

**\*\*REVISED\*\***  
**NOTICE OF PUBLIC MEETING**  
**PHOENIX CITY COUNCIL**  
**DOWNTOWN, AVIATION AND REDEVELOPMENT SUBCOMMITTEE**

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of the **DOWNTOWN, AVIATION AND REDEVELOPMENT SUBCOMMITTEE** and to the general public, that the **DOWNTOWN, AVIATION AND REDEVELOPMENT SUBCOMMITTEE** will hold a meeting open to the public on **June 23, 2015, at 10:00 a.m. located in Phoenix City Hall, Assembly Rooms A, B, C, 200 W. Washington Street, Phoenix, Arizona.** One or more Subcommittee members may participate via teleconference. Agenda items may be taken out of order.

The agenda for the meeting is as follows:

1.	<b>Call to Order</b>	Chairman Valenzuela
2.	<b>Call to the Public</b>	Chairman Valenzuela
3.	<b>Approval of June 3, 2015 Minutes</b>	Subcommittee
<b>Items 4 and 5 are for Discussion and Action.</b>		
4.	<p><b>DEVELOPMENT AGREEMENT WITH CHARLES SCHWAB AND POINTE SOUTH MOUNTAIN BUSINESS PARK ASSOCIATION</b></p> <p>This report requests the Subcommittee recommend Council approval to enter into a development agreement with Charles Schwab and Pointe South Mountain Business Park Association to fund road improvements on 48<sup>th</sup> Street from approximately Baseline Road to the Pointe Parkway West traffic circle.</p> <p><b>This item is for Discussion and Action.</b></p>	<p>Christine Mackay, Community and Economic Development Director</p> <p>Page 9</p>
*5.	<p><b>GRAND CANYON UNIVERSITY DEVELOPMENT AGREEMENT</b></p> <p>This report requests the Subcommittee recommend Council approval to enter into a Development Agreement with Grand Canyon University for public infrastructure improvements in the area surrounding Grand Canyon University known as Canyon Corridor. <b>REVISED: The title on the agenda was revised. No other changes.</b></p> <p><b>This item is for Discussion and Action.</b></p>	<p>Christine Mackay, Community and Economic Development Director</p> <p>Page 11p</p>
6.	<b>Call to the Public</b>	Chairman Valenzuela
7.	<b>Future Agenda Items</b>	Chairman Valenzuela
8.	<b>Adjournment</b>	Chairman Valenzuela

For further information, or reasonable accommodations, please call Sam Feldman, Management Assistant II, City Manager's Office at 602-534-3916.

**Persons paid to lobby on behalf of persons or organizations other than themselves shall 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 602-262-6811.**

June 16, 2015

**Phoenix City Council**  
**Downtown, Aviation and Redevelopment Subcommittee**  
**Summary Minutes**  
**Wednesday, June 3, 2015**

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

Subcommittee Members Present

Councilman Daniel Valenzuela, Chair  
Councilman Bill Gates  
Councilwoman Thelda Williams  
Councilwoman Gallego

**Staff Present**

Penny Parrella  
Tamie Fisher  
Paul Blue  
Christine Mackay  
Tim McBride  
Samantha Tavares  
Chad Makovsky

**Staff Present**

Sam Feldman  
Julie Rodriguez  
Tracee Crockett  
Jason Gitkin  
Kathy Wenger  
Bob Fingermann  
Elizabeth Terrazas

**Staff Present**

Roxann Favors  
Sarah Carter  
Tracee Crockett  
Anna Darian  
Irene Larkin  
Zula Zermeno  
Tom Curran

**Public Present**

Billy Shields  
Ginger Mattox  
Dan Klocke  
Bryan Albue  
Herb Ely  
David Calverley  
Brett Wingate

**1. Call to Order**

Chairman Valenzuela called the meeting to order at 10:07 a .m. with Councilmembers Gallego and Williams present. Councilman Gates attended the meeting telephonically until he entered the meeting at 10:34 a.m.

**2. Call to the Public**

None.

**3. Approval of the Minutes from the May 20, 2015 Meeting**

Councilwoman Williams moved to approve the minutes from the May 20, 2015 Downtown, Aviation and Redevelopment Subcommittee meeting. Councilwoman Gallego seconded the motion, which passed 4-0.

**4. Contract with the UPS Store for Retail Lease at Phoenix Convention Center**

Councilwoman Williams moved to approve Consent Item 4. Councilwoman Gallego seconded the motion, which passed 4-0.

**5. Federal Aviation Administration (FAA) Changes in Aircraft Departure Procedures Update**

Acting Aviation Director Tamie Fisher stated the City filed a lawsuit against the FAA on Monday, explaining the City was unable to achieve a solution with the FAA on other fronts. She introduced Assistant Aviation Director Chad Makovsky.

Mr. Makovsky stated the department has logged approximately 10,800 complaints since the change in flight paths. He recapped the May 19 meeting where the Mayor and some Councilmembers met with representatives from the FAA and the airlines. Mr. Makovsky highlighted the FAA Deputy Administrator consideration for new federal action. Mr. Makovsky recapped the May 27 and May 28 meetings which included representation from the City, the FAA, Southwest Airlines, and American Airlines. He stated the team discussed short-term solutions to provide immediate relief, which included strict conformance with the early turn initiative and changing night flight paths over impacted areas. Mr. Makovsky stated the team discussed improving noise abatement procedures during operation of an aircraft. Mr. Makovsky stated the team also discussed long-term solutions, which included new compatible routes. He stated the FAA agreed to consider alternatives submitted by Aviation staff. Mr. Makovsky continued on June 1, the FAA stated there would be no action to implement alternatives, however, the FAA provided alternatives to the Grand Avenue Corridor and flight paths in the southwest.

Mr. Makovsky explained after consultation with the Mayor, Council, and the City Manager's Office, the decision was made to move forward with litigation. He stated a petition was filed for judicial review with the Federal Court of Appeals: D.C. Circuit and it would take an average of 18 to 24 months to conclude. Mr. Makovsky added information was available at [skyharbor.com](http://skyharbor.com)

Mr. Makovsky stated monthly noise program reports were available online and included information about early turns. He explained as a result of technical issues with the online form, the department has turned to a third party, PlaneNoise Solution, to log and manage the information. Mr. Makovsky stated as of July 1, additional staff would be hired to help with the workload.

Mr. Makovsky displayed annual flow equalization data and explained the City has an intergovernmental agreement with the City of Tempe to equalize air traffic from east to west. He discussed the aircraft noise list serve available online to provide targeted information to community members.

Ms. Fisher discussed the next steps and focused on the six-point plan which includes community engagement and empowerment, outreach to airlines, coalition of other cities, working with members in Washington DC, engaging in the Metroplex process, and pursuing ways to enhance the noise program.

Ginger Mattox applauded the City for its work. Ms. Mattox stated she previously opposed filing a lawsuit but believed the City exhausted all other options. Ms. Mattox requested a timeline for a status update on the employee review.

Councilwoman Gallego thanked staff for their work and expressed the need to continue to work on a legislative solution.

Chairman Valenzuela thanked the neighborhood leaders for their work.

**6. Valet Parking Services RCS**

Ms. Fisher stated the airport continuously researches the addition of operations to meet the needs of airport passengers. Ms. Fisher introduced Acting Assistant Aviation Director Irene Larkin and Deputy Aviation Director Roxann Favors.

Ms. Larkin explained peer airports currently offered valet services and noted the parking program is now housed in Business and Properties.

Ms. Favors summarized the airport's parking program for calendar year 2014, noting the airport offers 24,000 spots at a daily rate of \$25. Ms. Favors displayed data from peer airports on valet services.

Ms. Favors stated staff met with the potential operators: ACE Parking, Global Parking System, The Airport Valet, American Valet, and Standard Parking. She noted feedback was provided on customer service expectations, procedures for revenue and ticket control, and profitability and labor costs.

Ms. Favors explained the airport has never offered valet services and looked for information from the industry to understand how best to deliver the service. She noted the minimum qualifications of an operator, explaining an operator needs five years of experience in providing valet parking services at a venue with a minimum of 80,000 transactions per year and five years of experience with an onsite general manager.

Ms. Favors stated staff recommended a pilot valet program of two years with two one-year renewal options. She noted the valet rate would not be lower than the daily parking rate and there would be no operating costs to the airport.

Councilman Gates entered the meeting at 10:34 a.m.

Ms. Favors discussed the criteria which included a marketing plan, a general manager, and a customer service plan.

Councilwoman Gallego asked if staff surveyed business travelers about valet services. Ms. Favors replied no but that the number one comment regarding the parking program has been focused on valet services, adding the pilot program would be adjusted to customers' needs.

Councilwoman Gallego asked if the representative from ACE Parking was present and would like to share their concern if a different company was chosen. The representative respectfully declined to speak.

Ms. Fisher explained currently, ACE Parking is the operator at the airport. She added the valet program would co-exist with the current parking operator. She reiterated five agencies were competing for an opportunity, adding the pilot program would allow staff to learn more about valet services. Ms. Favors added staff would reach out to airports that have multiple operators to learn from their experience.

Councilwoman Gallego requested safety be included in the criteria.

Councilwoman Williams asked what performance measures were in place for the pilot. Ms. Fisher responded measures would include analyzing customer service, performance delivering, and revenue performance.

Councilwoman Williams asked what area was designated for valet parking. Ms. Fisher stated there was flexibility to create the program and an area was not designated as staff look to the expertise of the valet operators to study the environment and make a proposal.

Councilman Gates suggested considering 44<sup>th</sup> Street and Washington as an area for valet service. Councilman Gates expressed concern regarding the two year contract with two one-year extensions. Ms. Favors explained the two years would provide trend data and allow for another opportunity to solicit for a longer period of time in the future. Ms. Fisher added the contract needed to have an appropriate time period for interested agencies and be flexible in order to be competitive.

Councilwoman Williams moved to approve staff recommendation. Councilman Gates seconded the motion, which passed 4-0.

Chairman Valenzuela thanked staff for their entrepreneurial efforts

## **7. Adoption of an Entertainment District In Downtown Phoenix**

Mr. Blue introduced Community and Economic Development Director Christine Mackay.

Ms. Mackay discussed the creation of an entertainment district in downtown. She explained a court ruling which prohibited governing by zoning where churches or schools were built. Ms. Mackay explained in 2010, a state statute, the Entertainment District, allowed City Councils to govern their own convenience of commerce and consider liquor licenses within a certain distance of a church or school. Ms. Mackay turned the discussion over to Project Management Assistant Anna Darian.

Ms. Darian explained businesses which primary function is the sale of alcohol are restricted within 300 feet of churches and schools, as well as restaurants, hotels, and special events with liquor licenses. Ms. Darian displayed a map, highlighting the 300 feet buffer zones and the conflict areas.

Ms. Darian explained the logistics of an entertainment district and stated City Council had the right to hear an exemption to the 300 feet separation as a precursor to the liquor applications. Ms. Darian emphasized it was not a zoning overlay and each case would be heard separately, adding the district could be no more than one square mile.

Ms. Darian displayed the proposed district which totaled 0.92 square miles. Ms. Darian stated staff worked closely with Downtown Phoenix Inc. and committed to community outreach, adding staff met with each of the nine churches in the area and neighborhood groups.

Ms. Mackay added state statute did not require staff to engage in community outreach but staff wanted to be transparent with the neighborhood and ensure the proposal was understood.

Ms. Darian discussed concerns regarding liquor stores and emphasized liquor stores would continue to be prohibited within 300 feet of a church or school, noting businesses requiring exemption would be subject to a Use Permit.

Ms. Darian requested Council's approval of the proposed Entertainment District in downtown Phoenix.

Chairman Valenzuela noted Sherry Rampy, Brett Wingate, and Patrick Cantelme supported the item.

Herb Ely discussed his jazz performance center for teaching, The Nash, and explained the proposal would allow his business to sell alcohol.

Billy Shields expressed support for the item and expressed appreciation for staff and their work. Mr. Shields provided an example of a church moving in the Warehouse District and the positive impact the recommendation would have in that area for development.

Brian Albue expressed support of the item and reiterated his colleague's comments regarding The Nash.

Dan Klocke expressed support for the recommendation and commented on the aggressive community outreach. He provided an example of a business looking to move downtown but did not because of the 300 feet limitation.

David Calverley presented an example of how the Entertainment District would benefit downtown. He discussed buildings leased for special events and applying for liquor applications and previous complications.

Councilwoman Williams moved to approve staff's recommendation to adopt an Entertainment District downtown. Councilwoman Gallego seconded the motion.

Councilwoman Gallego thanked staff for their community outreach.

Councilman Gates expressed support for item and thanked staff for including the Use Permit requirement.

The motion passed 4-0.

**8. Call to the Public**

None.

**9. Future Agenda Items**

Councilwoman Williams asked for an update in October on the NCAA championship game planning efforts.

**10. Adjournment**

Chairman Valenzuela adjourned the meeting at 11:12 a.m.

Respectfully submitted,

Samantha Tavares  
Management Intern



**CITY COUNCIL REPORT**

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TO: Paul Blue  
Deputy City Manager

FROM: Christine Mackay  
Community And Economic  
Development Director

SUBJECT: DEVELOPMENT AGREEMENT WITH CHARLES SCHWAB AND POINTE  
SOUTH MOUNTAIN BUSINESS PARK ASSOCIATION

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This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council approval to enter into a development agreement with Charles Schwab Corporation (“Charles Schwab”) and Pointe South Mountain Business Park Association (the “Association”), to fund road improvements on 48<sup>th</sup> Street from approximately Baseline Road to, but not including, the Pointe Parkway West traffic circle.

THE ISSUE

In December 2000, City Council approved the abandonment of the public street known as Pointe Parkway East (now part of the Arizona Grand Golf Course) that connected Baseline Road to Guadalupe Road. As part of the abandonment, a new private road was constructed linking the previously terminated 48<sup>th</sup> Street with Pointe Parkway West. This resulted in increased traffic along 48<sup>th</sup> Street as it became a new access point between Baseline Road, Guadalupe Road and Ahwatukee.

In March 2012, a traffic study completed by the EPS Group, Inc. determined approximately 80% percent of the vehicles traveling on 48<sup>th</sup> Street between the Pointe Parkway West traffic circle and Baseline Road was not affiliated with businesses in the area. Since 2000, traffic flow studies have been conducted on 48<sup>th</sup> Street, which concluded that the public traffic volume on 48<sup>th</sup> Street is consistent with that of an arterial or collector roadway.

The Association consists of 23 property owners who represent more than 15 small, mid-sized and large companies. Charles Schwab Corporation is the largest member of the Association and is also one of the largest employers in Phoenix. Charles Schwab owns two facilities along 48<sup>th</sup> Street encompassing 399,000 SF with 1,100 employees. This campus is a mission critical facility for Schwab’s global operations. While there have been significant expansions nationally by Charles Schwab, the South Mountain site has been challenged for future expansions due to the poorly functioning 48<sup>th</sup> Street. This is also consistent with other employers in the area. With 48<sup>th</sup> Street functioning as a collector street, in order to attract new expansions in the area, staff recommends the City immediately designate funds for pavement mill and overlay upgrades, and resume

responsibility for the maintenance of 48th Street, while planning to ultimately convert 48th Street into a public street. The estimated costs of these initial improvements, along with administration costs, are approximately \$400,000, available in the Streets CIP, and these improvements would include:

- Mill and overlay of existing asphalt
- New ADA sidewalk curb ramps
- Raising valve and manhole covers
- Striping

The City will take over maintenance of 48th Street according to the City's regular and customary maintenance schedule and within the City's sole discretion as to the availability of funding for such maintenance. Based on the planned pavement overlay, Charles Schwab will create 240 new high-wage jobs at the 48th Street campus.

To allow companies along the 48th Street corridor to continue to expand, an additional term provided for in the development agreement requires the City place this section of the 48th Street project improvement in its Capital Improvement Plan within seven years, subject to City Council prioritization, discretion and funding. This improvement would bring this section of 48th Street up to City street design standards, and will include widening the existing roadway. As part of the full road improvements, the Association agrees to work with the City to obtain roadway dedications from the existing owners and members of the Association. Once completed, the road would be dedicated to the City and the road will become a formal public street.

The Association will retain liability for 48th Street until such time as the City Manager determines the City may take over such liability.

#### OTHER INFORMATION

A third party independent economic impact analysis was conducted on the creation of the additional 240 jobs by Charles Schwab. Over two years these jobs will bring in an estimated \$808,376 in direct revenue, \$589,148 in indirect revenue and \$1,397,524 in total revenue to the City. Additionally, these jobs will permanently create an estimated \$364,251 in direct revenue on an annual basis.

#### RECOMMENDATION

This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council to enter into a development agreement with Charles Schwab Corporation and the Pointe South Mountain Business Park Association for funding road improvements on 48th Street from approximately Baseline Road to, but not including, the Pointe Parkway West traffic circle.

**CITY COUNCIL REPORT**

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TO: Paul Blue  
Deputy City Manager

FROM: Christine Mackay  
Community & Economic  
Development Director

SUBJECT: GRAND CANYON UNIVERSITY DEVELOPMENT AGREEMENT

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This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council approval to enter into a Development Agreement with Grand Canyon University for public infrastructure improvements in the area surrounding Grand Canyon University known as Canyon Corridor.

THE ISSUE

Grand Canyon (GCU) is experiencing a significant revitalization, turning around a struggling university, which is now an offering 160 academic degrees across eight colleges, with total 2014 enrollment of approximately 11,000 students served at the west Camelback campus. Since 2008, GCU has invested approximately \$400 million into improvements of its traditional campus. In the next five years, GCU intends to invest hundreds of millions more into its campus and surrounding community, including a significant investment in public infrastructure. As part of this investment, GCU is making progress in developing a Science Technology Engineering and Math curriculum. In 2015-2016, GCU will open its new College of Science, Engineering and Technology with the opening of the first half of a new 160,000 square foot College of Science Engineering and Technology classroom and laboratory building.

The Canyon Corridor is generally bounded by Missouri Avenue to the north, Indian School Road to the south, Interstate-17 to the east and 35<sup>th</sup> Avenue to the west. Within this area, GCU currently employs approximately 3,500 full-time employees. According to a recent study performed by Elliott D. Pollack & Company, GCU's development efforts over the next five years will result in a total of 6,743 direct jobs and 1,434 indirect jobs during the 10-year period from 2010-2019. GCU is responsible for an economic impact of \$1.1 billion annually and an estimated \$11.1 billion from 2010 - 2019.

As part of GCU's redevelopment plans in the Canyon Corridor, there are several public infrastructure items that require installation or construction. Some of these items are outlined in the University's recent Planned Unit Development, and other public infrastructure will be required to accommodate the planned redevelopment and growth of the campus facilities and related developments, including the planned conference center and office complex at the northeast corner of 27<sup>th</sup> Avenue and Camelback Road.

## OTHER INFORMATION

In order to facilitate the redevelopment of the GCU Campus, including the significant additional employment generating uses in the Canyon Corridor, staff recommends that the City enter into an agreement with GCU to provide additional public infrastructure improvements to serve the area. Under the terms of the agreement, GCU will be responsible for the design, engineering, construction, acquisition and dedication of public improvements that will include traffic signals, ADA compliant ramps, traffic calming items, street lighting improvements, street improvements, as well as other public improvements mutually agreed upon by GCU and the City. Under the terms of the Agreement, the improvements associated with reimbursements will be completed by the University no later than 2024.

The City will reimburse GCU up to \$19 million for the completed improvements from the following sources:

- Fifty percent (50%) of the eligible sales tax revenues generated from construction sales taxes paid by the University, beginning July 1, 2015.
- Fifty percent (50%) of eligible sales tax revenues from “campus and education activities” including general sales tax, over and above levels from operations in FY2014-15, beginning July 1, 2015.

The term of the eligible reimbursement period shall be for 10 years commencing on July 1, 2015 or upon initial request for reimbursement.

## RECOMMENDATION

Staff recommends the Subcommittee recommend City Council approval to enter into a Development Agreement with Grand Canyon University for public infrastructure improvements in the Canyon Corridor.