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**Phoenix City Council
Workforce and Economic Development Subcommittee
Summary Minutes
Wednesday, September 23, 2020**

City Council Chambers
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 10:00 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 Jan. 22, 2020

Councilwoman Stark made a motion to approve the minutes of the Jan. 22, 2020 Workforce and Economic Development Subcommittee. Councilman Nowakowski seconded the motion which passed unanimously, 4-0.

Items 2-3 were for consent action. No presentations were planned but staff was available to answer questions. Councilman Nowakowski made a motion to approve consent items 2-3. Councilwoman Stark seconded the motion which passed, 3-1.

2. WESTMARC Membership Dues

3. 2021 Downtown Enhanced Municipal Services District Work Plan and Budget

4. Key Phoenix Economic Indicators Quarterly Report

This item was for information only. No councilmembers had questions.

5. Fiscal Year 2020-2021 Bioscience Healthcare Strategic Initiative

Community and Economic Development Director Chris Mackay provided an overview of the item and introduced fellow presenter Program Manager Claudia Whitehead.

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Ms. Mackay stated the Bioscience Healthcare Strategic Initiative focused on research, the creation of 7,000 jobs, precision medicine, healthcare delivery, education and branding. She stated the 2020 BIO International Conference resulted in over 225,000 email and web interactions, over 200 meetings with delegates, 62 delegation opportunities for investors and four new prospects for Phoenix.

Ms. Mackay shared that the City of Phoenix's participation in the conference focused on the Phoenix Bioscience Story and was recently featured in the Arizona Business Magazine. Ms. Mackay then shared that companies are investing billions in Phoenix's bioscience and healthcare industries. This investment includes 4.5 million square feet of development, over \$3 billion in capital investment and the creation of over 7,000 new jobs.

Ms. Mackay requested approval of \$90,000 to attend BIO International Convention in June 2021. She stated this allocation would fund the City's participation in the Convention Ms. Mackay also requested approval of \$15,500 to support participation with the Arizona Bioindustry Association.

Ms. Mackay concluded her presentation by requesting the Subcommittee recommend City Council approval to implement the Bioscience Healthcare Initiative, including authorization of an Arizona Bioindustry Association membership and participation at the BIO International Convention in 2021, for a total allocation of \$115,000.

Councilman Nowakowski made a motion to approve staff's recommendation. Councilwoman Stark seconded the motion which passed, 3-0.

6. Agreements with Hubbard Street Group for Development of Property Located at 6th and Garfield Streets in Downtown Phoenix

Community and Economic Development Director Chris Mackay provided an overview of the Hubbard Street Group proposed development and introduced fellow presenter Deputy Community and Economic Development Director Xandon Keating

Mr. Keating provided an overview of the project site located at the southeast corner of 6th and Garfield Streets comprised of 18,000 square feet of vacant land.

Mr. Keating stated the developer is Hubbard Street Group who is specialized in urban infill sites and have done developments across seven states. He shared that Hubbard's portfolio includes a variety of mixed-use, transit-oriented development projects with almost 1,000 units and multiple retail developments.

Mr. Keating stated the proposal is a 26-story multifamily development with 309 rental units and 10 percent for workforce housing. He also shared the proposed development would include 201 parking spaces, nearly 7,000 square feet of retail and restaurant

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space and 2,800 square feet of co-working space. Mr. Keating stated the request is for an eight year abatement of government excise tax.

Mr. Keating shared the benefits of the proposed development include \$87 million investment of a new co-work development, infill of vacant land, new workforce housing, increased construction and permanent jobs as well as increased tax revenues. He also shared the developers would provide a \$100,000 contribution to the City's Housing Department for low incomes housing initiatives.

Councilman Nowakowski asked if the offer includes the Government Property Lease Excise Tax (GPLET) with the addition of 10 percent for workforce housing. Mr. Keating confirmed this is correct.

Councilwoman Pastor asked how the \$100,000 donation to the Housing Department was determined. Ms. Mackay stated the attorney for the developer was available to answer questions. Nicholas Wood, representing Hubbard, stated the developers came forward with the concept of the \$100,000 contribution to the Housing Department to support the affordable housing plan that was recently approved by the City Council.

Councilman Nowakowski stated that the contribution is a good trend to continue as the City evaluates future developments throughout the City.

Councilwoman Stark expressed support for the proposal.

Councilwoman Pastor asked what the \$100,000 donation would be contributing to in the Housing Department. Ms. Mackay stated that a more comprehensive plan for the \$100,000 would be provided to the full City Council during the next Formal meeting.

Councilman Nowakowski asked if it was possible to create a new fund dedicated to affordable and workforce housing. Mr. Wood stated this was one of the goals of the developers for the additional contribution after conversations with numerous members of the City Council.

Mr. Keating concluded his presentation by requesting the Subcommittee recommend City Council approval to enter into a development agreement, lease agreement, easements and other agreements as necessary, with Hubbard Street Group, its City-approved designee, for the development of a 26-story multi-family rental and commercial project located at the southeast corner of 6th and Garfield Streets in downtown Phoenix.

Councilman Nowakowski made a motion to approve staff's recommendation. Councilwoman Stark seconded the motion, which passed 3-1.

7. Contracts with Arizona Fresh Holdings, LLC for the Redevelopment of the Del Rio Former Landfill at 1150 E. Elwood St.

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Community and Economic Development Director Chris Mackay introduced fellow presenters Interim Parks and Recreation Director Tracee Hall and Assistant Public Works Director Joe Judice.

Ms. Mackay provided an overview of the proposed Del Rio Development site. She stated the proposal includes a total site of 156 acres with current zoning of heavy and light industrial. Ms. Mackay also shared the proposed site was a landfill and previous city park.

Ms. Mackay shared background on previous community input pertaining to the site including the 2003 Rio Solado Beyond the Banks Area Plan, 2012 Del Rio Brownfields Plan and the 2012 Del Rio Park Conceptual Master Plan. She stated that in 2012 the City was unable to fund the Parks and Recreation Board approved master plan.

Ms. Mackay also shared background on previously issued Requests For Proposals (RFP) to redevelop the site. These previous RFP were issued in 1995, 2005 and 2018. The two submissions in 2018 were disqualified because they failed to meet the RFP requirements.

Ms. Mackay then shared the City released another RFP in January 2020 with a focus on developing a mixed-used project, shared use path along the northern border, trail and recreational elements for public use and adherence to environmental regulations. She stated the five offers received included a golf concept, an office research park, soccer fields and academy concept, as well as, solar testing and research facilities. Staff selected the Arizona Fresh proposal based on the unique offer to provide solutions in all areas of community interest.

Ms. Mackay provided an overview of the four phases associated with the proposed development for Arizona Fresh. She stated that phase one includes a wholesale produce market, educational programs and pedestrian friendly park. Ms. Mackay shared the later phases included an agri-food research center, test fields, start-up incubator and conference center as well as a multi-tenant office park for strategic partners.

Ms. Mackay stated the wholesale produce market includes a 210,000 square foot “cross dock” distribution center with 66 individual units of 3,200 square feet each. She also shared the space is for “zero waste” activities and will be a source of fresh produce for an adjacent farmers market. Ms. Mackay stated the first phase will provide benefits including access to fresh produce year-round with dozens of local producers.

Ms. Mackay shared that phase one benefits also include education and research resources with on-site university research, 20 acres of parkland, spaces for events and outdoor entertainment venues. She also stated the proposed development includes 1,460 construction-related jobs and 1,500 operational jobs.

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Ms. Mackay shared that a study by Geotech is ongoing and have taken 10 core soil samples from the site already. She stated that no chemicals or hazardous materials have been identified during the study to date.

Ms. Mackay provided information on the community outreach efforts associated with the proposed development. She stated the property owners and residents that are 1,200 feet from the site and 45 neighborhood associations one mile from the site were notified of the proposal. Ms. Mackay shared that numerous community meetings were held, including one in Spanish, and that the proposal was approved by the Parks and Recreation Board in August 2020.

Ms. Mackay stated the proposed business terms include the developer shall construct a phased, mixed-use project that includes an Agri-Food Innovation Center and fund, and then construct a 20-acre City-operated public park. She stated the proposal includes a 100-year ground lease for an annual rent of \$1 and that the Parks and Recreation Department will operate and maintain the park. Ms. Mackay also stated the City will provide access to the new park from 7th street.

Ms. Mackay concluded her presentation by stating the recommendation for the proposal was recently approved by the Land Use and Livability Subcommittee and will be before the full City Council for consideration during the next Formal meeting. Councilwoman Stark expressed her support for the project.

Councilwoman Pastor asked for further information on access to the site and other infrastructure requirements for the development. Ms. Mackay stated the developer would be responsible for utilities and other infrastructure to the site.

Todd Hardy expressed support for the project.

Councilwoman Pastor expressed support for the project as a continuation of Congressman Pastor's vision for the Rio Salado.

Call to the Public

None.

Future Agenda Items

None.

Adjournment

Chairwoman Pastor adjourned the meeting at 11:00 a.m.

Respectfully submitted,
Zack Wallace