

Attachment A

Phoenix City Council Workforce and Economic Development Subcommittee Summary Minutes Wednesday, January 22, 2020

City Council Subcommittee Room
Phoenix City Hall, Assembly Rooms A, B, and C
200 West Washington Street
Phoenix, Arizona

Subcommittee Members Present

Councilwoman Pastor, Chair
Councilman Waring
Councilwoman Stark
Councilman Nowakowski

Subcommittee Members Absent

Call to Order

Chairwoman Pastor called the Workforce and Economic Development Subcommittee meeting to order at 10:02 a.m. with Councilman Waring, Councilwoman Stark and Councilman Nowakowski present.

Call to the Public

None.

1. For Approval or Correction, the Minutes of the Workforce and Economic Development Subcommittee Meeting on Dec. 3, 2019

Councilwoman Stark made a motion to approve the minutes of the Dec. 3, 2019 Workforce and Economic Development Subcommittee. Councilman Waring seconded the motion which passed unanimously, 4-0.

Item 2 was for consent action. No presentations were planned but staff was available to answer questions.

2. Authorization to Enter into an Agreement for FY 2019-2020 Tourism and Hospitality Advisory Board (THAB) Funds

Councilwoman Stark made a motion to approve consent item 2. Councilman Waring seconded the motion which passed unanimously, 4-0.

3. Key Phoenix Economic Indicators Quarterly Report

Information only. No councilmember requested additional information.

4. Authorization to Issue a Request for Proposals for the Lease and Redevelopment of City-Owned Property Located at 1414 E. Jefferson St.

Community and Economic Development Director Chris Mackay provided an overview of the request for proposal (RFP) of a mixed-used, mixed-income project at 1414 E.

Jefferson St. Ms. Mackay introduced fellow presenters Deputy Community and Economic Director Xandon Keating, Community and Economic Development Procurement Manager Gretchen Wolfe and Community and Economic Development Program Manager Jeff Stapleton.

Mr. Stapleton shared information about the site location for the proposed development along Jefferson Street between 14th and 15th Streets. He then discussed the planning efforts that informed the ReInventPHX RFP. Mr. Stapleton stated ReInventPHX encourages smart growth, including density and transit-oriented development along the light-rail.

Mr. Stapleton provided information on the redevelopment opportunity at the site. He stated the desired projects include a mixed-use development that offers mixed-income housing and conforms to transit-oriented development principles. Mr. Stapleton specified the appraisal of the site is \$400,000 for the sale or \$24,000 for an annual lease.

Councilman Waring asked if the site could be sold or leased. Ms. Mackay stated the lease value is calculated through the property sale and confirmed that the site is for lease only.

Ms. Wolfe provided an overview of the minimum qualifications in the RFP. She stated the proposer must have experience in completing at least one vertical mixed-use development of at least three stories in the last five years. Ms. Wolfe also shared that the proposed development must be a mixed-use, mixed-income residential project with 25 to 50 percent of units designated as affordable or workforce. She then clarified that no offers for fee-title sale will be allowed.

Chairwoman Pastor asked for further information on how staff determines the percentage range of affordable and workforce housing units. Ms. Mackay stated staff utilizes a variety of market indicators, but the Subcommittee could recommend setting a specific percentage as well.

Ms. Wolfe shared the evaluation criteria for the RFP includes the concept to activate the site, the return to the City of Phoenix as well as the proposer's qualifications and experiences.

Councilman Waring asked for further information on the ability to sell the property. Ms. Mackay stated the property was purchased with federal dollars for Sky Harbor International Airport and the Federal Aviation Administration (FAA) provide guidance to not sell the property.

Mr. Stapleton provided information on the timeline of the RFP process which included numerous community engagement efforts and will be bringing the result to the City Council on Feb. 5, 2020. He said the construction is scheduled to begin early 2021.

Councilman Nowakowski asked if the City of Phoenix owns the vacant property near the proposed site. Ms. Mackay stated that Pilgrim Rest Baptist Church owns the property on the south side of Jefferson and that the Public Transit Department owns the property to the west.

Chairwoman Pastor asked if the property would be returned to FAA if the City were to sell the property. Ms. Mackay stated FAA would need to be monetarily compensated to release the property.

Councilman Nowakowski asked for further details on affordability housing qualifications. Mr. Stapleton stated workforce housing qualifications include 80 to 120 percent of the area median household income. He then stated affordable housing includes housing vouchers at 60 percent area median income. Councilman Nowakowski then asked if the RFP could include 100 percent workforce and affordable housing. Ms. Mackay stated the Subcommittee could recommend that adjustment.

Chairwoman Pastor asked why there was a focus on mixed-use. Mr. Stapleton stated Housing staff provided information on best-practices for transit-oriented development which included the importance of incorporating mixed-used to activate the space along the street. Ms. Mackay added that the mixed-use is included to assist in meeting the needs of the surrounding community.

Councilman Nowakowski asked if the proposed development could reach 56 feet in height. Mr. Stapleton stated the 56-foot height was a policy direction from the Eastlake Park community.

Councilwoman Stark asked if there have been developers expressing interested in the site and if the affordable and workforce housing requirements could be achieved. Ms. Mackay stated staff is in communication with possible developers and have determined that the 25 to 50 percent range is achievable.

Councilman Waring requested staff consider selling the property and asked if a wider range of the percentage for affordable and workforce housing could be used. Ms. Mackay stated that the RFP could be written with a minimum percentage with additional points for greater percentages of affordable or workforce housing.

Chairwoman Pastor asked for clarification on the criteria for return to the city. Ms. Wolfe clarified that the return to the city traditionally includes monetary returns and public infrastructure.

Councilman Nowakowski asked for further information on tax relief for affordable and workforce housing developments. Ms. Mackay stated taxes are applied to the improvements but the City does not have to pay tax on its own property.

Councilwoman Stark made a motion to approve the request for proposal as amended to include a minimum of 50 percent of units dedicated to workforce and affordable housing.

Councilwoman Stark made a motion to approve item 4. Councilman Nowakowski seconded the motion which passed 3-1, with Councilman Waring voting no.

Councilwoman Stark asked for staff to include selling of city-owned property for a future agenda item.

Chairwoman Pastor asked for staff to provide historical information on the Aviation Department's acquisition of land around the airport and for information on the process to sell property that was acquired by the Aviation Department.

5. Parking Consulting Services Request for Proposals Contract Award (RFP-CED19-PCS).

Community and Economic Development Director Chris Mackay provided an overview of the Parking Consulting Services Contract Award process and introduced fellow presenters Deputy Community and Economic Director Xandon Keating, Community and Economic Development Procurement Manager Gretchen Wolfe and Community and Economic Development Program Manager Jeff Stapleton.

Mr. Stapleton shared additional background on need for a parking management strategy and plan as a result of limited land supply with increased demand. He stated the City Council authorized an RFP in June 2019 for parking consultant services to develop a parking study and prepare a 10-year parking master plan.

Mr. Stapleton stated the recommended proposer was Kimley-Horn. He shared that Kimley Horn specializes in planning and design, has offices across the U.S. and has completed parking studies in Dallas, Columbus, Boise, Tempe and other cities.

Mr. Stapleton detailed that the parking study will focus on the downtown core and provide recommendations to address parking demand for business and sport attractions, ASU downtown campus, Phoenix Biomedical campus, Roosevelt Row, the Warehouse District and in surrounding neighborhoods. He then stated the study will be provided to the City Council in Fall 2020 and will include information on how to optimize parking rates and spaces as well as encourage more efficient use of existing parking resources.

Mr. Stapleton stated the agreement includes an initial term of one year and will not exceed \$384,000 in aggregate with funds from the City and Downtown Phoenix Inc. Mr. Stapleton concluded the presentation by requesting the Workforce and Economic Development Subcommittee recommend City Council approval to award a contract with Kimley-Horn and Associates, Inc. to provide consulting services for the development of a parking study and master plan for the Downtown Redevelopment Area.

Chairwoman Pastor asked for further information on the geographic boundaries of the downtown core. Mr. Keating stated the geographic region for the study is focused on the redevelopment area which includes facilities north of McDowell Road to Grant Street between 7th Avenue and 7th Street.

Councilwoman Stark asked if staff is coordinating with Downtown Phoenix Inc. (DPI). Ms. Mackay confirmed staff is coordinating with DPI on the curbside study, which includes other uses beyond parking.

Mr. Dan Klocke of Downtown Phoenix Partnership stated DPI and the City are coordinating on the curbside study and the parking study. He also stated Downtown Phoenix Partnership will begin a pilot shuttle program to address the parking issues in February 2020.

Councilman Nowakowski made a motion to approve item 5. Councilwoman Stark seconded the motion which passed 3-1, with Councilman Waring voting no.

6. Market Feasibility Study for the Phoenix Convention Center

Assistant City Manager Milton Dohoney, Jr. provided a background of the Market Feasibility Study for the Phoenix Convention Center then introduced Phoenix Convention Center Director John Chan.

Councilman Nowakowski joined the meeting telephonically.

Mr. Chan shared an overview on the Market Feasibility Study and introduced Mr. John Kaatz of Conventions Sports and Leisure (CSL).

Mr. Kaatz provided information on the Convention Center's space utilized history. He stated the Convention Center has not reached 70 percent space utilization which indicates expansion is not necessary but that there are seasonal opportunities to increase capacity. He also shared that additional expansion is limited to increasing hotel capacity.

Mr. Kaatz then provide information on destination amenity benchmarks which include the number of dinning places within a half mile of the Convention Center and the number of positive TripAdvisor Attractive Reviews within a half mile of the Convention Center.

Councilman Waring asked what factors contribute to a positive impression by convention planners. Mr. Kaatz stated Phoenix has an attractive brand for conventions which results in positive feedback, but the study indicates amenities can be improved.

Mr. Kaatz stated the near-term priories over the next five years include developing a large hotel near the Convention Center, maximizing outdoor space, re-inventing the

concourse and incorporating new technology trends. He then shared the long-term priorities for the next six to ten years include an expansion of the north building's upper levels to the south building which expands the center's continuous space.

Chairwoman Pastor asked Mr. Chan to provide next steps now that the study is concluded. Mr. Chan stated the next steps include engaging with stakeholders and returning to City Council with addition information on the market study.

Call to the Public

None.

Future Agenda Items

None.

Adjournment

Chairwoman Pastor adjourned the meeting at 11:42 a.m.

Respectfully submitted,
Zack Wallace
Management Intern

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	Name	Title	Department / Organization
1.	Eric Kene	Dir. Research	Visit Phoenix
2.	Lorne Edwards	VP Sales & Services	Visit Phoenix
3.	Mike Mooney	COO	Visit Phoenix
4.	Dennis Burns	VP	Comm Development
5.	Sarah Field	Director of Sales	Phoenix Convention Center
6.	Glenn Howard	Visit Phoenix	
7.	Jon Brodsky	Exec. Dir.	Phoenix Comm. Alliance
8.	Tracy Skdtz	Gen. General Manager	Ren Phoenix Downtown
9.	Steve Cohn	Owner	Ren Phoenix Downtown
10.	Steve Moore	President	Visit Phoenix
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	Name	Title	Department / Organization
25.	Courtney Carter	Project Manager	AVN Planning and Environmental
26.	Dan Kucenas		DPP
27.	Jacqueline Davis	Marketing	PCC
28.	MaKaya Thompson	Intern	Mayor Gallego's Office
29.	Doni Truncillo	Fiscal Manager	PCC
30.	Tim Mervin		PCC
31.	Jenny Harmon	Deputy Director	PCC
32.	John Stevenson	Owner / Partner	Clear Sky
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