

Attachment A

**Phoenix City Council  
Economic Development and Equity Subcommittee  
Summary Minutes  
Wednesday, May 25, 2022**

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

Subcommittee Members Present

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

Subcommittee Members Absent

**CALL TO ORDER**

Vice Mayor Pastor called the Economic Development and Equity Subcommittee to order at 9:04 a.m. with Councilwoman Ansari, Councilwoman O'Brien, and Councilwoman Stark present.

**CALL TO THE PUBLIC**

**MINUTES OF MEETINGS**

**1. Minutes of the Economic Development and Equity Subcommittee Meeting**

Councilwoman Stark made a motion to approve the minutes of April 27, 2022 Economic Development and Equity Subcommittee meeting. Councilwoman O'Brien seconded the motion, which passed unanimously 4-0.

**CONSENT ACTION (ITEM 2)**

**2. Authorization to Enter into a Development Agreement with IDM Companies for Reimbursement of Public Infrastructure Improvements**

Councilwoman Ansari made a motion to approve all consent items. Councilwoman Stark seconded the motion, which passed unanimously 4-0.

**INFORMATION ONLY (ITEM 3)**

**3. Key Phoenix Economic Indicators Quarterly Report**

## **DISCUSSION AND POSSIBLE ACTION (ITEM 4-5)**

### **4. Amendment to the Intergovernmental Agreement and Master Lease between the City of Phoenix and Arizona State University**

Community and Economic Development Director Christine Mackay and Deputy Director Xandon Keating gave a staff presentation regarding an amendment to the intergovernmental agreement (IGA) and master lease between the City of Phoenix and Arizona State University (ASU).

Mr. Keating provided background of the 2005 IGA and 2006 lease agreement between the City and ASU. He discussed several ASU-owned buildings such as Taylor Place, the University Center, and the Cronkite School of Journalism and stated this agreement helped bring over 18,000 students to the Downtown ASU campus. Mr. Keating highlighted the ASU-owned Mercado Property at 541 E. Van Buren St. and spoke about the importance this property had to the biomedical campus in the Downtown Phoenix area. He noted the 2005 IGA stipulated the property would be designated to the City in 2014. Mr. Keating also spoke about the 2005 operating agreement between the City and the Valley Youth Theatre building and how the 2006 master lease impacted the building. He discussed the proposed business terms, which include allowing ASU to continue to operate the Mercado site, to remove the McKinley lots from the ASU lease, and to extend the development deadline for the ASU Valley Youth Theatre to January 5, 2030.

Ms. Mackay requested the Economic Development and Equity Subcommittee recommend City Council authorization to amend the Intergovernmental Agreement and Master Lease between the City and Arizona State University.

Councilwoman Ansari asked how quickly staff would be able to release a request for proposal (RFP) for affordable housing development of the McKinley parking lots. She asked what staff needed from Council to create an affordable housing option for the parking lot site.

Ms. Mackay replied staff could work through the summer and return to Council in the fall to make a recommendation and to issue a RFP.

Vice Mayor Pastor asked staff why they would issue an RFP rather than lease the property.

Ms. Mackay replied staff could present a long-term land lease option, so the City could retain the land site as a land partner and allow a developer to develop the land.

Vice Mayor Pastor asked staff to explain the removal of the McKinley lot site plan from the IGA master lease agreement.

Ms. Mackay replied staff would recommend the separation of the McKinley lots from the 2005 and 2006 master lease agreement. She noted ASU would no longer have rights to the property, and the Council could decide how to develop the land.

Vice Mayor Pastor reiterated that the McKinley property would be removed from the master lease and the Council could decide how to develop the land.

Ms. Mackay replied that was correct.

Vice Mayor Pastor asked why the Mercado site wasn't being transferred.

Ms. Mackay replied that the property was independently-owned by ASU and noted staff would allow ASU to continue to grow on that property and become more of the healthcare core in Phoenix. She stated ASU would retain the development rights to the Mercado property indefinitely, whereas the McKinley site could be developed by the City.

Vice Mayor Pastor stated she thought the Mercado site would be worth more than the McKinley property due to the square footage. She asked staff to discuss why the agreement was for the McKinley lots and not the Mercado site.

Ms. Mackay noted the Mercado site was larger than the McKinley site, but the McKinley site was unencumbered and the City could develop the land in a number of ways. She said the Mercado buildings land could only be developed for specific purposes related to education and healthcare.

Councilwoman Ansari moved to approve staff recommendation. Councilwoman O'Brien seconded the motion, which passed unanimously 4-0.

## **5. Downtown Redevelopment Tools Update**

Community and Economic Development Director Christine Mackay, Deputy Director Xandon Keating, Government Relations Manager Lauren Armour, and Assistant City Attorney Thomas Stack gave a staff presentation regarding Downtown Phoenix economic development tools.

Ms. Armour gave a brief overview of a theme park district, which includes recreational entertainment like sports facilities and buildings, or improvements used for lodging for theme park patrons. She noted the State Legislature passed theme park district legislation to authorize new districts and authorizes the districts to issue up to \$2 billion in bonds. Ms. Armour stated the theme park district would have to be an agreement between the Phoenix City Council and the Maricopa County Board of Supervisors (BOS). She stated the theme park district governing board would include members from the Phoenix Council, Maricopa County BOS, and members of the general public from two rural counties.

Councilwoman Stark asked if the theme park district was specific to Maricopa County.

Ms. Armour replied the Councilwoman was correct, and the City would need to partner with Maricopa County to form a district.

Councilwoman Stark asked if the theme park rules would apply to any other county.

Ms. Armour replied no.

Councilwoman Stark noted this legislation would apply to the Arizona Diamondbacks sports facility. She asked why other county representatives would sit on the theme park district governing board.

Ms. Armour replied the Legislature kept the prior legislation language from 2005 related to theme park districts in the current legislation. She noted the Legislature focused on having rural input in more developed areas.

Vice Mayor Pastor asked Councilwoman Stark to clarify how this legislation would impact the Arizona Diamondbacks sports facility.

Ms. Armour stated there had been discussions among legislators to utilize this legislation for the Arizona Diamondbacks sports facility.

Councilwoman Stark discussed her time on the theme parks district and how it related to creating a district for the Arizona Diamondbacks facility.

Vice Mayor Pastor asked if the theme park district could only apply to the Arizona Diamondbacks sports facility.

Ms. Armour replied the legislation could apply to any sports facility and was not limited to the Arizona Diamondbacks.

Mr. Keating continued with presentation describing an entertainment district as containing a number of entertainment venues which can be officially designated by local governments. He spoke about the Jackson Street entertainment district created by the City in 2009, the 2011 Legends entertainment district, and the 2016 Downtown Phoenix entertainment district. Mr. Keating discussed other entertainment districts in other states such as the Gaslamp Quarter in San Diego, California.

Vice Mayor Pastor asked if the entertainment district had a tax.

Ms. Mackay stated there was no tax for the entertainment districts. She noted entertainment districts were a marketing tool that connects an area. She stated hotels pay an enhanced tax, which already exists in the Downtown Phoenix area.

Vice Mayor Pastor asked staff to describe the additional hotel tax.

Ms. Mackay replied hotels in other areas had a visitor tax and noted the Downtown Phoenix hotel tax was related to Proposition 301, a tax that utilized funds for entertainment district marketing efforts. She stated hotels in the Downtown Phoenix area would not have any additional tax related to the entertainment district.

Vice Mayor Pastor asked if the theme park district had an additional tax.

Ms. Mackay replied the board of a theme park district had the option to sell up to \$2 billion in bonds to create a theme park. She noted the theme district board could also impose a 9% tax within that district to satisfy the bonds.

Vice Mayor Pastor asked staff if the theme park legislation language had a physical boundary of the district.

Ms. Mackay replied the Council could set a physical boundary for the theme park district at a Formal Council meeting.

Vice Mayor Pastor asked if the entertainment district could be overlaid with the theme park district.

Ms. Mackay replied that was correct.

Councilwoman Ansari asked if the staff recommendation was to expand a boundary of an entertainment district boundary created by the City in 2016.

Ms. Mackay replied the entertainment district created in 2016 was in response to a request by Roosevelt Row business owners asking to create the district for liquor license purposes. Staff would ensure the proposed entertainment district would overlap with the entertainment district created in 2016.

Councilwoman Ansari asked staff to clarify the marketing process for the new entertainment district.

Ms. Mackay replied this would be an overall effort for the Downtown Phoenix area. She stated staff would conduct outreach to stakeholders to create a linear entertainment district connecting Downtown Phoenix.

Vice Mayor Pastor stated community members, staff, and the Council would develop the process over the next several months to determine the look and feel of the entertainment district.

### **CALL TO THE PUBLIC**

**No call to the public**

### **FUTURE AGENDA ITEMS**

Diversity, Equity, and Inclusion Update, Downtown Phoenix Economic Tools, and the Convention Sports and Leisure Market Study.

**ADJOURNMENT**

Vice Mayor Pastor adjourned the meeting at 11:28 a.m.

Respectfully submitted,

Cooper Payne  
Management Intern