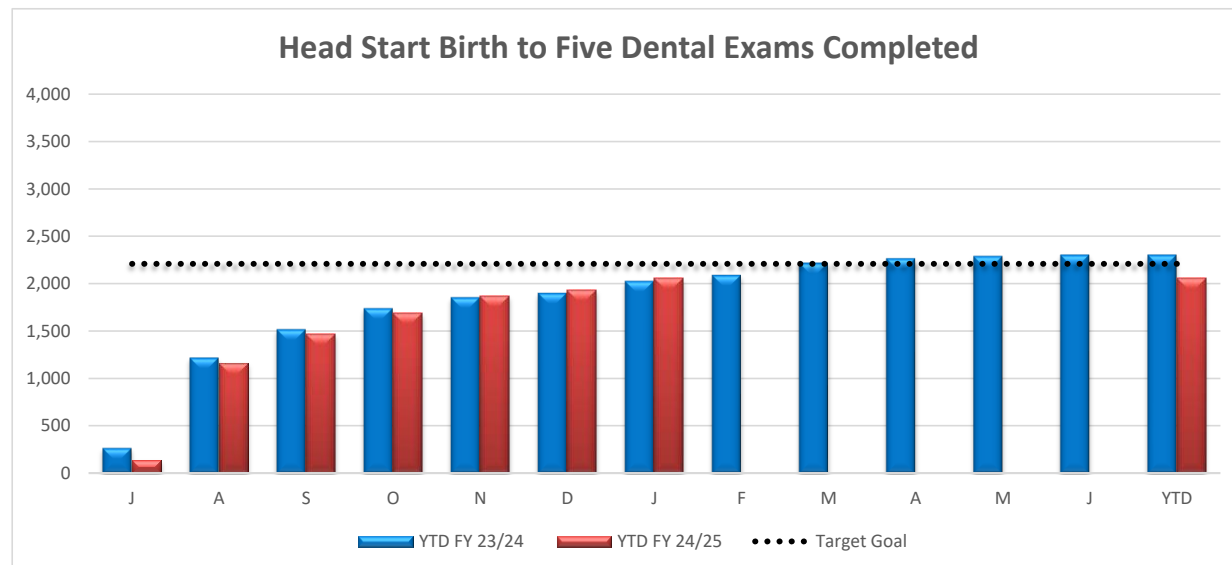


Head Start Birth to Five Dental Exams Completed

Target: 2,209 exams

FY 24-25 Dental Exams:

2,054



ATTACHMENT E

Program Information Summaries

Male Literacy Night

On January 16, more than 200 fathers and children gathered for a Male Literacy Night event at Cartwright, Isaac, Laveen, and Pendergast Elementary School Districts schools. This annual event is designed to promote father involvement in literacy and education. The Phoenix Public Library distributed library card applications, resulting in around 90 families obtaining cards for their children, nurturing a love of reading. Coordinated by the City of Phoenix Head Start Birth to Five Program, the Greater Phoenix Urban League, and the Phoenix Public Library, the event highlighted the strength of community support for our youngest learners.

2025 MAPA Summit

On January 29, four Head Start Birth to Five Program members attended the 2025 MAPA Summit at the Heard Museum as guests of Radio Campesina. Educators, community leaders, and business representatives gathered to hear experts discuss the educational disparities and achievement gaps Latino students face in Arizona. A panel of academic leaders emphasized the importance of supporting multilingual learners and addressing systemic inequities through community engagement. The staff intends to use this information to better assist families.

Fox 10 Interview

On February 3, two staff members from Head Start Birth to Five appeared on Channel 10 Fox News to promote the upcoming "Princess In Me" Women's Wellness Affair and raise awareness about the program. The staff members explained that the event aims to enhance women's wellness through motivational speakers, on-site health screenings, and access to various health-related community resources. This event is open to mothers enrolled in Head Start Birth to Five and the broader community.



Fiscal Year 2025 Monitoring Process for Head Start Recipients

 headstart.gov/policy/im/acf-ohs-im-25-02

Fiscal Year 2025 Monitoring Process for Head Start Recipients ACF-OHS-IM-25-02

U.S. Department
of Health and Human Services

ACF
Administration for Children and Families

1. **Log Number:** ACF-OHS-IM-25-02
2. **Issuance Date:** 01/17/2025
3. **Originating Office:** Office of Head Start
4. **Key Words:** Monitoring; FY 2025; CLASS®

Information Memorandum

To: All Head Start Recipients

Subject: Fiscal Year 2025 Monitoring Process for Head Start Recipients

Information:

[Section 641A](#) of the Improving Head Start for School Readiness Act of 2007 (the Act) requires the Office of Head Start (OHS) to implement ongoing monitoring of all programs receiving federal funds.

This Information Memorandum (IM) outlines the OHS monitoring process for fiscal year 2025 (FY25). It describes the types of monitoring reviews that recipients may experience, highlighting Focus Area 1 (FA1), Focus Area 2 (FA2), Classroom Assessment Scoring System (CLASS®), Risk Assessment Notification (RAN), and unannounced reviews. This IM includes information on monitoring for Tribal grant recipients that have consolidated their Head Start program into an approved P.L. 102-477 Plan.

This IM supersedes ACF-OHS-IM-24-07 with updates to the FY25 monitoring implementation format.

FY25 Monitoring Review Types and Start Dates

Review Type*	FY25 Implementation Format	Start Date
FA1	FA1 reviews are conducted through a virtual format.	December 2024
FA2	FA2 reviews are conducted through on-site monitoring.	December 2024
CLASS®	CLASS reviews are conducted again this year using either self-recorded videos or on-site formats.	October 2024
Follow-up Reviews	Follow-up reviews are conducted either virtually or on site.	Start dates will coincide with the end of the corrective action period.
RAN	RAN reviews are conducted through a virtual format.	As needed
Other	Special reviews may be conducted at any time, on site or virtually, without notice.	As needed

** Monitoring reviews may be conducted with or without prior notification to the recipient. QHS reserves the right to conduct unannounced reviews at any time.*

FA1 Reviews

The FA1 review is an opportunity for recipients to describe their approach and plan for providing high-quality services to children and families. It typically occurs in the first or second year of the grant period. This focus area determines if programs are meeting the requirements of the Head Start Program Performance Standards (the Performance Standards), Uniform Guidance, and Head Start Act. The FA1 informs QHS' understanding of each recipient's foundation for program services — staffing structure, program design and governance, education, health and family services, and fiscal infrastructure. The FA1 review also allows QHS to assist recipients in fulfilling application commitments, provide resources to address any identified issues, and support recipients in reaching their goals.

FA2 Reviews

The FA2 review is an opportunity for recipients to demonstrate their implementation of high-quality services to children and families that meet Head Start requirements. It typically occurs in the third or fourth year of a grant period. This focus area broadens QHS' understanding of each recipient's performance and determines if programs are meeting the requirements of the Performance Standards, Uniform Guidance, and Head Start Act.

CLASS® Reviews

Section 641A(c)(2)(F) of the Act requires QHS to assess the quality of teacher–child interactions using a valid and reliable observation measure. For the upcoming FY25 monitoring year, QHS will continue to use the 2008 edition of the Classroom Assessment Scoring System (CLASS®) Pre-K Teacher–Child Observation Instrument. Scores from CLASS observations will count toward Designation Renewal System (DRS) determinations using the competitive thresholds established in the [Final Rule on DRS Changes](#).

For FY25, recipients that are scheduled for a CLASS monitoring review will have the option to self-record and submit their own videos (Video Review) or request a traditional on-site review with certified CLASS observers (On-site Review).

American Indian and Alaska Native (AIAN) Head Start programs have the option to do a self-review for the CLASS. QHS will transmit a letter to AIAN grant recipients with additional information on this option.

All ~~AIAN~~ grant recipients have the option for a self-review, including those that have consolidated their Head Start program into an approved P.L. 102-477 Plan.

All recipients will have the opportunity to attend information sessions specifically developed to discuss FY25 CLASS options, including a group of sessions convened specifically for American Indian and Alaska Native recipients.

RAN Reviews

~~OHS~~ conducts Risk Assessment Notification reviews, as necessary, to address child health and safety incidents. They are initiated when ~~OHS~~ needs to gather more information about significant incidents affecting program participants' health and safety. These reviews have a specific focus on abuse, neglect, inappropriate conduct, inadequate supervision, or unauthorized releases in Head Start programs.

~~RAN~~ reviews:

- Ensure prompt and accurate reporting of serious incidents
- Investigate contributing program or management factors
- Communicate necessary corrective actions
- Provide feedback to improve program management and prevent future incidents

Other Reviews

Special reviews are conducted, as needed, to explore concerns outside of the typical ~~FA1~~ or ~~FA2~~ schedule. ~~OHS~~ reserves the right to conduct unannounced reviews at any time.

Tribal Programs Integrated Under 477 Plans

Tribal grant recipients that have elected to integrate the Head Start program into a P.L. 102-477 plan should address monitoring in their P.L. 102-477 plan. The plan should indicate whether the Tribe intends to participate in monitoring conducted by ~~OHS~~ or automatically compete for funding at the end of the current grant period. Monitoring and oversight data provide the basis for continued Head Start funding through the ~~DRS~~, as required by Congress in the Head Start Act 42 U.S.C. § 9836(c). A Head Start grant recipient may continue to receive funds without competition only when ~~ACE~~ has determined that a program is delivering a high-quality and comprehensive program.

This provision also applies to Tribal programs that are integrated under a P.L. 102-477 Plan. For any Indian Tribe that articulates in its 477 plan the intention to participate in ~~OHS~~ monitoring, ~~OHS~~ will continue to conduct monitoring and a CLASS review (which includes the option for a self-review as described above), to facilitate ~~ACE~~'s ability to determine that the Tribe is delivering a high-quality, comprehensive program. This determination will prevent Tribal Head Start grants from being subject to competition every five years due to insufficient information that meets the statutory requirements of the Head Start Act. In the absence of information from monitoring and oversight reviews conducted by ~~OHS~~, Head Start programs will be required to compete for funding every five years. These monitoring and oversight requirements are specific to the Head Start Act.

Scheduling

Each year, recipients are required to submit an accurate calendar of availability, which is used to schedule monitoring reviews. The availability calendar also gives recipients a way to inform ~~OHS~~ as to when their program is not operational and when children are not in session. Recipients should immediately update

their calendars as changes in program availability occur. Please note that QHS has very limited capacity to accommodate requests to reschedule reviews and can only do so under exceptional circumstances.

Monitoring reviews can also be conducted with or without prior notification to the recipient that it will take place

Communications

Recipients scheduled to receive a monitoring review in FY25 will receive a notification letter 45 calendar days before the start of the event. They can also expect a planning call with their assigned coordinator to discuss their review. During the initial call, recipients should share their program's current service delivery options. QHS Review Reports are typically issued within 60 calendar days of the monitoring review.

If you have any questions regarding the FY25 monitoring season, please contact your regional office.

Thank you for the work you do on behalf of children and families.

Sincerely,
/ Khari M. Garvin /
Khari M. Garvin
Director
Office of Head Start

See PDF Version of Information Memorandum:
[Fiscal Year 2025 Monitoring Process for Head Start Recipients](#) (123.97 KB)

Historical Document



Report

Agenda Date: 3/26/2025, Item No. 7

Downtown Redevelopment Area Plan Update

This report provides information on the update to the Downtown Redevelopment Area Plan.

THIS ITEM IS FOR INFORMATION ONLY

Summary

In 1979, the Phoenix City Council adopted the Downtown Redevelopment Area (RDA) and Improvement Plan (Resolution 15143) in conformance with the General Plan to provide a broad framework of strategies for revitalization and redevelopment in Downtown Phoenix. The boundary for the original Downtown RDA was bounded approximately by McDowell Road to the north, 7th Street to the east, 7th Avenue to the west, and Lincoln Street to the south.

In 2020, Phoenix City Council approved the recertification and update to the Downtown RDA boundaries. To comply with Arizona Revised Statutes (A.R.S.) 42-6209.F, redevelopment areas with portions that lie within the City's Central Business District had to be reviewed by the City by October 1, 2020, and either be renewed, modified, or terminated. The City surveyed over 7,000 parcels and found evidence of slum or blight on a predominance (50 percent or more) of properties, which indicates the updated Downtown RDA qualifies for a renewed slum or blighted area designation. Through this recertification, the boundaries of the Downtown RDA were also expanded to include an area that encompasses eight total redevelopment areas along with areas not previously in an redevelopment area. The new RDA is generally bounded by Moreland Street to the north, 16th Street to the east, and Interstate 17 to the west and south.

Since the updated boundaries were significantly different than the original boundaries and the impacted neighborhoods are very different today than in 1979, a solicitation was issued to seek a consultant to update the Downtown RDA Plan. In 2022, Phoenix City Council authorized an agreement with Plan*et Communities PLLC to begin the process of updating the Downtown RDA Plan to reflect current conditions and future vision for redevelopment. A Neighborhood Steering Committee (NSC), comprised of over 30 people representing 25 public, private, and non-profit organizations throughout

each area of the Downtown RDA boundary, was formed to guide the plan update.

The Downtown RDA plan update is a high-level policy document that is directed by A.R.S 36-1479. The plan provides strategies and actions for revitalizing the updated Downtown RDA boundary area. One element of the plan is to relay the community's vision for redevelopment and identify redevelopment tools through incorporating land use planning, housing initiatives, infrastructure, partnerships, mobility, and more. The updated plan will replace the original 1979 plan, consolidate older redevelopment area plans within the new Downtown RDA, and identify opportunities for redevelopment. The plan provides an analysis of current conditions of twelve neighborhoods throughout the area, 27 strategies with multiple action items under each strategy, and various development type examples and design guidance. The plan update conforms with the General Plan's core values, especially the values: Create a Network of Vibrant Cores, Centers, and Corridors, Connect People and Places, and Strengthen our Local Economy.

Public Outreach

Throughout the planning process, staff and the consultant engaged the general public through two community meetings held in 2023 and one community meeting held in 2025. Additionally, staff hosted five NSC meetings, site tours with community leaders, and provided presentations to the Phoenix Revitalization Corporation, Central Park Neighborhood Association, Phoenix Community Alliance, and Phoenix Elementary School District #1.

Location

The Downtown Redevelopment Area is generally bounded by Moreland Street to the north, 16th Street to the east, and Interstate 17 to the west and south.

Council Districts: 7 & 8

Responsible Department

This item is submitted by Deputy City Manager John Chan and the Community and Economic Development Department.

Phoenix Bioscience Core Update

Community and Economic Development Department staff will provide an update to the Economic Development and Housing Subcommittee on the current status of the Phoenix Bioscience Core as well as an overview of current and future development, initiatives and programs.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Summary

The Phoenix Bioscience Core (PBC) is a 30-acre, urban life sciences hub and the heart of the innovator's district in Downtown Phoenix. It is home to the highest concentration of research and physician-scientists along with complementary research and health professionals in the region. The PBC is dedicated to the relentless pursuit of cures from discovery to delivery where unprecedented collaborations set a new standard. This update will include the PBC history, economic impact, key investment information and most recent announcements.

Location

Generally between 4th and 7th streets, Monroe to Garfield streets in Downtown Phoenix.

Council District: 8

Responsible Department

This item is submitted by Deputy City Manager John Chan and the Community and Economic Development Department.

Report

Agenda Date: 3/26/2025, Item No. 9

Consideration of a Possible Shopping Cart Restrictive Device Ordinance - Citywide

This report provides the Economic Development and Housing Subcommittee an update on the Abandoned Shopping Cart Retrieval Program and seeks direction on a possible new ordinance to reduce the number of shopping carts outside retail premises.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

In October 2024, staff presented an update on the Abandoned Shopping Cart Retrieval Program (ASCRP) and information on what other cities are doing to reduce abandoned shopping carts. Additionally, staff presented the framework of a possible new ordinance requiring restrictive devices to prevent the removal of shopping carts from retail premises and sought further direction. Subcommittee members provided feedback and requested staff meet with the retailer associations to get more data about the efficacy, or lack thereof, of locking wheel mechanisms.

Since October, staff have held multiple meetings with representatives from the Arizona Retailers Association, Arizona Food Marketing Alliance, and Arizona Lobbying to discuss the issue and strategies to better address the problem. Staff requested data on the efficacy of locking wheel mechanisms; however, the level of data was not available for local stores. The retailer representatives did share a partial list of stores using these systems; however, they were not able to provide details about whether the systems are properly maintained.

The representatives appreciated being included in the conversation and shared some of the challenges of implementing a broad requirement for locking wheel systems over other solutions. They noted that the systems are costly to implement and maintain, and in many cases have not been able to reduce the number of carts that end up beyond retail property boundaries. They also discussed the additional challenges retailers that rent space may face in convincing their landlords of the necessity for infrastructure improvements required.

Background

Last fiscal year, the City collected 7,851 carts from over 460 retail stores as a result of the ASCRP. The average number of carts collected from any one store was 16, and the median was four. In fact, only 12 retailers exceeded 20 carts collected per store over the course of a year. Based on this information, most retailers are either small enough, or have sufficient systems in place, to require only a minor number of carts to be collected through the program.

Proposed Ordinance

Should the City Council seek to enact a new ordinance requiring locking wheel mechanisms, staff suggest focusing on large retailers and allowing an alternative option requiring the submittal of a Shopping Cart Compliance Plan.

Under this framework, all retailers providing shopping carts would need to register with the City. Retailers delinquent in their fees from the ASCRP would not be able to register.

Additionally, all large retailers would be required to install and maintain a locking wheel system. As an alternative, they may submit a Shopping Cart Compliance Plan (SCCP), for approval, that will outline how they will prevent removal of carts from the premises and ensure prompt cart retrieval for the carts that are removed from the site. At minimum, a shopping cart retrieval contract will be required, with weekly retrieval services as part of the cart retrieval plan.

Should the City continue to collect a substantial quantity of shopping carts under the ASCRP after the proposed City Code amendment is implemented, a SCCP will be required to be submitted and approved, if none exists, or enhancements to their existing SCCP will be required to address the amount of shopping carts that are leaving the premises. If the plan revisions fail to reduce City retrievals, a mandatory plan may be imposed with specific requirements to reduce the ongoing burden on the public resources to continue retrieving a substantial number of carts. Additionally, failure to provide a plan or enhancements to a current plan that is not working as required, will result in denial of registration.

Responsible Department

This item is submitted by Deputy City Manager Alan Stephenson and the Neighborhood Services Department.

Report

Agenda Date: 3/26/2025, Item No. 10

Acquisition of Vacant Land in Spark Area 2 Located at 702, 704, 706 S. 11th Street

Request the Economic Development and Housing Subcommittee recommend City Council approval to acquire all rights, title, and interest to vacant real property located at 702, 704, and 706 S. 11th Street within the City's appraised value plus usual and customary closing costs. Acquisition is to be by voluntary purchase from Bagpiper Investments, LLC. Funding is available through the City's 2023 General Obligation Bond.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

Phoenix Sky Harbor International Airport's Land Reuse Strategy (LRS) was developed in 2017 to address the reuse and redevelopment of fragmented City-owned parcels acquired through the Community Noise Reduction Program, located roughly between 7th and 16th Streets, Washington Street and University Drive. LRS identified three Spark Areas with Spark Area 2 and its City-owned parcels generally located northeast of the corner of 7th Street and Buckeye Road. In 2023, the City sought General Obligation Bond funds for LRS Spark Area 2 Land Acquisitions project. This project will fund the acquisition of private parcels, as they become available, to fill in ownership gaps and facilitate redevelopment in this area.

A number of City departments, lead by the City's Aviation Department, conducted community participation sessions over a two-year period. The Aviation LRS plan was the outcome of this community collaboration. In order to execute on the LRS, additional sites will need to be acquired in order to ensure the contiguous properties needed to develop the plan. The contiguous properties would then move forward through the Request for Proposal process at the City Council's approval.

The property to be acquired is strategically located within the LRS's Spark Area 2. The property consists of three vacant parcels, and is approximately 19,800 square feet owned by Bagpiper Investments, LLC (Owner). The Owner agreed to voluntarily sell the real property to the City for appraised value. The purchase agreement will contain terms and conditions deemed necessary or appropriate.

The parcels to be acquired are located at 702, 704, and 706 S. 11th Street, identified by Maricopa County Assessor's parcel numbers 116-39-086; 116-39-084; 116-39-083.

Financial Impact

Funding is available through the City's 2023 General Obligation Bond Program's Spark Area Land Acquisition project.

Location

702, 704, 706 S. 11th Street
Council District: 8

Responsible Department

This item is submitted by Deputy City Manager John Chan and the Community and Economic Development Department.

Aviation Noise Land Disposal Located Adjacent to Interstate 17: Areas F, G, H, I and J

Request the Economic Development and Housing Subcommittee recommend City Council approval to sell City-owned property identified by the Aviation Department as excess aviation noise land inventory.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

The Phoenix Sky Harbor International Airport (PHX) Land Reuse Strategy was developed in 2017 to address the reuse and redevelopment of fragmented airport-owned parcels located south of Interstate 17. In December 2022, the Aviation Department received Federal Aviation Administration approval to dispose of and/or redevelop 427 parcels of fragmented airport-owned noise land. Of the total 427 parcels, this action requests authorization to sell parcels identified in areas F, G, H, I and J in the Land Reuse Section 163 Determination letter dated December 22, 2022. **(Attachment A)**.

The properties will be conveyed at a purchase price based on a valuation of the land and the buyers will pay all closing costs. This process will be in compliance with Administrative Regulation 5.44 regarding the disposition of City-owned real property. There are properties that are within the Downtown Redevelopment Area and will be disposed of in compliance with Arizona Revised Statutes 36-1480. The properties will be advertised on the open market at market value to be determined by an appraisal accepted by the Finance Department's Real Estate Division. With approval, staff will negotiate with offerors to yield the highest dollar return to the City, as deemed acceptable by the City Manager or designee. The City Manager or designee will select the highest responsive and responsible offer based upon market value and enter into an agreement for the purchase and sale of City-owned property. The subsequent conveyance will include a deed restriction for non-residential use in accordance with the compatible land use for PHX.

Financial Impact

Revenue will be reflective of the market value of the property and will be returned to

the Aviation Department.

Location

Multiple Locations, see **Attachment A**.

Council District: 8

Responsible Department

This item is submitted by Deputy City Manager John Chan and the Community Economic Development Department.

Attachment A

Property Identification

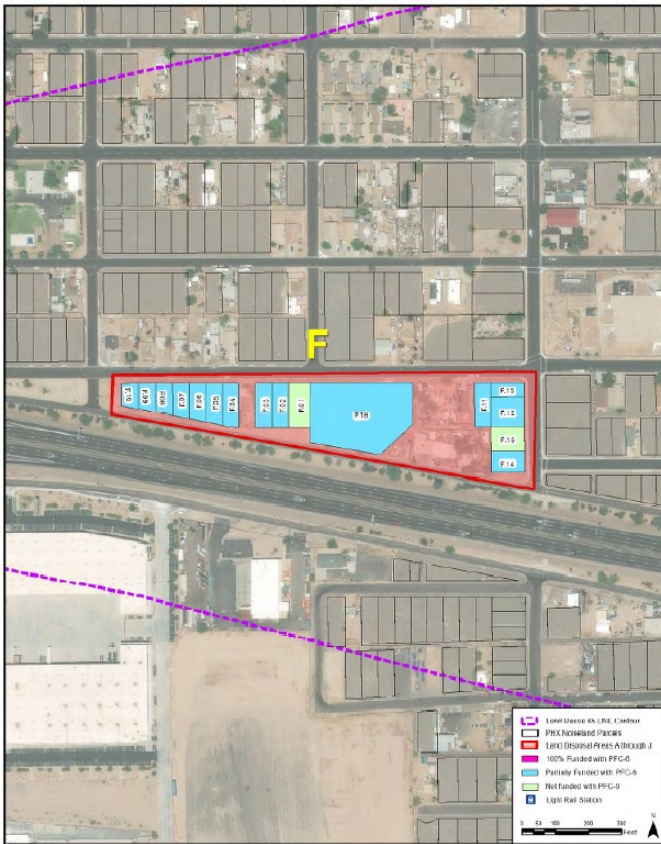
Sell City-Owned Property Identified as Excess Aviation Noise Land Inventory as determined in Phoenix Sky Harbor (PHX), Phoenix, AZ – Land Reuse Section 163 Determination dated December 22, 2022: Disposal of Vacant Real Property Located North of Interstate 17 as identified in Areas F and G.

The following parcels included in this request are identified by the Maricopa County Assessor's parcel number (APN) and the address or location.		
Parcel ID	APN	Address / Location
F.01	115-47-001	1099 E. Durango Street
F.02	115-47-002	1021 E. Durango Street
F.03	115-47-003	1019 E. Durango Street
F.04	115-47-005	1015 E. Durango Street
F.05	115-47-006	1013 E. Durango Street
F.06	115-47-007	1011 E. Durango Street
F.07	115-47-008	1009 E. Durango Street
F.08	115-47-009	1007 E. Durango Street
F.09	115-47-010	1007 E. Durango Street
F.10	115-47-011	1005 E. Durango Street
F.11	115-47-042	1137 E. Durango Street
F.12	115-47-043	2006 S 12 th Street
F.13	115-47-044	2002 S. 12 th Street
F.14	115-47-045	2020 S. 12 th Street
F.15	115-47-046	2016 S. 12 th Street
F.16	115-47-091	1102 E. Hilton Avenue
G.01	115-37-060A	1321 E. Hess Avenue
G.02	115-37-061C	1323 E. Hess Avenue
G.03	115-37-061D	1325 E. Hess Avenue
G.04	115-37-062B	2114 S. 14 th Street
G.05	115-37-064A	1317 E. Hess Street
G.06	115-37-066A	1313 E. Hess Avenue
G.07	115-37-068A	1309 E. Hess Avenue
G.08	115-37-072	1301 E. Hess Avenue
G.09	115-37-076	1219 E. Hess Street
G.10	115-37-078A	1211 E. Hess Avenue
G.11	115-37-082	1207A E. Hess Avenue
G.12	115-37-085	1205 E. Hess Avenue
G.13	115-37-086A	1205 E. Hess Avenue
G.14	115-37-105A	1314 E. Maricopa Way
G.15	115-37-106A	1201 E. Hess Avenue
G.16	115-37-106B	1201 E. Hess Avenue
H.01	115-36-001	1229 E. Gibson Lane
H.02	115-36-002C	2302 S. 13 th Street

H.03	115-36-003	1225 E. Gibson Lane
H.04	115-36-004	2312 S. 13 th Street
H.05	115-36-005	2316 S. 13 th Street
H.06	115-36-009	2332 S. 13 th Street
H.07	115-36-010	2336 S. 13 th Street
H.08	115-36-012	2348 S. 13 th Street
H.09	115-36-013	2344 S. 13 th Street
H.10	115-36-014B	2508 S. 13 th Street
H.11	115-36-016B	2519 S. 13 th Street
H.12	115-36-016C	2511 S. 13 th Street
H.13	115-36-016D	2515 S. 13 th Street
H.14	115-36-017A	2351 S. 13 th Street
H.15	115-36-017B	2501 S. 13 th Street
H.16	115-36-018	2343 S. 13 th Street
H.17	115-36-019	2347 S. 13 th Street
H.18	115-36-021	2335 S. 13 th Street
H.19	115-36-022	2331 S. 13 th Street
H.20	115-36-024	2323 S. 13 th Street
H.21	115-36-025	2319 S. 13 th Street
H.22	115-36-026	2315 S. 13 th Street
H.23	115-36-041	2317 S. 12 th Street
H.24	115-36-042	2407 S. 12 th Street
H.25	115-36-050C	1220 E. Hammond Lane
H.26	115-36-050E	2409 S. 12 th Street
H.27	115-36-050H	2421 S. 12 th Street
H.28	115-36-050J	2381 S. 12 th Street
H.29	115-37-001	2205 S. 12 th Street
H.30	115-37-013	1246 E. Gibson Lane
H.31	115-37-015	1236 E. Gibson Lane
H.32	115-37-016	1238 E. Gibson Lane
H.33	115-37-017	1234 E. Gibson Lane
H.34	115-37-018	1224A E. Gibson Lane
H.35	115-37-019	1222 E. Gibson Lane
H.36	115-37-020	1218 E. Gibson Lane
H.37	115-37-021	1214 E. Gibson Lane
H.38	115-37-023	2227 S. 12 th Street
H.39	115-37-099	1322 E. Gibson Lane
H.40	115-37-100	1302 E. Gibson Lane
H.41	115-47-029	1134 E. Watkins Street
H.42	115-47-030	1138 E. Watkins Street
H.43	115-47-031	1130 E. Watkins Street
H.44	115-47-034A	1121 E. Watkins Street
H.45	115-47-034B	1125 E. Watkins Street
H.46	115-47-035	1133 E. Watkins Street
H.47	115-47-036A	1135 E. Watkins Street

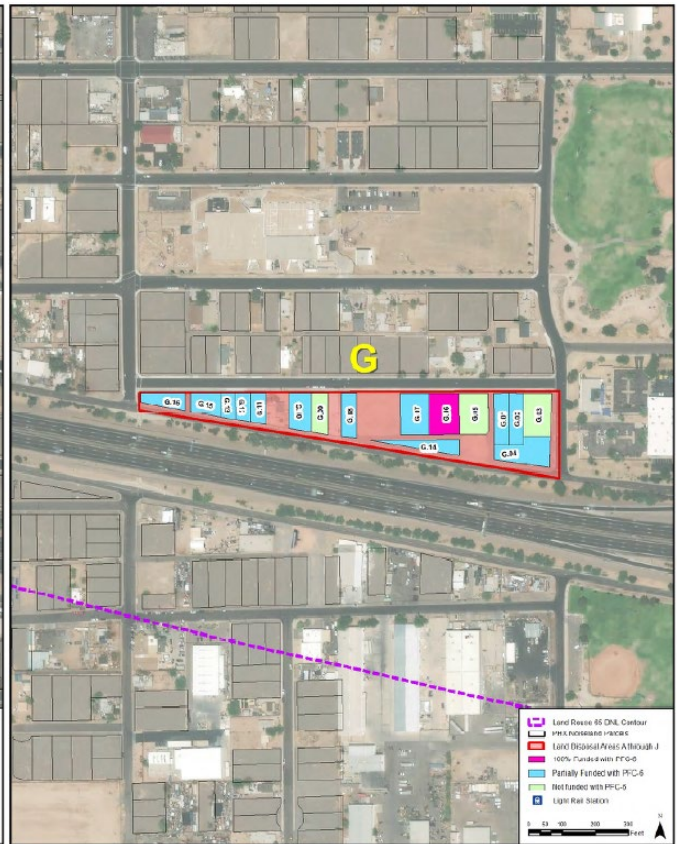
H.48	115-47-037	2402 S. 12 th Street
H.49	115-47-038	2406 S. 12 th Street
H.50	115-47-062A	1120 E. Hilton Avenue
H.51	115-47-063	1120 E. Hilton Avenue
H.52	115-47-065	1101 E. Hilton Avenue
H.53	115-47-067	1109 E. Hilton Avenue
H.54	115-47-068	1115 E. Hilton Avenue
H.55	115-47-069	1121 E. Hilton Avenue
H.56	115-47-070	1115 E. Hilton Avenue
H.57	115-47-071	1125 E. Hilton Avenue
H.58	115-47-072	1129 E. Hilton Avenue
H.59	115-47-073	1137 E. Hilton Avenue
H.60	115-47-074	1131 E. Hilton Avenue
H.61	115-47-075	2206 S. 12 th Street
H.62	115-47-076	2204 S. 12 th Street
H.63	115-47-077	2202 S. 12 th Street
H.64	115-47-078	2228 S. 12 th Street
H.65	115-47-079	2208 S. 12 th Street
H.66	115-47-080	2208 S. 12 th Street
H.67	115-47-081	1134 E. Gibson Lane
H.68	115-47-083E	1130 E. Gibson Lane
H.69	115-47-086	1114 E. Gibson Lane
H.70	115-47-087	1110 E. Gibson Lane
H.71	115-47-088	1108 E. Gibson Lane
H.72	115-47-022	1123 E. Gibson Lane
H.73	115-47-028	2320 S. 12 th Street
H.74	115-47-095	1130 E. Hilton Avenue
I.01	115-35-002	2300 S. 15 th Place
I.02	115-35-003	2203 S. 15 th Street
I.03	115-35-004	2304 S. 15 th Place
I.04	115-35-005	2205 S. 15 th Street
I.05	115-35-006	2306 S. 15 th Place
I.06	115-35-008	2308 S. 15 th Place
I.07	115-35-009	2209 S. 15 th Street
I.08	115-35-010	2310 S. 15 th Place
I.09	115-35-012A	2314 S. 15 th Place
I.10	115-35-013	2213 S. 15 th Street
I.11	115-35-014A	2316 S. 15 th Place
I.12	115-35-015	2215 S. 15 th Street
I.13	115-35-017	2217 S. 15 th Street
I.14	115-35-027	2301 S. 15 th Place
I.15	115-35-029	2303 S. 15 th Place
I.16	115-35-032A	2206 S. 16 th Street
I.17	115-35-033A	2307 S. 15th Place
I.18	115-35-034A	2208 S. 16 th Street

I.19	115-35-056	1431 E. Watkins Street
I.20	115-35-074	1425 E. Hammond Lane
I.21	115-35-075	1425 E. Hammond Lane
I.22	115-35-076	1429 E. Hammond LANE
I.23	115-35-080	2322 S. 15 th Street
I.24	115-38-014	2114 S. 15 th Place
I.25	115-38-016	2116 S. 15 th Place
I.26	115-38-018	2118 S. 15 th Place
I.27	115-38-023	2145 S. 15 th Street
J.01	115-29-007	2430 S. 17 th Place
J.02	115-29-023	1726 E. University Drive
J.03	115-29-027	2438 S. 18 th Street
J.04	115-29-028	2434 S. 18 th Street
J.05	115-29-030	2424 S. 18 th Street
J.06	115-29-033	2410 S. 18 th Street
J.07	115-29-034	2406 S. 18 th Street
J.08	115-29-038	2409 S. 17 th Place
J.09	115-29-041	2423 S. 17 th Place
J.10	115-29-042	2429 S. 17 th Place
J.11	115-29-043	2433 S. 17 th Place
J.12	115-30-001	1802 E. University Drive
J.13	115-30-002	1806 E. University Drive
J.14	115-30-005	2438 S. 18 th Place
J.15	115-30-010	2416 S. 18 th Place
J.16	115-30-015	2405 S. 18 th Street
J.17	115-30-016	2409 S. 18 th Street
J.18	115-30-017	2415 S. 18 th Street
J.19	115-30-018	2419 S. 18 th Street
J.20	115-30-019	2423 S. 18 th Street
J.21	115-30-020	2429 S. 18 th Street
J.22	115-30-022	2437 S. 18 th Street
J.23	115-30-027	2434 S 19 th Street
J.24	115-30-028	2430 S. 19 th Street
J.25	115-30-035	2401 S. 18 th Place
J.26	115-30-041	2429 S. 18 th Place
J.27	115-30-043	2441 S. 18 th Place
J.28	115-30-044	1902 E. University Drive
J.29	115-30-045	1906 E. University Drive
J.30	115-30-048	2438 S. 19 th Place
J.31	115-30-050	2430 S. 19 th Place
J.32	115-30-062	2423 S. 19 th Street
J.33	115-30-063	2429 S. 19 th Street
J.34	115-30-064	2433 S. 19 th Street
J.35	115-30-065	2437 S. 19 th Street



Land Disposal Areas

Phoenix Sky Harbor Noise Land Redevelopment
Section 163 Application: Area F



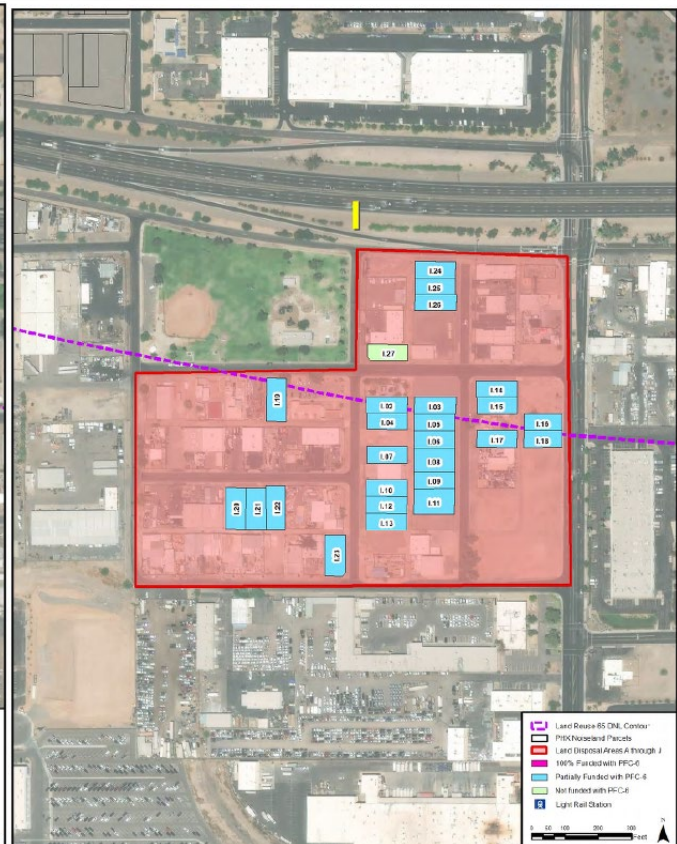
Land Disposal Areas

Phoenix Sky Harbor Noise Land Redevelopment
Section 163 Application: Area G



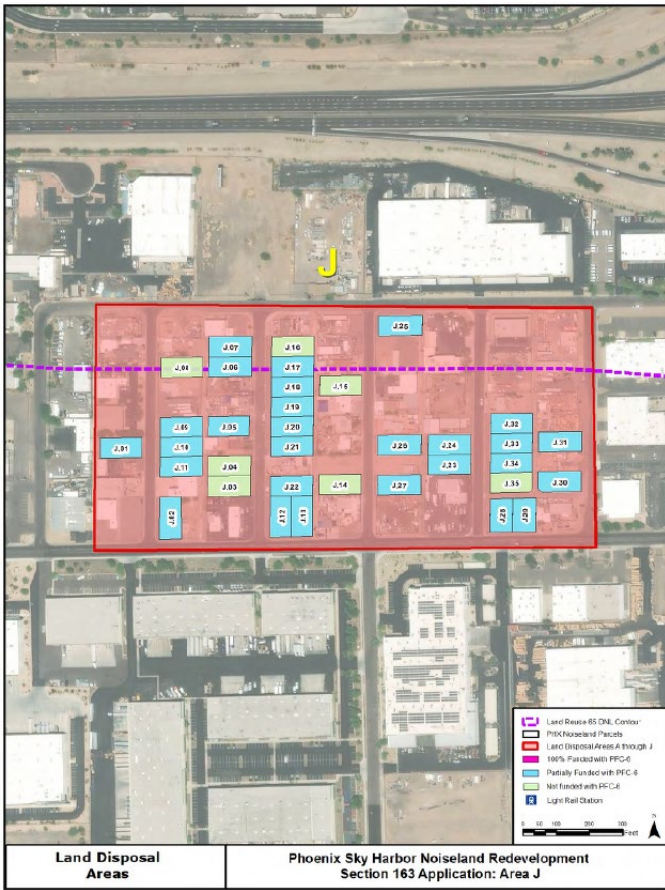
Land Disposal Areas

Phoenix Sky Harbor Noise Land Redevelopment
Section 163 Application: Area H



Land Disposal Areas

Phoenix Sky Harbor Noise Land Redevelopment
Section 163 Application: Area I



Report

Agenda Date: 3/26/2025, Item No. 12

Development Agreement with Aardex LLC

This report requests the Economic Development and Housing Subcommittee recommend City Council approval to enter into a development agreement, lease agreement, easements and other agreements as necessary (Agreements), with Aardex LLC or its City-approved designee (Developer), for the development of a two-phase, multi-family rental residential and adaptive reuse commercial project located at the southwest corner of Central Avenue and Madison Street in downtown Phoenix. There is no impact to the General Fund.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

On March 20, 2024, the Developer submitted an application for the City's consideration of a Government Property Lease Excise Tax (GPLET) transaction for the development of a two-phase, mixed-use development at the southwest corner of Central Avenue and Madison Street in downtown Phoenix. The project includes the adaptive reuse and historic preservation of a 13,500 square foot, historic building located at 1 West Madison Street (Madison Phase) and the development of a 14-story, 262-unit multi-family residential building, with 6,800 square feet of ground floor retail and 202 structured parking spaces (Jackson Phase). The overall project includes 244,322 square feet of new construction along with the adaptive reuse of 13,500 square feet of ground floor commercial space and a 13,500 square foot basement on the 1.05-acre site.

If approved, the project will bring a capital investment of approximately \$117 million to downtown and create approximately 1,166 construction jobs. Upon issuance of a certificate of occupancy (C of O) for the project, and other terms and conditions specified in the Agreements, the Developer will convey title of the property to the City, and the City will lease the property back to the Developer for a term not to exceed 25 years. The project will not be eligible for abatement of the GPLET. The Developer has also agreed that the project will generate to the City and other taxing jurisdictions new revenue in the form of certain minimum tax payments (during construction and leasing of the project, and in ad valorem property taxes after the lease term). These minimum tax payments would be estimated by a third-party economic impact study. Details

regarding those minimum tax payments will be specified in the Agreements, as well as other terms and conditions deemed necessary by City staff.

The Developer also recognizes the issues relating to affordable housing in this and other markets across the country. To help address this critical issue, the Developer has agreed to a contribution of 100 percent of the City's share of property taxes otherwise due during each of the two lease terms to the City's Affordable Housing Trust Fund, which will be used in the future by the City towards affordable housing in Phoenix.

Application Review

A review panel, consisting of representatives from the Warehouse District Council, the Downtown Voices Coalition, staff from the Community and Economic Development, Office of Historic Preservation and Planning and Development departments, was convened in May 2024 to review the application. The panel recommended the City begin negotiations with the Developer.

Contract Term

The lease term for each phase will be for a maximum of 25 years upon issuance of the C of O for each phase. There are no extensions to the proposed lease, and upon conclusion of the term, ownership of the property will be transferred back to the Developer. The Developer will have the ability to terminate the lease at any time subject to the terms of the Agreements.

Financial Impact

The project will have no expense impact to the General Fund. The estimated one-time construction sales tax revenue to the City is approximately \$1.1 million, plus an estimated commercial rental and transaction privilege tax revenue generation of approximately \$957,500 at stabilization. The Developer will pay an annual rental payment for each phase. The Madison Phase annual rent will start at \$2,500 in year one and escalate to \$10,000 in year 25 for a total of \$143,750 over the lease term. The Jackson Phase annual rent will start at \$2,500 and escalate to \$40,000 in year 25 for a total of \$500,000 over the lease term. The rent payments will be deposited into the Downtown Community Reinvestment Fund.

Public Outreach

Staff has provided information to the Warehouse District Council, Downtown Core Community and the Downtown Voices Coalition. The Developer also met with the Phoenix Elementary School District No. 1. In compliance with Arizona Revised Statutes 42-6206(B)(1)(a) and 42-6209(C), the impacted jurisdictions were notified via US Mail on February 6, 2025, of the proposed GPLET transaction.

Location

1 West Madison Street and 10 to 20 West Jackson Street
Council District: 7

Responsible Department

This item is submitted by Deputy City Manager John Chan and the Community and Economic Development Department.

Report

Agenda Date: 3/26/2025, Item No. 13

1016 N. 2nd Street Development Agreement RFP-CED23-SSR - Authorization for Sale and Redevelopment of City-Owned Parcels

This report requests the Economic Development and Housing Subcommittee recommend City Council approval to enter into a disposition and redevelopment agreement, and other agreements as necessary (Agreements), with Pennrose, LLC or its City-approved designee, for the sale and redevelopment of three City-owned parcels totaling 0.4 acres located at 1016 N. 2nd Street (Site).

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

The City acquired the Site in 2004 as collateral from a previous development agreement to support a proposed mixed-use project. The project was not constructed and the City retained ownership of the Site. In 2023, City Council authorized the issuance of a Request for Proposals (RFP) for the Site (RFP-CED23-SSR). The RFP sought a mixed-use high-rise development and required any proposals with a residential use to designate at least 20 percent of the proposed units as affordable or workforce housing.

Pennrose, a national development firm with more than 50 years' experience delivering mixed-income and affordable housing, submitted the sole proposal received by the City for this RFP. This developer is currently constructing Garfield III, a 60-unit affordable housing community located at 1510 E. Portland Street, which is set to open this year. The proposal for the Site represents a \$20 million capital investment and envisions a five-story, 64-unit affordable housing community (Project) that will feature approximately 4,650 gross square feet of commercial space and 32 parking spaces. All residential units within the Project will be restricted to tenant households earning no more than 60 percent of the Area Median Income (AMI).

The City and Pennrose (Developer) have negotiated the following business terms:

1. Within six months of Council authorization, the parties will enter into a Development Agreement (DA).
 2. Developer will have 36 months from the commencement of the DA to secure a building permit to construct the Project.
 3. City will sell the Site to the Developer for \$1.5 million.
-

4. Ten thousand dollars of the Developer's \$50,000 proposal guarantee will become non-refundable upon Council authorization of these business terms, with the remaining \$40,000 becoming non-refundable only after the Developer successfully receives a tax credit award. The proposal guarantee will be applied to the purchase price.
5. Developer will have 30 months from construction commencement to complete the Project.
6. Following Project completion, Developer will record a deed restriction on the Site restricting it to affordable housing for a term of 40 years.

The Agreements will include other terms and conditions as needed, and deadlines for performance benchmarks may be modified at the City's discretion.

Procurement Information

In November 2023, the Community and Economic Development Department issued RFP-CED23-SSP for the disposition and redevelopment of the Site. One proposal was received and staff verified the proposal was responsive to the RFP requirements. On February 9, 2024, an award recommendation was posted, and staff began negotiations with the Developer.

Financial Impact

The Project will create a one-time sale revenue to the City of \$1.5 million. In addition, the construction of the Project is estimated to generate approximately \$300,000 in construction sales taxes.

Public Outreach

Staff presented the details of the Project to the following groups:

- Hance Park Conservancy - February 6, 2025.
- Downtown Voices Coalition - February 8, 2025.
- Central City Village Planning Committee - February 10, 2025.
- Evans Churchill Community Association - February 12, 2025.

Location

The Site includes three individual parcels (APNs 111-36-029A, -029B and -030) and is collectively referred to as 1016 N. 2nd Street.

Council District: 7

Responsible Department

This item is submitted by Deputy City Manager John Chan and the Community and Economic Development Department.