



Agenda

Economic Development and Equity

Tuesday, September 28, 2021

10:00 AM

City Council Chambers

OPTIONS TO ACCESS THIS MEETING

Request to speak at a meeting:

- **Register online** by visiting the City Council Meetings page on phoenix.gov **at least 1 hour prior to the start of this meeting**. Then, click on this link at the time of the meeting and join the Webex to speak:

<https://phoenixcitycouncil.webex.com/phoenixcitycouncil/onstage/g.php?MTID=e29763bb9821ac5ce7e268f4bd9461bc5>

- **Register via telephone** at 602-262-6001 **at least 1 hour prior to the start of this meeting**, noting the item number. Then, use the Call-in phone number and Meeting ID listed below at the time of the meeting to call-in and speak.

At the time of the meeting:

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

- **Call-in** to listen to the meeting. Dial 602-666-0783 and Enter Meeting ID 2557 957 9802# (for English) or 2550 909 6361# (for Spanish). Press # again when prompted for attendee ID.

Para nuestros residentes de habla hispana:

- **Para registrarse para hablar en español**, llame al 602-262-6001 **al menos 1 hora antes del inicio de esta reunión** e indique el número del tema. El día de la reunión, llame al 602-666-0783 e ingrese el número de identificación de la reunión 2550 909 6361#. El intérprete le indicará cuando sea su turno de hablar.

- **Para solamente escuchar la reunión en español**, llame a este mismo número el día de la reunión (602-666-0783; ingrese el número de identificación de la reunión 2550 909 6361#). Se proporciona interpretación simultánea para nuestros residentes durante todas las reuniones.

CALL TO ORDER**000 CALL TO THE PUBLIC****MINUTES OF MEETINGS****1 Minutes of the Workforce and Economic Development Subcommittee Meeting Page 7**

This item transmits the minutes of the Workforce and Economic Development Subcommittee Meeting on June 23, 2021, for review, correction or approval by the Workforce and Economic Development Subcommittee.

THIS ITEM IS FOR POSSIBLE ACTION.**Responsible Department**

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

CONSENT ACTION (ITEMS 2-3)**2 Alliance for Innovation Annual Membership for the City of Phoenix Page 15**

This report requests the Economic Development and Equity Subcommittee recommend City Council approval of the Budget and Research Department's payment of \$9,000 for annual dues for 2021-22 membership with the Alliance for Innovation.

THIS ITEM IS FOR CONSENT ACTION.

Responsible Department

This item is submitted by Assistant City Manager Jeffrey Barton and the Budget and Research Department.

**3 2022 Downtown Enhanced Municipal Services District Work Plan Page 17
and Budget**

This report requests the Economic Development and Equity Subcommittee recommend City Council approval of the 2022 Downtown Enhanced Municipal Services District work plan and budget, as outlined in this report.

THIS ITEM IS FOR CONSENT ACTION.

Responsible Department

This item is submitted by Deputy City Managers Ginger Spencer and Mario Paniagua, and the Community and Economic Development and Street Transportation Departments.

INFORMATION AND DISCUSSION (ITEMS 4-5)

4 Key Phoenix Economic Indicators Quarterly Report Page 25

This report transmits the fourth quarter report of the Key Phoenix Economic Indicators for FY 2020-21 to the Economic Development and Equity Subcommittee.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Responsible Department

This item is submitted by Assistant City Manager Jeffrey Barton and the

Budget and Research Department.

5 Downtown Digital Kiosks

Page 38

This report provides the Economic Development and Equity Subcommittee information on the potential installation of interactive informational kiosks in public right-of-way within certain areas of the downtown Enhanced Municipal Services District. Staff further requests feedback from the Subcommittee regarding the potential for a Downtown Digital Kiosks project.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

DISCUSSION AND POSSIBLE ACTION (ITEMS 6-9)

6 Fiscal Year 2021-2022 Bioscience Healthcare Strategic Initiative Page 42

This report requests the Economic Development and Equity Subcommittee (Subcommittee) recommend City Council approval to implement the Fiscal Year (FY) 2021-2022 Bioscience Healthcare Strategic Initiative, including authorization of an Arizona Bioindustry Association (AZBio) membership and participation at the annual BIO International Convention in 2022. Further request the Subcommittee recommend approval to accept funds from the City's BIO International Convention partners to offset costs associated with the 2022 Convention expenses. Funding for the AZBio membership and convention efforts will not exceed \$105,000. There is no impact to the General Fund. Funding is available in the Genomics Facilities and Operations Fund.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Responsible Department

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

7 Maricopa Community Colleges Foundation Collide Arizona Events Programming Sponsorship Page 45

This report requests the Economic Development and Equity Subcommittee recommend City Council approval of a Founders Circle sponsorship to launch the Maricopa Community Colleges Foundation's Collide Arizona Events Programming on the Phoenix Biomedical Campus (PBC) in the amount of \$50,000 annually for three years, for a total amount not to exceed \$150,000. There is no impact to the General Fund. Funding is available in the Genomics Facilities and Operations Fund.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Responsible Department

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

8 Acceptance of Funds from Suns Legacy Properties LLC. Page 48

This is a request to accept a donation of \$20,000 from Suns Legacy LLC for interpretive signage related to the Hotel St. James.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Responsible Department

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

9 Approval of Community and Economic Development Funds for Interpretive Signage Page 50

Request to recommend approval of \$30,000 from the Community and Economic Development Department (CEDD) for Interpretive Signage related to the Hotel St. James. There is no impact to the General Fund.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Responsible Department

This item is submitted by Deputy City Manager Ginger Spencer and the

Planning and Development, and Community and Economic Development departments.

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:

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



Minutes of the Workforce and Economic Development Subcommittee Meeting

This item transmits the minutes of the Workforce and Economic Development Subcommittee Meeting on June 23, 2021, for review, correction or approval by the Workforce and Economic Development Subcommittee.

THIS ITEM IS FOR POSSIBLE ACTION.

The minutes are included for review as **Attachment A**.

Responsible Department

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

**Phoenix City Council
Workforce and Economic Development Subcommittee
Summary Minutes
Wednesday, June 23, 2021**

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

Subcommittee Members Present
Councilwoman Laura Pastor, Chair
Councilwoman Debra Stark
Councilman Jim Waring

Subcommittee Members Absent

CALL TO ORDER

Chairwoman Pastor called the Workforce and Economic Development Subcommittee to order at 10:03 a.m. with Councilwoman Stark and Councilman Waring present.

CALL TO THE PUBLIC

None.

MINUTES OF MEETINGS

1. Minutes of the Workforce and Economic Development Subcommittee Meeting

Councilman Waring made a motion to approve the minutes of the May 26, 2021 Workforce and Economic Development Subcommittee meeting. Councilwoman Stark seconded the motion which passed unanimously, 3-0.

INFORMATION AND DISCUSSION (ITEMS 2-4)

2. Digital Divide Solution Update

Chairwoman Pastor acknowledged her involvement with the Digital Divide project and asked Councilwoman Stark to introduce the item.

Councilwoman Stark introduced Deputy City Manager Ginger Spencer, who introduced Community and Economic Development Director Christine Mackay, Acting Chief Information Officer Steen Hambric, and Phoenix College Associate Vice President of Information Technology Paul Ross to present the item.

Ms. Mackay described how the pandemic exacerbated challenges faced by students and workers lacking internet connectivity. She highlighted the team's efforts to bridge the digital divide during the pandemic and stressed the importance of developing a long-term solution.

Ms. Mackay highlighted the partnership established between the City of Phoenix, the business community, elementary schools, high schools, and community colleges locally to address the digital divide.

Ms. Mackay provided an update on the CARES-funded, \$2 million project. She stated the Phoenix Union High School District (PUHSD) matched the funding with \$2 million, elementary schools authorized funding for two proofs of concept, and an intergovernmental agreement had been approved and executed.

Ms. Mackay discussed the phases of the project, which would extend connectivity across 250 square miles of the PUHSD, then other school districts in the city. She noted the connectivity would be focused on connecting students to their schools, not for streaming or other services. She explained the new service was also intended to provide workforce training programs to job seekers.

Mr. Ross explained the creation of the model and future expansion for a long-term solution, which was designed as a wireless canopy of coverage by leveraging existing education and partner sites.

Mr. Ross discussed the coordinated efforts to map school districts, identify infrastructure needs, and collect data on student experiences with the network.

Ms. Mackay stressed the significance of the data collection effort, which had not been done before.

Ms. Mackay recognized project partners and discussed next steps, including intergovernmental agreements, finalized installation with the proof of concept, future installations, and a governance structure.

Mr. Ross also discussed testing done on diverse construction and housing materials to ensure acceptable download speeds.

Ms. Mackay recognized Chairwoman Pastor for her leadership on the project.

Councilwoman Stark thanked Chairwoman Pastor for stepping up to find a solution for students and expressed her excitement to include other districts in the future, including Paradise Valley. She explained the Palomino neighborhood and other areas of Sunnyslope in the Washington Elementary School District were underserved.

3. Gambling Legislation and Tribal Gaming Compacts

Deputy City Manager Ginger Spencer introduced Government Relations Manager Lauren Armour, Community and Economic Development (CED) Special Projects Manager Jeremy Legg, and Assistant City Attorney Thomas Stack to discuss Arizona House Bill (HB) 2772 related to tribal gaming and gambling.

Ms. Armour discussed state-enacted changes impacting the city's current gaming structure, which would permit types of professional gaming and gambling, such as fantasy sports betting, event wagering, and Keno at newly authorized facilities. She also discussed the new role the Arizona Department of Gaming (ADG) would undertake in accordance with this legislation.

Councilwoman Stark asked if the city of Phoenix would become involved in any gaming or gambling that would take place at Chase Field, even though it is a county-owned facility.

Ms. Armour stated the city would have limited involvement.

Mr. Legg explained there would be two potential sportsbooks that could be in Phoenix, Chase Field and the Phoenix Suns Arena, but the city would not handle authorization. He added the city would be a partner and would have ongoing communications related to this new process.

Chairwoman Pastor asked who would regulate mobile gaming.

Ms. Armour stated the ADG was in the process of establishing the rules and the city's role was unclear.

Chairwoman Pastor discussed the challenges of monitoring geofencing and asked who would regulate it.

Ms. Armour stated license holders and individual operators would be expected to enforce requirements.

Chairwoman Pastor asked who would be responsible for situations of enforcers violating regulations.

Ms. Armour stated the ADG create and later enforce the rules.

4. Theme Park Districts Extension Legislative Update

Ms. Armour provided an overview of Arizona House Bill (HB) 2835, which would allow the formation of theme park districts with the ability to issue up to \$2 million in bonds.

Councilwoman Stark stated the legislation may benefit the Diamondbacks and asked if the transaction privilege tax would be applied to tickets or merchandise.

Ms. Armour stated any sales within the theme park district would yield a maximum of 9%.

Councilwoman Stark asked about any potential theme parks or sports facilities.

Ms. Armour stated she was not aware of any pending projects.

Chairwoman Pastor mentioned an additional tax was placed on items, in addition to existing taxes, when a city or rural community designated a theme park district. She asked for more information on the transaction privilege tax and how revenue would be handled.

Ms. Armour explained the new transaction privilege tax would be in addition to existing taxes and act as a surcharge in the district. She added that any funds raised by the district would pay off bonds and represent revenue moving forward.

Chairwoman Pastor asked who would make decisions about the district.

Ms. Armour confirmed any decisions or fees would be subject to approval by the governing board.

DISCUSSION AND POSSIBLE ACTION (ITEM 5)

5. Contract with Capital Cardinal Management, Inc. for the Sale and Redevelopment of City-Owned Property at 723 W. Polk St.

Deputy City Manager Ginger Spencer introduced Community and Economic Development (CED) Director Christine Mackay, CED Deputy Director Xandon Keating, and Affordable Housing Program Manager Sheree Bouchee to present on the item.

Ms. Mackay began by discussing previous City Council action, which authorized staff to issue a request for proposals (RFP) for redevelopment of the property.

Mr. Keating stated the property was the current location for American Legion Post 1, one of the first three posts authorized in the United States, situated within the Downtown Redevelopment Area and two additional overlays. He explained the property had been donated to the city of Phoenix in 1920 for use as the American Legion with a 99-year lease, which had expired in 2019 and was extended until a future use for the property could be determined.

Mr. Keating discussed the requests made by the City Council for redevelopment of the site, which included a veteran preference for housing. He provided an overview of the procurement process, including outreach and the minimum qualifications for proposers.

Mr. Keating stated that the successful proposer was Cardinal Capital Management, which specializes in projects with an affordable or workforce housing component and projects specific to groups like veterans organizations. He explained the proposer worked closely with the American Legion prior to submitting the RFP, and the organization had expressed their full support of the proposal and moving forward with Cardinal Capital Management.

Mr. Keating shared an overview of the proposed project, which would be a mixed-income development of 92 multifamily residential units with veteran preference, space for veterans' support services, a socialization space with a food and beverage option, preservation of the Memorial Hall and existing flagpole, and an interpretive display documenting the history of first American Legion Post.

Mr. Keating discussed the proposed site plan and business terms and noted the site had to be rezoned. He also highlighted the minimum 25 project-based Veterans Affairs Supportive Housing (VASH) Vouchers that were required for the development.

Ms. Bouchee discussed the city's gap analysis, which identified that a significant number of affordable and subsidized housing units were needed in Phoenix, including at least 5,000 units for veterans. She stated this project aligned with the third policy initiative of the Housing Phoenix plan to use city-owned land for the development of new mixed-income housing.

Mr. Keating discussed the public benefits derived from the site and the community outreach process, including meetings with local organizations and commissions. He requested the subcommittee recommend City Council authorization to enter into a disposition and redevelopment agreement with Capital Cardinal Management for the sale and redevelopment of the site.

Chairwoman Pastor opened the floor for public comment.

Opal Wagner, member of the American Legion Post No. 1 Auxiliary, opposed the redevelopment of the existing property and advocated for historic designation and preservation.

Marilyn Rendon advocated for historic designation and preservation of the existing property. She expressed appreciation for the development of affordable housing, but recommended redesigning nearby apartments for that purpose.

Beatrice Moore, director of Grand Avenue Arts and Preservation, opposed the current redevelopment plans and advocated for gateway project for Grand Avenue. She recommended stipulations to the redevelopment and questioned the validity of the RFP.

Patrick Mays, former Commander of American Legion Post 1, expressed support to approve the redevelopment. He made a statement on behalf of the current Commander, highlighting American Legion programs to support veterans and expressing the desire to be part of a public private partnership with the developer.

Ryan Boyd expressed support for the RFP and more affordable housing. He also advocated to preserve the existing property.

Robert Graham, President of Grand Avenue Members Association, supported awarding the project to Cardinal Capital, but expressed disappointment with the outcome of the existing plan. He recommended two stipulations to preserve the historic structures on the site and make the American Legion an active element of the project. Mr. Graham also mentioned he had prepared an alternative site concept and emailed it to staff and the subcommittee members.

Management Assistant Corey Williams read an electronic communication from Robert Warnicke, which expressed opposition to the project because it did not recognize the historical significance of American Legion Post 1.

Councilwoman Stark stated Mr. Graham's stipulations were reasonable and asked if staff could comply with them.

Ms. Mackay stated she would like to facilitate a meeting between Mr. Graham and Cardinal Capital to see if his stipulations could be incorporated.

Councilwoman Stark expressed her support for setting up a meeting between Mr. Graham and Cardinal Capital.

Chairwoman Pastor asked if the property could retain its historic eligibility.

Ms. Mackay explained staff requested the application be put on hold to look at the property in its entirety and allow the City Council to determine the best interest of the property.

Historic Preservation Officer Michelle Dodds discussed a meeting she had with the State Historic Preservation Office (SHPO) about the building. She explained additions were made to the building over time and SHPO representatives stated that removing some portions of the building could still allow for the remaining structure to be eligible for designation.

Councilwoman Stark made a motion to approve staff's recommendation, with the addition of two stipulations from Mr. Robert Graham. Chairwoman Pastor seconded the motion.

Councilman Waring asked if the motion would prevent other stipulations from surfacing before going to the full City Council.

Councilwoman Stark stated the full City Council could still add further stipulations.

Councilman Waring stated it was a good start and would provide further opportunity to participate.

Ms. Mackay explained the full zoning process would have to move forward and there were two subsequent meetings with the community and the full City Council planned.

Chairwoman Pastor suggested moving the item to the next Formal Meeting in August to allow staff time to review the new stipulations recommended by Mr. Graham.

Ms. Mackay agreed that moving the project to the next meeting in August would allow more time to review the stipulations with Mr. Graham and the recommended proposer.

Councilwoman Stark expressed her agreement.

The motion passed unanimously, 3-0.

CALL TO THE PUBLIC

None.

FUTURE AGENDA ITEMS

None.

ADJOURNMENT

Chairwoman Pastor adjourned the meeting at 11:29 a.m.

Respectfully submitted,

Adeoffer-Marie Rabusa
Management Intern



Alliance for Innovation Annual Membership for the City of Phoenix

This report requests the Economic Development and Equity Subcommittee recommend City Council approval of the Budget and Research Department's payment of \$9,000 for annual dues for 2021-22 membership with the Alliance for Innovation.

THIS ITEM IS FOR CONSENT ACTION.

Summary

The City of Phoenix has been a member of the Alliance for Innovation since its establishment in 2006. Located in downtown Phoenix, the Alliance for Innovation was established in cooperation with Arizona State University (ASU) and is an international network of local governments and partners committed to driving innovation to enhance organizations' operations and build stronger communities. The Alliance advances those values by sharing emerging practices, cutting-edge research, and professional development opportunities.

The Alliance partners with ASU to promote excellence in local government and build a community of innovative local governments. With the help of ASU, the Alliance seeks to bring together the best local government practitioners along with private-sector partners and academic scholars.

The City's Alliance membership is available to the entire organization and provides the following benefits to all City employees:

- Learning: access to emerging local government topics through newsletters, webinars, workshops, Transforming Local Government Conference, and the BIG Ideas invitation-only event.
- Research: access to results from research collaborations. The Alliance partners with local government practitioners and academia for research on topics that will have an impact on the profession which includes a partnership with ASU.
- Leadership Connections: an online forum for local government professionals that fosters rich content, social networking and global knowledge exchange.

Over the years, staff has presented and participated at the Alliance's annual Transforming Local Government Conference. In 2018, Phoenix presented a case study on "Phoenix /Tucson Water Exchange - Storing and Moving Water Through Time." In April 2015, Phoenix hosted the Transforming Local Government Conference at the Sheraton Hotel in downtown Phoenix.

Notably, the City has been recognized with several innovation awards from the Alliance including the Outstanding Achievement in Local Government Innovation in 2019 for "Public Private Sports Partnerships." Prior to that, Phoenix won the Outstanding Achievement in Local Government Innovation Award in 2017 for the PHXteens Program, in 2016 for Fit PHX-Partnerships for a Healthier Community, in 2012 for the Innovation and Efficiency Task Force, and in 2008 for the Library Department website.

In October 2016, the City participated in the Arizona Idea and Culture Exchange Ambassador Forum which gave municipalities across Arizona the opportunity to engage and exchange ideas and concepts of innovation and culture. The Alliance Board of Directors approved a new strategic plan in 2016 that identifies ways in which the Alliance can serve as a catalyst for local government innovation. The four-part plan includes:

- Support and grow a network of local government innovators.
- Leverage research to identify leading practices and emerging issues.
- Inspire innovative cultures and practices in local government.
- Be a major force in the innovation space.

Financial Impact

Funds are available in the Budget and Research Department's budget.

Responsible Department

This item is submitted by Assistant City Manager Jeffrey Barton and the Budget and Research Department.



2022 Downtown Enhanced Municipal Services District Work Plan and Budget

This report requests the Economic Development and Equity Subcommittee recommend City Council approval of the 2022 Downtown Enhanced Municipal Services District work plan and budget, as outlined in this report.

THIS ITEM IS FOR CONSENT ACTION.

Summary

The City Council authorized the formation of the Downtown Enhanced Municipal Services District (EMSD) in 1990 to provide enhanced public services, above and beyond the level of services provided in the remainder of the City. The Downtown EMSD is generally bounded by Fillmore Street, 7th Street, 3rd Avenue and the railroad tracks south of Jackson Street. The costs for the Downtown EMSD's services are paid through assessments on property owners within the Downtown EMSD boundaries, representing approximately 785 parcels.

Arizona state law requires that the City Council take action annually to approve an estimate of expenses and a diagram showing the corresponding assessments upon individual properties within the Downtown EMSD. Once the property assessments have been determined, the City Council must hold a public hearing and pass a Resolution, declaring the final assessment amount.

The City contracts directly with Downtown Phoenix, Inc. (DPI) to implement the work plan via the Downtown Phoenix Partnership, as described in **Attachment A**, for the Downtown EMSD, as approved by City Council on June 17, 2020. The work plan and budget for Calendar Year (CY) 2022 provides a variety of service enhancements in the downtown core, including business improvement services and overall business development.

This action is the first of three City Council actions required annually to approve the Downtown EMSD budget, work plan and assessments. Subject to the EDE Subcommittee recommendation, the City Council will be asked to tentatively adopt the CY 2022 Downtown EMSD budget and assessment diagram, and to provide notice of a public hearing to also be held this fall at a future Formal City Council meeting. Once

the City Council tentatively adopts the CY 2022 EMSD budget and assessment diagram, City staff will distribute letters to all private-property owners notifying them of their proposed assessments, and the date of the public hearing. At that hearing, the City Council can receive public comment and then consider final approval of the 2022 Downtown EMSD assessments.

Financial Impact

In July 2021, the Downtown EMSD Board of Directors, which includes representatives of the City and other Downtown EMSD property owners, approved the CY 2022 proposed Downtown EMSD budget of \$4,380,935. This includes \$4,230,935 in assessment revenue and \$150,000 in non-assessment revenue. Non-assessment revenue sources include, but are not limited to, banners, fee for service and landscape fees. Included in the budget is \$162,509 for streetscape maintenance expenses, which are paid only by property owners and tenants adjacent to the Streetscape Improvement District (SID).

This proposed budget represents a 19.2 percent increase over the CY 2021 budget, or approximately \$704,610. However, the CY 2022 proposed budget only represents a 5.89 percent increase over the CY 2020 budget. CY 2021 saw a 10 percent decrease in the budget over 2020, in large part because of the impacts of the COVID-19 pandemic. In addition, the proposed total CY 2022 EMSD assessment revenue of \$4,230,935 represents a 15.5 percent increase over the total CY 2021 EMSD assessments, or approximately \$568,230 and only a 3.96 percent increase over the CY 2020 assessments.

The proposed CY 2022 work plan shows increases in business improvement services, general office expenses, admin salaries, business development and the SID. CY 2022 also includes anticipated preparation expenses for the 2023 Super Bowl LVII, in the amount of \$45,910. See **Attachment B** for a breakdown of the expense categories.

The City's proposed CY 2022 General Fund assessments total approximately \$392,407, representing an increase of approximately \$52,916 from CY 2021. Assessments for the Phoenix Biomedical Campus (PBC) land the City is responsible for, the Phoenix Convention Center (PCC) and Footprint Center (Arena) total approximately \$731,371, an increase of approximately \$98,626 from CY 2021. This brings the total City contribution to \$1,123,778, an overall increase of approximately \$151,542 over CY 2021.

Should the City finalize the sale of the Wells Fargo parcels prior to City Council approval of the EMSD Budget and Assessments, the City's responsibility would change as follows:

Total City Contribution: Increase to \$1,181,036;
General Fund: Increase to \$449,664; and
Pass-through (PBC, PCC, Arena): Stay the same at \$731,371.

Location

The Downtown EMSD is generally bounded by Fillmore Street, 7th Street, 3rd Avenue and the railroad tracks south of Jackson Street.

Council Districts: 7 and 8

Responsible Department

This item is submitted by Deputy City Managers Ginger Spencer and Mario Paniagua, and the Community and Economic Development and Street Transportation Departments.

Attachment A

2022 Downtown Phoenix Partnership (DPP) Proposed Work Plan

Developed by staff for Board of Director and City Council approval, the following goals and objectives are guided by the priorities of Enhanced Municipal Service District (EMSD) stakeholders and take into consideration the objectives not accomplished in 2020/2021 due to the COVID-19 pandemic.

Administration, Finance, and Information Technology

Goal: To manage shared resources and maximize efficiencies while supporting initiatives and projects organization-wide

Proposed Objectives to Achieve Goal

1. Complete buildout and opening of Downtown Phoenix Bike Commuter Facility
2. Implement website platform for PCA membership and stakeholder engagement using current applications to streamline accounting processes
3. Continue to identify process improvements, training, budget saving opportunities, and ways to help staff across all DPI departments and affiliates work more efficiently and effectively
4. Create documentation for all IT assets, processes, and security protocols
5. Support the work of all DPI departments and affiliates through finance, administrative, and IT services

Marketing & Events

Goal: Propelling our neighborhood forward through continued business support, dynamic storytelling, and enhanced visitor resources

Proposed Objectives to Achieve Goal

1. Continue to create content that enhances dtphx.org as an invaluable resource for Downtown news, event information, and development
2. Continue to enlist artists, community contributors, and social media influencers to help us tell diverse, inclusive, and authentic Downtown stories
3. Safely and strategically return our events portfolio to pre-pandemic levels, with special attention paid to cultural events, intellectual events, cross-over pop-up events, and family friendly events
 - a. Use large events as megaphones for telling Downtown's story
4. Continue to promote and raise awareness of family-friendly infrastructure
5. Continue to infuse Downtown with public art through our sustaining partnership with Artlink Phoenix, and by advocating for the value of art across all constituencies

6. Continue to work with Visit Phoenix, Phoenix Convention Center, and hospitality partners to bring convention business back to Downtown
 - a. Use conventions to tout the transformative growth that continues to push Downtown forward
7. Continue to support Downtown's bike culture and pedestrian experience with an emphasis on safety, especially once the Downtown Phoenix bike commuter facility opens
8. Dive deeper into data organization and consolidation so that stakeholder records can be accessed cross-departmentally
 - a. Streamline delivery lists for convention welcome posters and our popular What's Happening guides
9. Continue to work with Valley Metro and Kiewit to strategize around Light Rail construction mitigation
10. Ensure proper communication channels are in place with property management and security teams leading into Super Bowl 2023

DTPHX Ambassadors and Clean & Green Team

Goal: To curate a distinguishing sidewalk experience that is clean, safe, welcoming, and inclusive

Proposed Objectives to Achieve Goal

1. Continue to serve as eyes and ears for Downtown and increase Ambassador presence as a safety tool
 - a. Return program to 24 full-time Ambassadors
2. Continue to develop Ambassadors through ongoing series of monthly trainings beyond new and improved 30/60/90-day onboarding program
 - a. Provide familiarization tours to teams to keep up with the rapid growth and development of Downtown
 - b. Offer trainings such as nonviolent crisis intervention, CPR, and self-defense
3. Continue to participate in the City's coordinated efforts to reducing homelessness by connecting individuals experiencing homelessness to services
4. Continue to clean and disinfect high touch, high traffic public spaces, and infrastructure with high pressure washing equipment
5. Further multi-modal transportation initiatives and act on recommendations from both the Parking and Curb studies
 - a. Determine feasibility of a shuttle service to better connect residents, visitors, students, and employees in Central City South, Warehouse District, and Roosevelt Row to amenities in the EMSD
 - b. Work with City of Phoenix Street Transportation Department to implement additional co-branded 15-minute metered parking spaces near new high rise residential and street level restaurants
6. Improve walkability of Downtown's corridors and enhance the street level experience through place-making efforts

- a. Increase shade through tree plantings and a new focus on shade structures for high traffic sidewalks where trees can't be planted
 - b. Add planters with flowering plants to beautify building exteriors near main intersections throughout the EMSD
 - c. In partnership with the city's Public Works Department, replace trash and recycling receptacles to better match needs of Downtown and improve diversion rates
 - d. Continue to commission art, including 3-D, and create cross-collaborative pop-up activations with stakeholders in public spaces
 - e. Build and maintain new lending libraries and develop a daily management plan for books
7. Assess and improve public amenities throughout the Streetscape Improvement District, such as:
 - a. Site furnishings like benches and chess/checkers tables
 - b. Outdoor string lights across pedestrian corridors and other decorative lighting
 - c. Interactive activations such as motion-detected street planter speakers
8. Assess existing vehicular and pedestrian wayfinding signage throughout the EMSD and provide recommendations for updating or sunsetting
9. Modify "hydration station" to be battery powered for easier mobility and to use as a mobile collateral kiosk by Ambassadors

Business Development

Goal: To foster Downtown as a sustainable, economically-viable business, education, and residential center of our city and region

Proposed Objectives to Achieve Goal

1. Promote and provide personalized tours of Downtown, in partnership with city's Community & Economic Development Department (CEDD), to developers, investors, companies, and brokers showcasing Downtown's growth and amenity package
2. Attend all pre-development meetings at the City of Phoenix and offer support to developers and business owners looking for data or assistance to move their project forward
3. Support the transition of the Phoenix Biomedical Campus (PBC) into a major employment center in health, bio and life sciences
4. Focus on retaining current Downtown-based companies and retailers
5. Act as the "one-stop" information resource for developers, brokers, investors, and companies interested in locating Downtown
6. Continue to support co-working growth and the growing entrepreneurial/start-up ecosystem in Downtown
7. Focus on adding Downtown non-food & beverage retail offerings in collaboration with CEDD
8. Focus on adding family-friendly infrastructure and programming to emphasize Downtown as a competitive place where families can live, work, play, and learn
9. Proactively seek opportunities to use GIS mapping and interactive visual storytelling to promote Downtown and engage new audiences in its growth and development

10. Raise awareness of Downtown development outside of our local sphere by pursuing opportunities to participate on panels and engage in relevant industry conferences

Attachment B
CY 2022 EMSD Budget - Estimated

	Account	2022 Budget
	General Office	485,990
	Admin Salaries	221,163
	Events	258,329
	Marketing	515,383
Expenses	Business Development	217,529
	BID Services	2,295,509
	Super Bowl	45,910
	SID	191,122
	Non-assessment Miscellaneous	150,000
	Total District Budget	4,380,935
Revenue	Assessment Revenue	4,230,935
	Non-assessment Revenue	150,000



Key Phoenix Economic Indicators Quarterly Report

This report transmits the fourth quarter report of the Key Phoenix Economic Indicators for FY 2020-21 to the Economic Development and Equity Subcommittee.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Summary

As part of efforts to continuously improve budget forecasting and reporting, the Budget and Research Department compiles 18 key Phoenix economic indicators into the attached quarterly report. The data is collected with the assistance of the Aviation, Budget and Research, Planning and Development, Public Works and Water Services Departments. The attached report provides insightful data that, when reviewed collectively, can reveal a helpful overall picture of recent economic activity trends specifically within Phoenix. Although outside sources of economic data are also available, most of that information covers the entire Greater Phoenix region or the State of Arizona. However, with the exception of two statewide measures, the indicators in the attached report relate to data specifically within City of Phoenix boundaries, which may differ from the region or state. The indicators attached to this report (**Attachment A**) are for review by this Subcommittee.

The 18 Phoenix data measures include:

Sky Harbor International Airport Passengers: This measure indicates regional tourism and business activity.

Phoenix Water Service Accounts: This measure may indicate changes in Phoenix population and commercial and residential property development.

New Phoenix Single Family Home Construction Permits Issued: This measure may indicate Phoenix population growth and shifts in housing preferences or demographics, as well as spill over benefits to other economic sectors such as construction, retail, manufacturing, and utilities.

New Phoenix Multifamily Units Permitted: Like single family permits, this measure

may indicate Phoenix population growth and shifts in housing preferences or demographics, as well as spill over benefits to other economic sectors such as construction, retail, manufacturing, and utilities.

Total Value of Permitted Phoenix Activity: Along with other factors, this measure may provide an indication of Phoenix property market values and development, as well as overall strength for commercial and residential markets.

Phoenix Solid Waste Residential Customer Growth: This measure may indicate changes in Phoenix population and revenue generated through solid waste services provided by the Public Works Department.

City of Phoenix Overall Sales Tax: This measure indicates overall economic activity related to all categories of taxable sales within Phoenix.

City of Phoenix Retail Sales Tax: This measure indicates economic activity related to taxable retail sales and consumer spending levels within Phoenix.

City of Phoenix Hotel/Motel Sales Tax: This measure indicates economic activity related to hospitality, leisure and tourism within Phoenix.

City of Phoenix Restaurants/Bars Sales Tax: This measure indicates economic activity related to hospitality, leisure and tourism within Phoenix.

City of Phoenix Contracting Sales Tax: This measure indicates economic activity related to taxable commercial and residential construction in Phoenix.

State Overall Sales Tax: This measure indicates economic activity related to all categories of taxable sales within the state of Arizona.

State Vehicle License Tax: This measure indicates vehicle sales activity within the state of Arizona.

Phoenix Assessed Property Valuation: This measure is based on the Primary Net Assessed Valuation, which provides the basis for City of Phoenix property tax revenue.

Phoenix Full Cash Property Value: This measure indicates the market value of residential and commercial property within Phoenix and is an important economic indicator relating to the overall commercial and residential property markets.

Phoenix Median Household Income: This annually updated measure provides the mid

-level household income within Phoenix, an important indicator of job and wage activity levels.

Phoenix Unemployment Rate: This annually updated measure shows the percentage of the active labor force currently unemployed within Phoenix, an important indicator of overall economic health.

Phoenix Labor Force Participation: Another measure of employment levels, this annually updated measure shows the percentage of the population aged 16 and older currently in the Phoenix labor force, which can help account for "discouraged workers" not captured in the unemployment rate.

Each measure provides the year-to-date totals and year-to-date growth rates compared to the prior year, prior three-year average, and peak year (when the peak year differs from the current year).

Responsible Department

This item is submitted by Assistant City Manager Jeffrey Barton and the Budget and Research Department.



City of Phoenix

Phoenix Economic Indicators Report

Fourth Quarter FY2020-21

Executive Summary

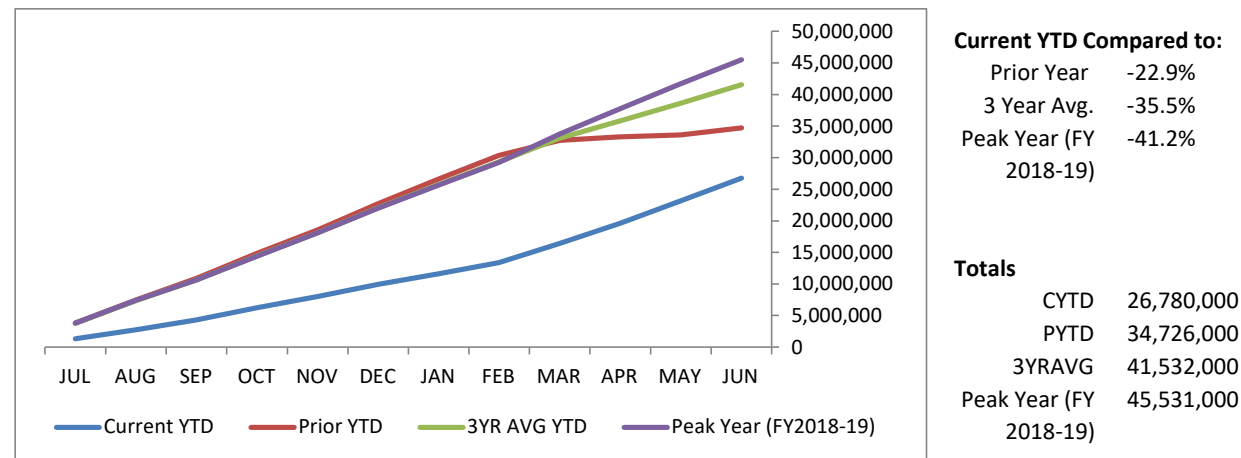
Economic indicators, such as those included in this report, provide measurements for evaluating the health of our economy, the latest business cycles, and how consumers are spending and generally faring. Included in this report are aviation, utility, new development, state and local sales tax, vehicle sales, property values, and employment statistics. Each statistic is shown through a graph presenting current year-to-date data (for data available on a monthly basis), prior year-to-date, prior three year average of year-to-date data, and peak year data (if current year is not the peak year) for a quarter of the current fiscal year (July 1 - June 30). Each indicator has its own peak year where performance was at its highest since 2000. Each graph is accompanied by a description of the significance of the measure as an economic indicator, and a statement about the current year data in relation to prior years. Many of the statistics are measured on a monthly basis, but a few are only available quarterly or annually.

Table of Contents

Phoenix Sky Harbor Airport Total Passengers	1	City Sales Tax - Restaurants/Bars	5
Water Service Accounts	1	City Sales Tax - Contracting	6
New Home Construction Permits Issued	2	State Sales Tax - Total	6
New Multifamily Units Permitted	2	State Vehicle License Tax	7
Total Valued of Permitted Activity	3	Phoenix Primary Net Assessed Value	7
Solid Waste - Residential Customer Growth	3	Phoenix Full Cash Value	8
City Sales Tax - Total	4	Phoenix Median Household Income	8
City Sales Tax - Retail	4	Phoenix Unemployment Rate	9
City Sales Tax - Hotel/Motel	5	Phoenix Labor Force Participation	9

Phoenix Sky Harbor Airport Total Passengers

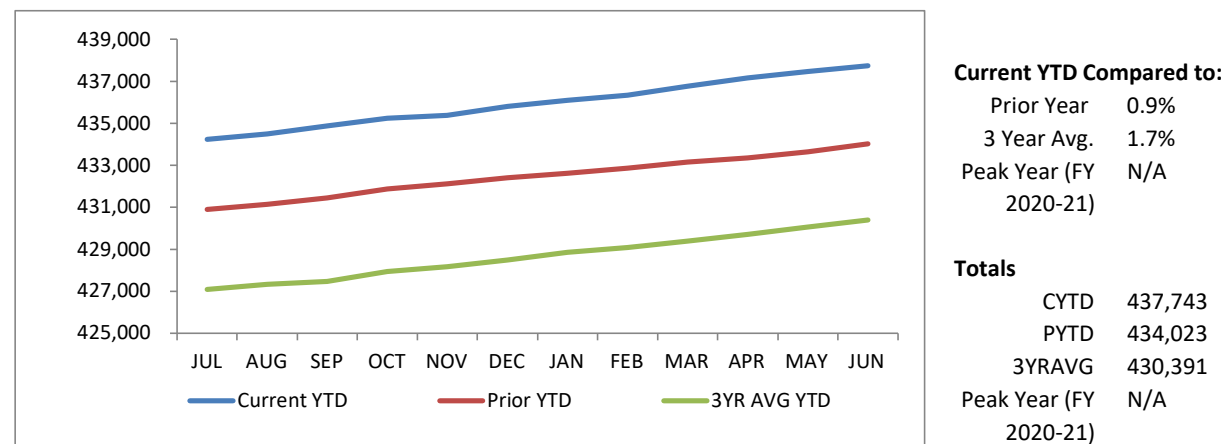
Significance: The number of passengers utilizing the Phoenix Sky Harbor airport can be an indicator for regional tourism and business activity.



Current Year: Passenger activity has been significantly negatively impacted due to COVID-19. Passenger Traffic through June decreased 22.9% as compared with the previous year and is 35.5% lower than the three year average. Industry data lags two months.

Total Single-Family Water Service Accounts

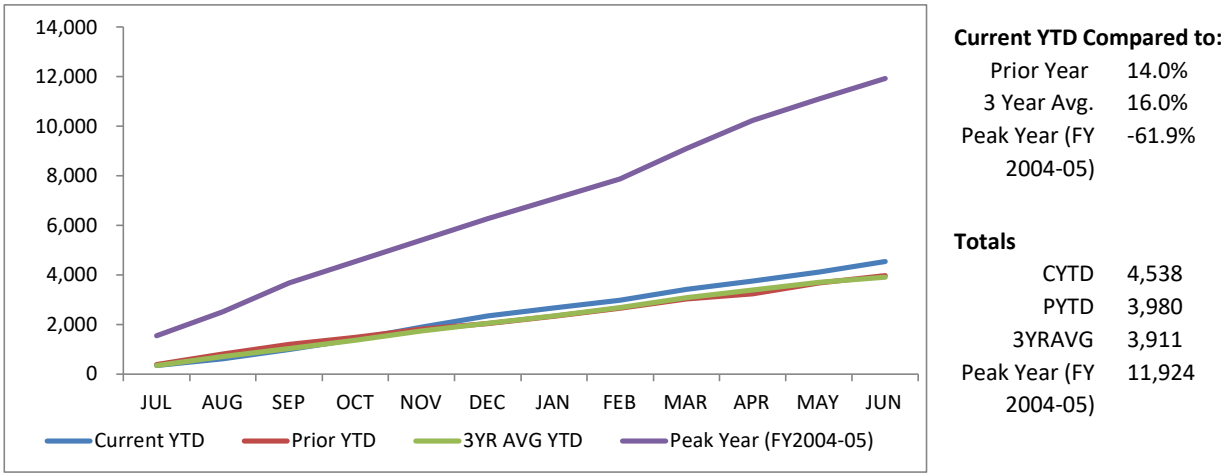
Significance: Single-family water services account growth is a measurement indicating revenue generated through services provided by the Water Services Department. The number of water service accounts can be an indicator of changes in population and development.



Current Year: Water service accounts reflect a consistent upward trend in residential customers.

Total New Home Construction Permits Issued

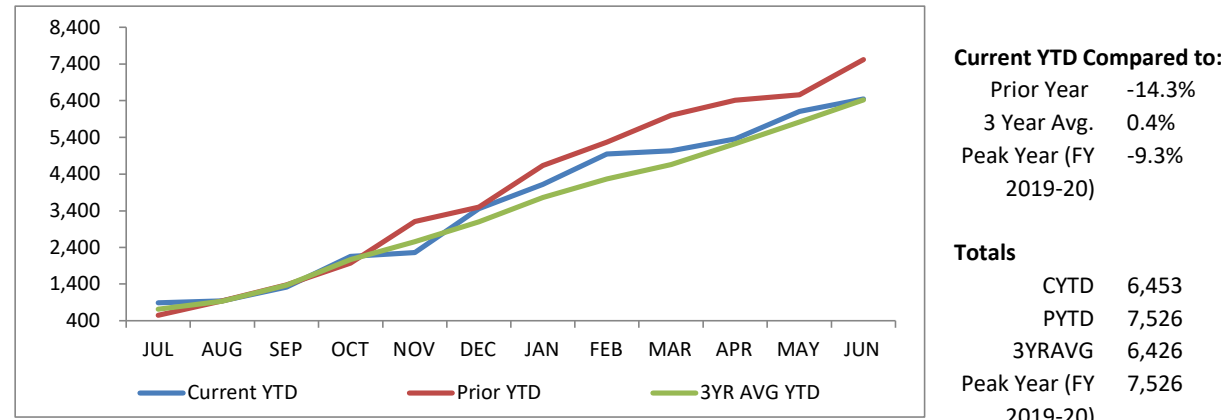
Significance: New single family homes are a key economic indicator, reflecting local population growth as well as spill over benefits to other sectors of the economy such as demand for construction labor/materials, retail, manufacturing and utilities.



Current Year: Planning and Development experienced a 14% growth in residential construction permits in 2020-21 over the prior year and 16% over the 3 year average. They are projecting continued growth into the next fiscal year based on recent population growth in Maricopa County.

New Multifamily Units Permitted

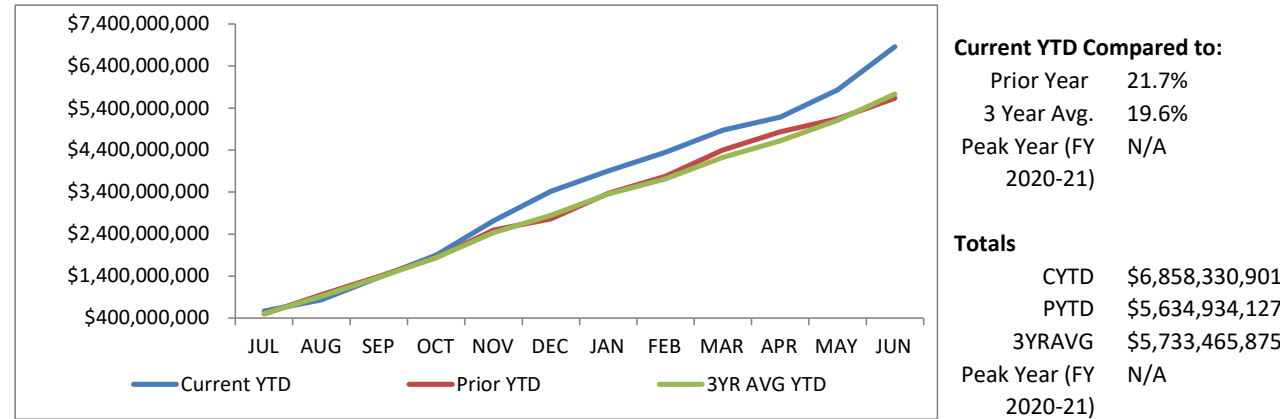
Significance: New multi-family construction is a key economic indicator of local population growth or shifts in housing preferences and its spill over benefits to other sectors of the economy such as demand for construction labor/materials, retail, manufacturing and utilities.



Current Year: Planning and Development experienced a 14.3% decrease in multi-family residential permits in 2020-21 over the prior year and a growth of 0.4% over the 3 year average. They are projecting irregular growth due to the number of large projects currently being built by out of state developers and local developers not wanting to saturate the market within the infill area. Plans under review will continue to add units as local developers move forward with projects that attract a different market than the infill projects.

Total Value of Permitted Activity

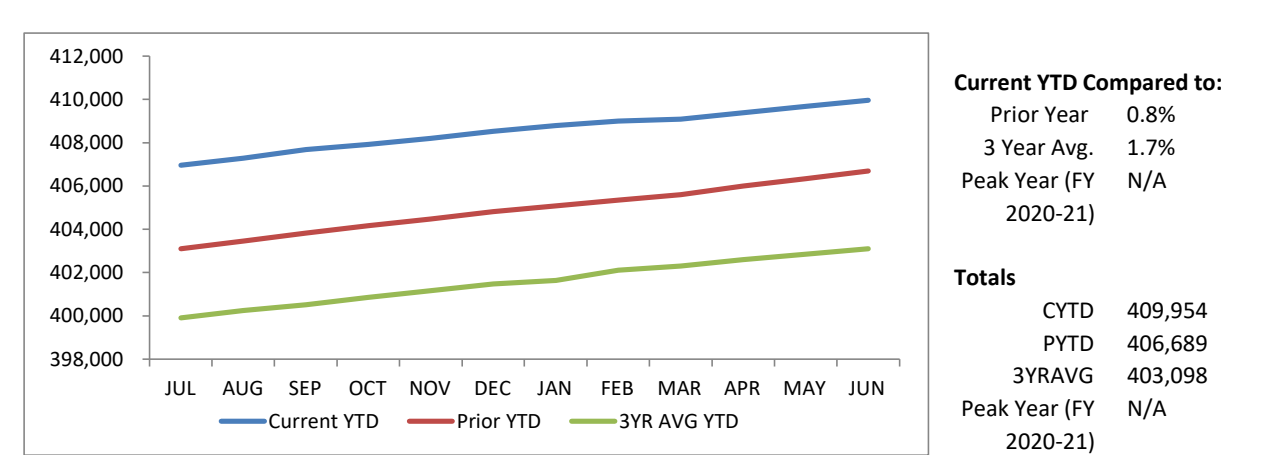
Significance: The valuation of new construction is an indicator of one facet of Phoenix's economic strength because it reflects the permit value of new construction projects.



Current Year: Planning and Development experienced a 21.7% increase in permit valuation in 2020-21 over the prior year and a 19.6% increase over the 3 year average. They are projecting slightly increasing permit valuation for 2021-22 versus the prior year due to state projections of population growth in Maricopa County.

Solid Waste - Residential Customer Growth

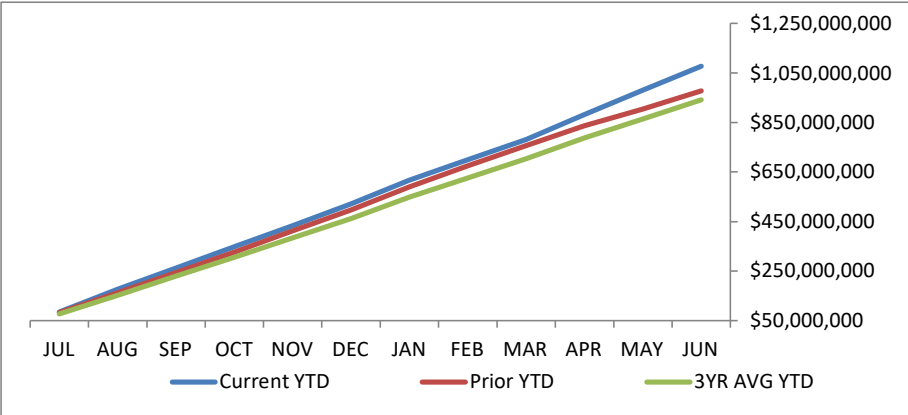
Significance: Residential customer growth is an indicator of one facet of Phoenix's economic strength because it reflects the growth in households. The graph shows a consistent upward trend in the count of Solid Waste residential customers.



Current Year: The number of residential living units being serviced by the Public Works Department Solid Waste Division is consistently trending upwards. This is a new measure being tracked. Solid Waste staff recently updated their methodology used to track this measure, resulting in a retroactive update for the numbers for November and December 2020.

City Sales Tax - Total

Significance: City sales tax (all funds including: General Fund, T2050, Public Safety, 3PI, Convention Center, Sports Facilities, and Capital Construction) represents overall local economic activity related to taxable sales.



Current YTD Compared to:

Prior Year	10.1%
3 Year Avg.	14.3%
Peak Year (FY 2020-21)	N/A

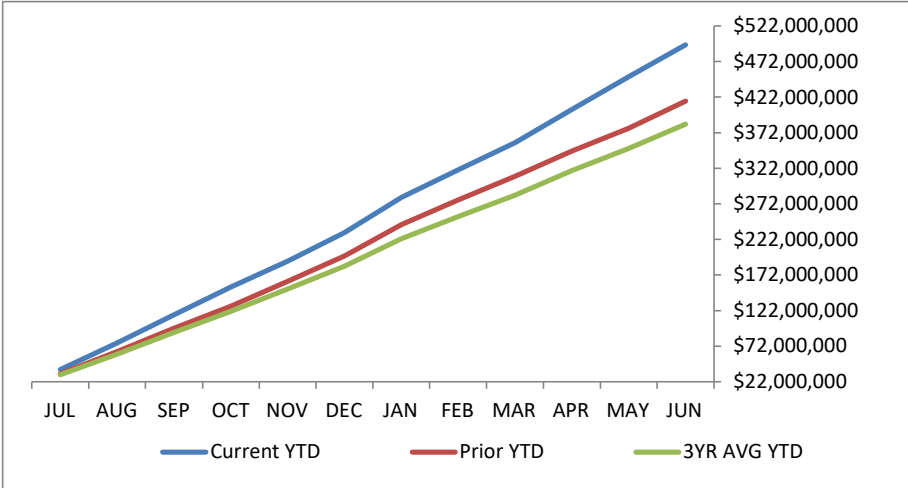
Totals

CYTD	\$1,076,972,000
PYTD	\$978,123,000
3YRAVG	\$942,076,667
Peak Year (FY 2020-21)	N/A

Current Year: City sales tax collections were negatively impacted by COVID-19 primarily in the hotel/motel, restaurants/bars, and amusement sales tax categories. However, this was offset by additional retail sales tax collected from online retailers which became effective October 2019, and overall economic growth. Prior year values have not been adjusted for inflation.

City Sales Tax - Retail

Significance: Retail sales tax represents retail sales, not including the sales tax on food.



Current YTD Compared to:

Prior Year	19.1%
3 Year Avg.	29.0%
Peak Year (FY 2020-21)	N/A

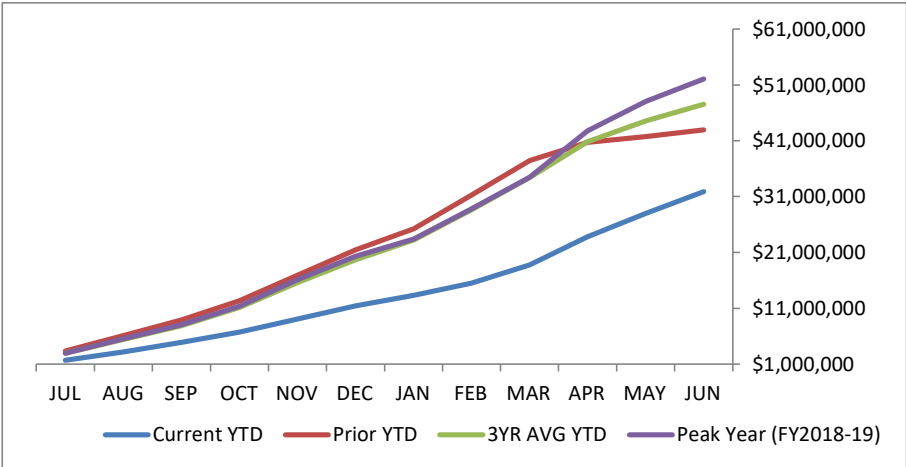
Totals

CYTD	\$495,479,000
PYTD	\$416,153,000
3YRAVG	\$384,069,000
Peak Year (FY 2020-21)	N/A

Current Year: City retail sales tax has experienced positive growth throughout the COVID-19 pandemic due to shifts in consumer spending to taxable goods and overall growth in the economy. Current year growth also accounts for additional retail sales tax collected from online retailers which became effective October 2019. Prior year values have not been adjusted for inflation.

City Sales Tax - Hotel/Motel

Significance: Hotel/Motel sales tax revenue represents taxable sales for these businesses and is an indicator of tourism activity.



Current YTD Compared to:

Prior Year	-25.8%
3 Year Avg.	-32.9%
Peak Year (FY 2018-19)	-38.7%

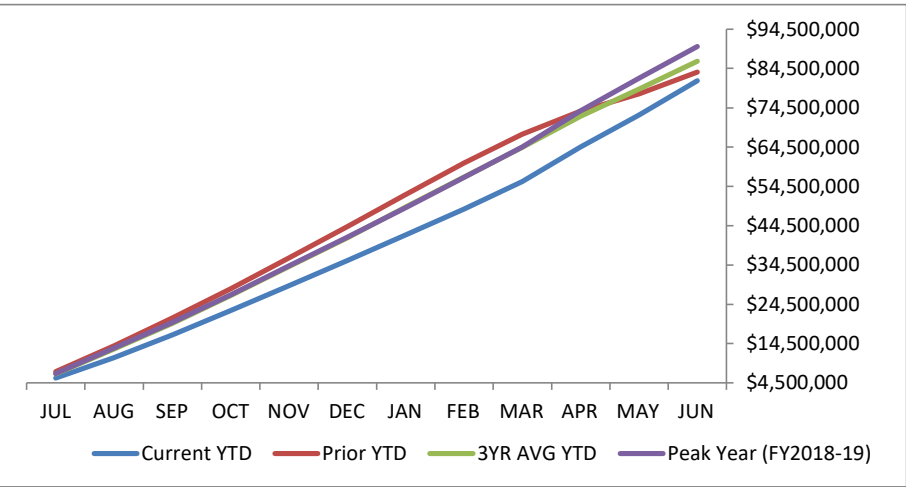
Totals

CYTD	\$31,898,000
PYTD	\$42,975,000
3YRAVG	\$47,559,333
Peak Year (FY 2018-19)	\$52,049,000

Current Year: Hotel/motel sales tax collections has been negatively impacted by COVID-19 since the start of the pandemic. Prior year values have not been adjusted for inflation.

City Sales Tax - Restaurants/Bars

Significance: Restaurants/Bars sales tax revenue represents taxable sales for these businesses and is an indicator of economic strength, population growth, and tourism.



Current YTD Compared to:

Prior Year	-2.6%
3 Year Avg.	-5.8%
Peak Year (FY 2018-19)	-9.7%

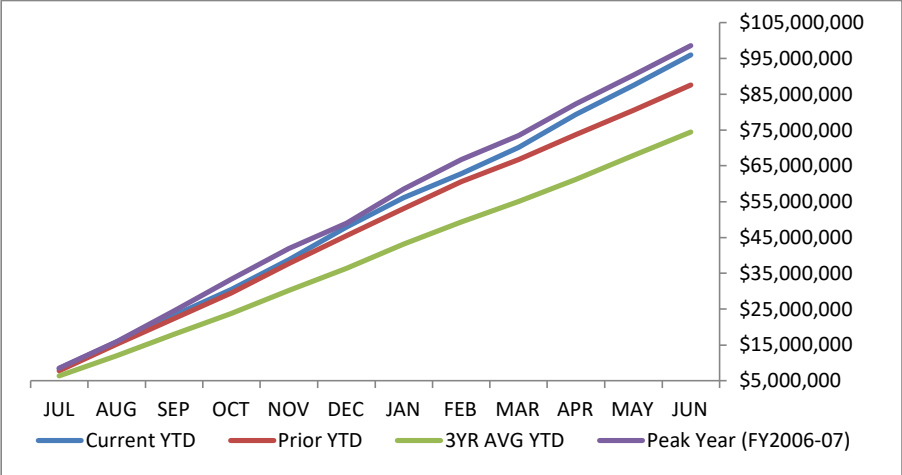
Totals

CYTD	\$81,354,000
PYTD	\$83,530,000
3YRAVG	\$86,330,333
Peak Year (FY 2018-19)	\$90,114,000

Current Year: Restaurants/bars sales tax collections has been negatively impacted by COVID-19 since the start of the pandemic. Prior year values have not been adjusted for inflation.

City Sales Tax - Contracting

Significance: Contracting sales tax revenue presents activity in the commercial, retail and residential construction markets.



Current YTD Compared to:

Prior Year	9.6%
3 Year Avg.	28.8%
Peak Year (FY 2006-07)	-2.6%

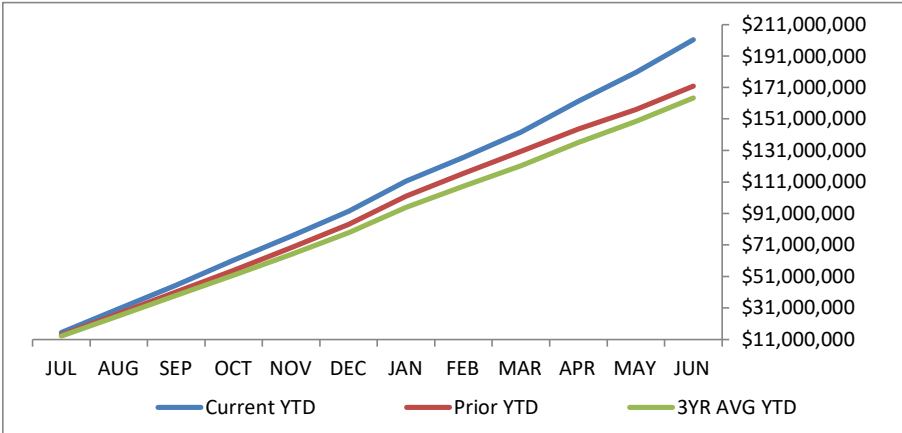
Totals

CYTD	\$95,965,000
PYTD	\$87,560,000
3YRAVG	\$74,497,667
Peak Year (FY 2006-07)	\$98,556,000

Current Year: Prior year values have not been adjusted for inflation.

State Sales Tax - Total

Significance: State shared sales tax revenues are distributed to cities and towns based on relative population share in Arizona. The population share in FY 2000-01 was 33.7%. The population share as of June 2021 was 29.03%.



Current YTD Compared to:

Prior Year	17.1%
3 Year Avg.	22.5%
Peak Year (FY 2020-21)	N/A

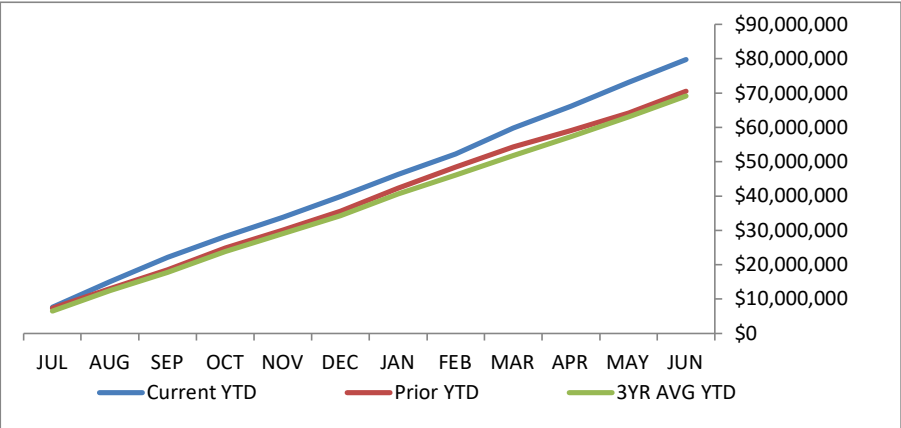
Totals

CYTD	\$201,292,000
PYTD	\$171,926,000
3YRAVG	\$164,330,000
Peak Year (FY 2020-21)	N/A

Current Year: State sales tax collections were negatively impacted by COVID-19 primarily in the hotel/motel, restaurants/bars, and amusement sales tax categories. However, this was offset by additional retail sales tax collected from online retailers which became effective October 2019, and overall economic growth. Prior year values have not been adjusted for inflation.

State Vehicle License Tax

Significance: State shared vehicle license tax revenues are distributed to cities and towns in Maricopa County based on their relative population share of Maricopa County. The City of Phoenix's population share in FY 2000-01 was 48.51%, and the population share as of June 2021 was 40.41%.



Current YTD Compared to:

Prior Year	13.2%
3 Year Avg.	15.3%
Peak Year (FY 2020-21)	N/A

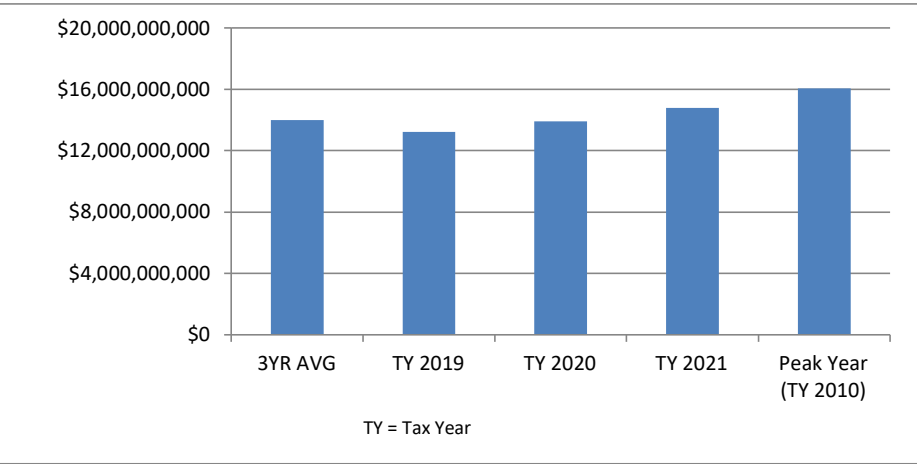
Totals

CYTD	\$79,768,303
PYTD	\$70,484,060
3YRAVG	\$69,159,471
Peak Year (FY 2020-21)	N/A

Current Year: Year-to-Date vehicle license tax collections reflect adjustments made by the Arizona Department of Transportation due to a new system implementation, and reflect prior year collections in the current year, causing revenue collections to be artificially inflated. Prior year values have not been adjusted for inflation.

Phoenix Primary Net Assessed Valuation

Significance: Phoenix's assessed valuation is based on the Primary Net Assessed Value (Primary NAV), which beginning in FY 2015-16, is the single value used for calculating both Primary Property Taxes and Secondary Property Taxes. The assessed valuation provides an indicator of the basis for City property tax revenue. This statistic is updated once per year, in February.



Calendar Year Compared to:

Prior Year	6.3%
3 Year Avg.	5.9%
Peak Year (TY 2010)	-7.9%

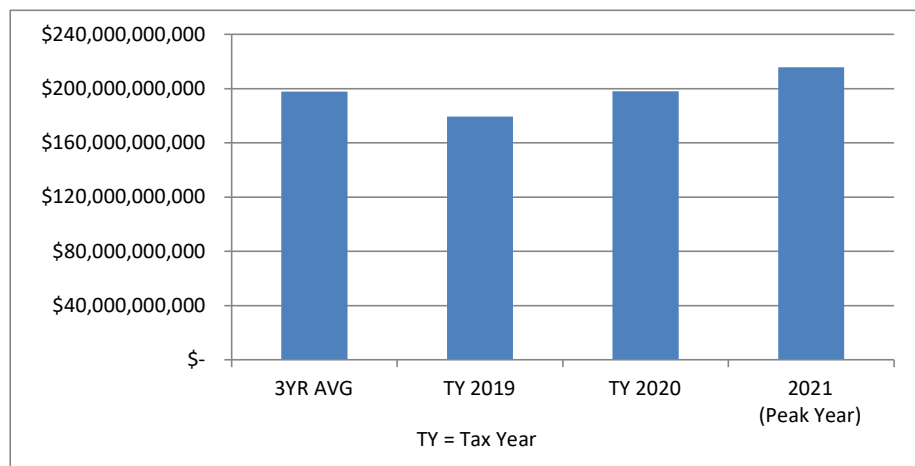
Totals

TY 2021	\$14,800,877,416
TY 2020	\$13,923,185,918
3YRAVG	\$13,982,360,232
Peak Year (TY 2010)	\$16,063,200,689

Current Year: Tax year 2021 (FY 2021-22) Primary NAV grew by 6.3% over the prior year; 2.3% is attributable to new property and 4.0% is attributable to appreciation in previously-taxed property. Prior-year values have not been adjusted for inflation.

Phoenix Full Cash Value

Significance: Full cash value is an indicator of both commercial and residential property values, an important indicator of one facet of economic health. This statistic is updated once per year, in February, and lags market conditions by approximately one year. Due to assessed valuation growth limits and statutory changes in assessment ratios, however, trends in full cash value do not correlate to trends in the tax base for property taxes.



Calendar Year Compared to:

Prior Year	9.0%
3 Year Avg.	9.1%
Peak Year (TY 2021)	N/A

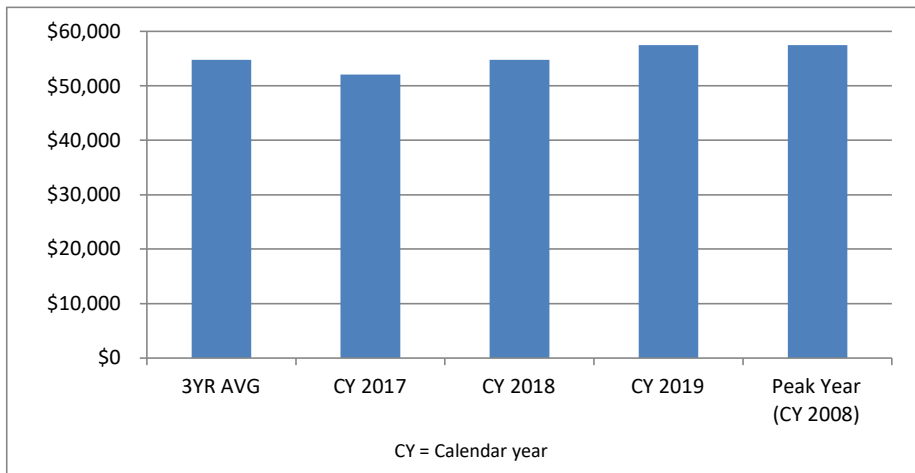
Totals

2021	\$215,741,892,809
2020	\$198,012,408,578
3YRAVG	\$197,724,137,082
Peak Year (TY 2021)	N/A

Current Year: Tax year 2021 (FY 2021-22) full cash value grew by 9.0% over the prior year. Growth rates were led by class four property (predominantly apartments, other residential rental, and secondary residences) growth of 14.3%. Prior year values have not been adjusted for inflation.

Phoenix Median Household Income

Significance: This measure includes the income of the householder and all other individuals 16 years of age and older in the household. Median income is the amount that divides the income distribution into two equal groups, half at income levels above that amount, and half at income levels below that amount.



Calendar Year Compared to:

Prior Year	4.9%
3 Year Avg.	4.9%
Peak Year (CY 2008)	-0.1%

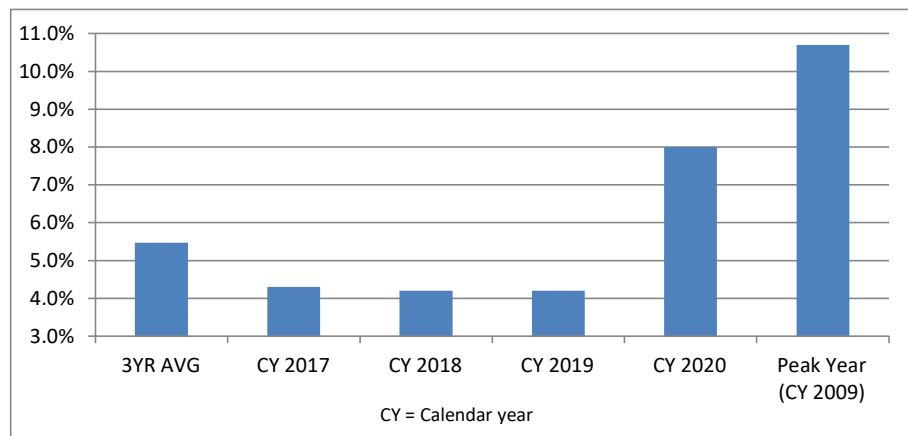
Totals

2019	\$57,459
2018	\$54,765
3YRAVG	\$54,768
Peak Year (CY 2008)	\$57,507

Current Year: The increase in 2019 over prior years is an indication of moderate recovery from the 2008 recession and is close to the peak year in 2008. Data is from the U.S. Census Bureau American Community Survey Five-Year Estimates. Peak year reflects the highest since 2005 (the oldest readily available data set). The most recent ACS Five-Year Estimate data is from 2019.

Phoenix Unemployment Rate

Significance: This measures the percentage of the labor force that are unemployed. Those individuals (16 years of age and older) who do not have a job but are available for work, except in the case of temporary illness, and actively seeking work during the week including the 12th of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed. This statistic is updated once per year, in April.



Calendar Year Compared to:

Prior Year	90.5%
3 Year Avg.	46.3%
Peak Year	-25.2%
(CY 2009)	

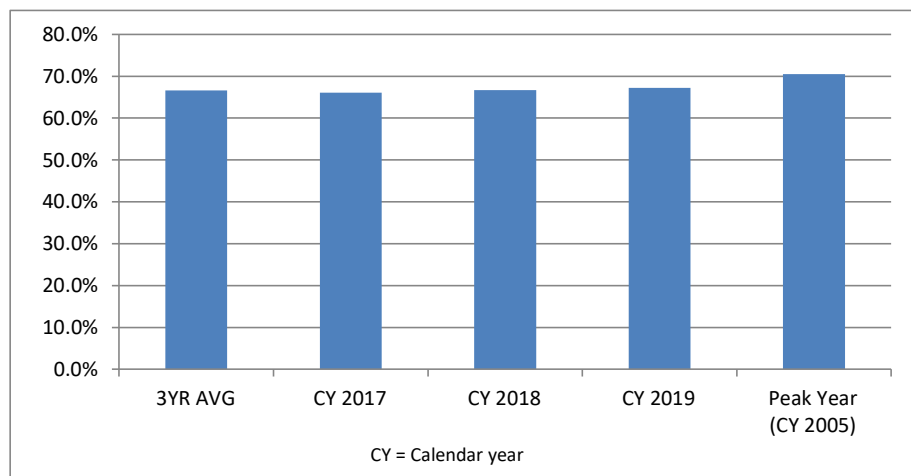
Totals

2020	8.0%
2019	4.2%
3YRAVG	5.5%
Peak Year	10.7%
(CY 2009)	

Current Year: The unemployment rate in 2020 reflects nationwide impacts of COVID-19. Data is from the United States Department of Labor, Bureau of Labor Statistics. Peak year reflects the highest since 1990 (the oldest readily available data set).

Phoenix Labor Force Participation

Significance: This measures the percentage of the population (16 years of age and older) that is in the labor force. The labor force is defined as the total population of employed and unemployed people (16 years of age and older). People are classified as unemployed if they do not have a job, have actively looked for work in the prior 4 weeks, and are currently available for work.



Calendar Year Compared to:

Prior Year	0.7%
3 Year Avg.	0.8%
Peak Year	-4.7%
(CY 2005)	

Totals

2019	67.2%
2018	66.7%
3YRAVG	66.7%
Peak Year	70.5%
(CY 2005)	

Current Year: The labor force participation rate slightly increased from 2018 to 2019, indicating an increase in the percentage of the population that is either employed or unemployed and actively looking for work. Data is from the U.S. Census Bureau American Community Survey Five-Year Estimates. Peak year reflects the highest since 2005 (the oldest readily available data set). The most recent ACS Five-Year Estimate data is from 2019.



Downtown Digital Kiosks

This report provides the Economic Development and Equity Subcommittee information on the potential installation of interactive informational kiosks in public right-of-way within certain areas of the downtown Enhanced Municipal Services District. Staff further requests feedback from the Subcommittee regarding the potential for a Downtown Digital Kiosks project.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Summary

Downtown Phoenix Inc. (DPI), an Arizona nonprofit corporation, is contracted by the City to provide enhanced municipal services for the downtown Phoenix area generally described as 3rd Avenue to 7th Street and Jackson to Fillmore streets. Some of these enhanced services includes providing a higher level of maintenance and amenities, such as landscaping, seating, and way finding signage, within the Streetscape Improvement District (SID).

DPI initially approached City staff and requested permission from the City to install eight to ten digital interactive kiosks (Kiosks) within the SID as a pilot program, which would provide way finding and real-time information related to public transit, events, downtown businesses, buildings, as well as social media interaction with users.

City staff and DPI have since discussed the various aspects of a Kiosks project, including the procurement and installation of equipment, management and control of the Kiosks, maintenance responsibilities, resilience of Kiosks to Phoenix weather and temperature conditions, Kiosk content and features, revenue generation, advertising, and legal considerations.

Digital Kiosks

Static kiosks have been used in downtown areas across the United States, including Phoenix, for many years to convey information about upcoming community events, public meetings, and other pertinent information for residents and visitors. With advancements in technology these Kiosks have become electronic in design, offering touch screen technology and real-time information. Many cities across the United

States have either installed these Kiosks themselves or collaborated with others to install Kiosks in places like bus stations, light rail stations, convention centers, and public squares. These Kiosks are touted by vendors and municipalities as offering an easy interface for residents to access information about city services and resources, publicize entertainment opportunities, way-find in downtown areas, obtain emergency alert information, and promote a pedestrian friendly environment in an innovative way.

In addition, Kiosks can also have optional features such as free Wi-Fi access, emergency call stations, social media interaction, payment centers, and cameras for enhanced security. Municipalities like the City of Houston, which in spring 2021 approved the initial installation of 75 Kiosks, promoted the installation of digital Kiosks as an innovative method to lead residents and visitors to local businesses, promote events, give directions, explore their downtown, post job opportunities, offer social services, conduct surveys, and generate additional revenue.

Revenue Potential

Kiosks are traditionally leased or rented by the municipality, but can also be owned by the municipality. The capital investment for the design and installation of the Kiosks is compensated via an operations agreement with a Kiosk vendor who sells advertising space on the Kiosk. Advertising is typically displayed when the Kiosk is not being actively engaged by a user. The revenue generated by the sale of advertising is also typically used to cover the operations and maintenance of the Kiosk, with a portion thereafter shared via a revenue-sharing agreement with the Kiosk vendor. This revenue-sharing varies greatly across municipalities researched but many have signed agreements wherein an average of 25-40 percent of the net revenues are shared with the municipality. For example, the City of Houston's contract guarantees the City minimum annual revenues of \$1-\$2 million, with potential revenues of approximately \$4 million from the 75 kiosks they have agreed to install in the initial contract phase. However, like the City of Phoenix, the City of Houston, has existing ordinances that prohibit advertising in the public right-of-way (ROW), and code changes were required to permit the installation of their Kiosks.

Considerations

Kiosks like the ones proposed for the downtown area are typically located within the public ROW and are traditionally funded by the sale of advertising displayed on the Kiosk. Existing Phoenix City Code prohibits advertising within public ROW with a few exceptions, and installation of the Kiosks would required an exception to the Phoenix City Code. Further, it is recommended that these types of Kiosks should be managed by the City of Phoenix and not delegated to an outside or private entity.

Staff researched the use of Kiosks in other cities locally and nationwide, and have

evaluated what the installation of Kiosks in downtown Phoenix could offer residents and visitors, including the potential to have these Kiosks installed prior to the return of the Super Bowl to Arizona in February 2023.

Installation/Operations

Design and installation of the Kiosks are traditionally covered by the Kiosk vendor as are the ongoing operations and maintenance. Electricity for the Kiosks is covered by the Kiosk vendor and Wi-Fi access can be provided either by the municipality or the Kiosk vendor. Locations for all Kiosks are mutually agreed upon between the municipality and the Kiosk vendor and must be within the public ROW. The vendor's installation of the Kiosks would include building permits, utility coordination and construction, and repairs to any impacted street assets including pavement and sidewalks.

The overall design of the Kiosk, its content, details of frequency of advertising, special features on the Kiosk, and service timelines are all individualized to meet the needs of the municipality. Advertising content is typically mandated to follow and be screened to meet all municipality requirements for visual, written and verbal content in accordance with local standards. All maintenance activities, including graffiti removal or other vandalism repairs, is required to be completed at the Kiosk vendor's expense and within a reasonable time frame from notification. Upgrades and replacement of Kiosks beyond routine maintenance and repair would also be at the Kiosk vendor's expense.

Program Implementation

Moving forward with potential implementation of Downtown Digital Kiosks program would first involve initiating and issuing a Request for Information (RFI) to potential Kiosk vendors to gather the most relevant and recent information on contract terms, Kiosk features and installation timelines. The RFI would be used to inform the content of a Request for Proposals (RFP), which would be issued in order to select a Kiosk vendor. With Council approval, the City would enter into a contract with the selected vendor based on the vendor's proposal and agreed upon contract terms.

The Street Transportation Department requests feedback from the Economic Development and Equity Subcommittee regarding the potential for a Downtown Digital Kiosks project.

Location

Downtown Phoenix

Council Districts: 7 and 8

Responsible Department

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



Fiscal Year 2021-2022 Bioscience Healthcare Strategic Initiative

This report requests the Economic Development and Equity Subcommittee (Subcommittee) recommend City Council approval to implement the Fiscal Year (FY) 2021-2022 Bioscience Healthcare Strategic Initiative, including authorization of an Arizona Bioindustry Association (AZBio) membership and participation at the annual BIO International Convention in 2022. Further request the Subcommittee recommend approval to accept funds from the City's BIO International Convention partners to offset costs associated with the 2022 Convention expenses. Funding for the AZBio membership and convention efforts will not exceed \$105,000. There is no impact to the General Fund. Funding is available in the Genomics Facilities and Operations Fund.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

Phoenix has grown to be a hub of bioscience activity in the Southwestern U.S. CBRE, a national commercial real estate firm, ranked Phoenix fifth in the nation as an Emerging Life Science Market in their 2020 annual U.S. Life Science Report. Much of this success is due to Phoenix's world-class medical centers, innovative research institutions, pro-business environment, a growing educated population, dedicated universities and community colleges, and the spirit of entrepreneurship. In order to build upon these strengths, staff is continuing to implement a strategic plan introduced in 2018 designed to grow, strengthen and sustain a healthy bioscience industry. Since the launch of this effort, there has been an acceleration of investment and growth in the bioscience industry in Phoenix. By the end of 2021, more than \$3.25 billion will have been invested in new and expanded bioscience and healthcare facilities, and more than five million square feet of space for discovery, development and care delivery creating more than 8,000 jobs for Phoenix residents.

Staff has focused its economic development efforts in the areas of research, development, precision medicine, healthcare delivery, health-tech and education. Focusing on these areas strengthens and solidifies Phoenix as a leader in the nation's bioscience healthcare industry. The Community and Economic Development Department (CEDD) will continue to ensure there is a world-class real estate inventory

that meets the unique needs of bioscience companies. This commitment includes support of the downtown Phoenix Biomedical Campus (PBC) and the Arizona Biomedical Corridor in North Phoenix, in addition to other submarkets within the City. Specifically, CEDD has been working closely with Arizona State University (ASU) and its development partner, Wexford Science & Technology, to bring prospective tenants to the first phase development on the PBC north of Fillmore Street, the 850 PBC building. In the 850 PBC building, ASU is a major tenant in the building along with the expansion of the Center for Entrepreneurial Innovation with its new LabForce program to train individuals with the skills needed to work in a lab setting. Other tenants within the new building include bioscience companies and a co-working accelerator lab that will generate new companies and jobs in Phoenix.

In order to maintain the City's position in the bioindustry, CEDD is requesting to continue the City's annual membership with the AZBio, the only statewide organization exclusively focused on building Arizona's bioindustry. AZBio is committed to building a top-tier life science industry in Arizona and is a critical partner for Phoenix. As specialists, AZBio provides industry insight, programs specifically designed for life science organizations, visibility into investment opportunities, and a voice for the industry in the media, across the community, and with elected leaders and government agencies at the local, state, and federal levels. The AZBio annual membership cost is \$15,000 for Fiscal Year 2021-2022.

Another key effort is the promotion of Phoenix's bioscience efforts nationally and internationally by attending the 2022 BIO International Convention to be held in San Diego. Due to the COVID-19 pandemic, the 2021 BIO Convention was held virtually with more than 6,200 attendees and 55 countries represented. As a sponsor of Start-Up Stadium, the City of Phoenix was able to nominate three Phoenix-based companies that were selected as finalists. These three early-stage companies were able to engage with key members of the investment community, venture philanthropy groups, and BIO attendees. Along with CEDD, representatives from the University of Arizona (UA), ASU, AZBio, Wexford Science & Technology, the Flinn Foundation and 25 Phoenix-based biomedical companies joined the delegation. The delegation held more than 300 productive virtual meetings. Attendance at this unique virtual gathering provided valuable networking and partnership opportunities and synergy with the City's attending partners looking to promote their research and products to a global audience. The knowledge and contacts generated by attending this convention will be used in communicating the City's competitive advantage, existing ecosystem and resources in Phoenix to attract and grow companies in this industry to thrive and generate quality jobs for the community.

Planning is currently underway, subject to City Council authorization of funding, for the

2022 BIO Convention. Preliminary estimates for participation such as booth, sponsorships, advertising, equipment, and shipping costs total approximately \$90,000. This includes the one-time purchase of a new booth structure, including design and creation of booth paneling and branding. Last FY, City Council approved CEDD's request to purchase the new booth structure. However, due to the pandemic, and the virtual nature of the 2021 BIO International Convention, the booth was not purchased as previously planned and authorized. Staff will also work with industry partners, such as the UA, ASU, and the Translational Genomics Research Institute (TGen) to co-locate at the convention. This shared effort may allow the City to reduce its costs and boost visibility while assisting its partners in promoting Phoenix.

These continued efforts enable CEDD staff to showcase Phoenix's citywide assets and ensure success of future projects. CEDD and its partners continue to generate qualified prospects to create a pipeline of businesses considering expansions and/or relocations to Phoenix through a multi-faceted marketing approach targeted at this industry. Phoenix's involvement and partnership with AZBio and the BIO International Convention elevates the City's visibility as a hub for bioscience, building a critical mass of bioscience and healthcare-related companies and attracting and developing top talent vital to sustain the long-term growth of this thriving industry.

Financial Impact

There is no impact to the General Fund. Funding for the AZBio membership and to participate in BIO International 2022 will not exceed \$105,000 total for both efforts. Funding is available in the Genomic Facilities and Operations Fund. Funding received from the City's BIO International Convention partners shall reimburse the Genomic Facilities and Operations Fund.

Responsible Department

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



Maricopa Community Colleges Foundation Collide Arizona Events Programming Sponsorship

This report requests the Economic Development and Equity Subcommittee recommend City Council approval of a Founders Circle sponsorship to launch the Maricopa Community Colleges Foundation's Collide Arizona Events Programming on the Phoenix Biomedical Campus (PBC) in the amount of \$50,000 annually for three years, for a total amount not to exceed \$150,000. There is no impact to the General Fund. Funding is available in the Genomics Facilities and Operations Fund.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

Collide AZ (Collide) is a collaborative initiative to bring people of all backgrounds together with a shared vision of building and sustaining an inclusive community that champions innovation in Arizona. This will be accomplished through weekly gatherings of meaningful events that connect, inspire, and encourage participants to take positive action and support one another's goals. Collide will be a community-driven movement to unleash local and state-wide potential and make Arizona a leader in innovation.

Collide's event programming will facilitate weekly events to encourage connectivity and collaboration and will serve to enhance Phoenix's ecosystem and infrastructure to support the growth of existing Phoenix companies, both in early stage development or mature organizations, along with the formation of new companies leading to the creation of new jobs for Phoenix residents.

Collide is modeled after the successful Thursday Gatherings of Venture Café programs taking place in Wexford Science+Technology innovation communities that have served to grow and strengthen the innovation districts in those respective communities. Collide events will be free, open to the public and serve to connect attendees to employers, innovators, academic educators/researchers, business mentors, and the community. Presentations and breakout sessions will be purposely curated to support the community's connectivity, foster collaborations, talent and workforce development, business strengthening and access to resources. Collide will serve to strengthen Phoenix's entrepreneurial ecosystem and enhance the City's Bioscience Healthcare

Strategic Initiative.

Collide plans to host 44 events in calendar year 2022 with a goal of more than 6,000 attendees who will all convene on the downtown PBC, elevating its visibility as a premier location for companies to locate for bioscience research, collaboration, and access to talent.

Collide will be hosted on the PBC at the 850 PBC building and will include benefits such as:

- A convening hub of innovators from the region;
- Elevating the PBC's brand as a premier location for bioscience-related companies and Phoenix's robust bioscience ecosystem;
- Increasing partnerships between, and among, the City of Phoenix, academia, industry, the startup ecosystem, arts and culture;
- Curating meaningful events that connect, inspire / encourage participants to take positive action;
- Prioritizing participation and support of attendees with marginalized identities;
- Enhancing infrastructure for research, education, entrepreneurship, arts and culture;
- Access to one-on-one mentoring with subject matter experts;
- Bringing entrepreneurs, researchers, investors, artists, designers, corporate innovators, technologists, etc. together to:
 1. Find commonalities;
 2. Share knowledge from different perspectives;
 3. Forge partnerships; and
 4. Explore opportunities for collaborations.

Founders Circle sponsorship benefits include:

- A seat on the Leadership Council;
- Featured on Collide's website with prominent logo placement
- Recognition at all events including announcements at beginning and end of event programs
- Inclusion in marketing material, social media, and Collide's newsletter

In addition, Community and Economic Development Department staff will be actively engaged in the planning and attending of events to pursue opportunities for business recruitment, retention and expansion, and facilitate introductions to workforce development services and programs.

The organizational framework will include the Center for Entrepreneurial Innovation

(CEI) to serve as the host institution along with providing programming and financial management. Through CEI, Collide will hire a Program Director and event staff to support the program. Collide will provide the City with an annual report of metrics of attendance, voluntarily collected demographics of attendees, qualitative and quantitative information from surveys, and engagement metrics.

Financial Impact

The fee for a Founders Circle sponsorship is \$50,000 annually. Staff requests a Founders Circle Sponsorship for three years, for a total amount not to exceed \$150,000. There is no impact to the General Fund. Funding is available in the Genomic Facilities and Operations Fund.

Responsible Department

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



Acceptance of Funds from Suns Legacy Properties LLC.

This is a request to accept a donation of \$20,000 from Suns Legacy LLC for interpretive signage related to the Hotel St. James.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

The Hotel St. James was constructed in 1929 at Madison and First Streets in downtown and served the working class. It was placed on the National Register of Historic Places in 1985. Attempts were made in 1990 and 1999 to designate the property on the Phoenix Historic Property Register, but the cases were withdrawn by City Council due to owner opposition. Suns Legacy Properties LLC acquired the property in 2007. In 2012 they requested a demolition permit, but agreed to save the front third of the building to repurpose it. The hotel was delisted from the National Register in 2015. In May 2021, Suns Legacy Properties LLC sought demolition approval for the remaining portion of the building. To mitigate the loss of the building, they allowed the city to salvage the neon sign, balcony railing, a few decorative roof tiles and several bricks to be incorporated into historic interpretive signage that would tell the story of the history of the hotel and the role of working class hotels in the development of downtown Phoenix in the early twentieth century. North Wind Resource Consulting has an on-call contract with the City for historic preservation services and will provide services for the preparation, fabrication, and installation of the interpretative signage.

Suns Legacy Properties LLC agreed to contribute \$20,000 toward the development of the interpretive signage. Once fabricated, the signage would be installed within the right-of-way within the Warehouse Character Area.

Financial Impact

Approval of this request would provide \$20,000 of private funds to be used toward fabrication and installation of historic interpretive signage. A separate action for approval of Community Economic Development funds of up to \$30,000, if approved, would cover the remaining costs of the signage.

Location

Public right-of-way within the Warehouse Character Area of the Downtown Code.
Council District 7

Responsible Department

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



Approval of Community and Economic Development Funds for Interpretive Signage

Request to recommend approval of \$30,000 from the Community and Economic Development Department (CEDD) for Interpretive Signage related to the Hotel St. James. There is no impact to the General Fund.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

Suns Legacy Properties LLC owns the property where the Hotel St. James once stood at Madison and First Streets in downtown. The hotel was constructed in 1929 and served the working class. It was listed on the National Register of Historic Places in 1985. These hotels for the working class played an important role in the development of downtown Phoenix in the early twentieth century. The city made two attempts to list the hotel on the Phoenix Historic Property Register, but the property owner withdrew them from City Council consideration because they did not want designation. Suns Legacy Properties LLC acquired the property in 2007 and requested demolition in 2012. They agreed to save the front third of the building to repurpose it. In 2015, the hotel was de-listed from the National Register of Historic Places. In May of 2021, they requested demolition of the remaining portion of the hotel. Suns Legacy Properties LLC agreed to donate \$20,000 toward interpretive signage in order to mitigate the loss of the building. Prior to demolition on Aug. 3, 2021, they allowed the city to salvage materials from the building to incorporate into the interpretive signage.

The cost of the interpretive signage is \$50,000; \$30,000 of CEDD funds would provide the match necessary to prepare, fabricate and install the interpretive signage. North Wind Resource Consulting has an on-call contract with the City for historic preservation services and will provide the preparation, fabrication, and installation services.

Financial Impact

The \$30,000 of CEDD funding is available in the Downtown Community Reinvestment Fund, and would be used along with a \$20,000 donation from Suns Legacy Properties LLC, if accepted, to prepare, fabricate and install interpretive signage related to the

Hotel St. James. There is no impact to the General Fund.

Location

Public right-of-way within the Warehouse Character Area of the Downtown Code
Council District 7

Responsible Department

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