

**City of Phoenix
General Obligation Bond Executive Committee
Summary Minutes
Monday, November 14, 2022**

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

Committee Members Present

Ms. Sharon Harper, Chair
Dr. LeeAnn Aguilar-Lawlor, Vice Chair
Mr. Ron Butler
Ms. Jennifer Grandahl (Virtual)
Ms. Pam Kehaly
Mr. Rick Naimark
Ms. Diana Yazzie Devine
Ms. Anne Ender (for Mr. Steve Beuerlein)
Mr. Abraham James
Mr. David Martin
Ms. Devney Preuss
Mr. Robin Reed
Ms. Ginger Torres
Hon. Mary Rose Wilcox

Committee Members Absent

None

CALL TO ORDER

Chair Harper called the meeting to order at 9:03 a.m. with Vice Chair Aguilar-Lawlor and committee members Ron Butler, Jennifer Grandahl, Pam Kehaly, Rick Naimark, Diana Yazzie Devine, Anne Ender, Abraham James, David Martin, Devney Preuss, Robin Reed, Ginger Torres and Mary Rose Wilcox present.

Chair Harper introduced Mayor Kate Gallego to make some opening remarks. Mayor Gallego thanked the Executive Committee on behalf of herself and the City Council, specifically for balancing so many needs of the community, for the fastest growing city in the country, within parameters that did not lead to a tax increase. She also thanked the residents who participated in the process and who offered great ideas, and also thanked City staff for their efforts.

Chair Harper stated on behalf of the Executive Committee she also wanted thanked City staff and thanked the Subcommittee Chairs for their efforts.

1. Minutes of the General Obligation Bond Executive Committee

Committee member James made a motion to approve the minutes of the November 7, 2022 General Obligation Bond (GO) Executive Committee meeting. Committee member Naimark seconded the motion which passed 14-0.

2. Introductory Remarks

Chair Harper stated that during the October 31, 2022 meeting, the Executive Committee adopted the City Manager's recommended targets as a starting point for reducing the subcommittees' \$717 million recommendation down to a \$500 million program limit, and that the targets were adopted with flexibility. She stated that over the past two meetings, five subcommittees' recommendations were reduced to the target amounts. She was hopeful that after the recommendations of the remaining subcommittees were subsequently presented, that the Executive Committee would be able to make any needed balancing adjustments and finalize its recommendations with no further meetings required.

3. GO Bond Program Recommendations

Deputy City Manager Inger Erickson provided information with regards to closing the gap on the Parks & Recreation Subcommittee's submittal amount to the City Manager's target amount. She stated that \$500,000 was received from the Phoenix Suns that would offset an equal amount of GO bond dollars to be applied to the Esteban Park Recreation Center project, and that additional capacity of \$4,000,000 was identified in the outer years for the Phoenix Parks & Preserves Initiative (PPPI) fund, that would offset costs for the Estrella Civic Space - Phase 1 project, thereby achieving the total target amount for Parks & Recreation. At the request of Member Mary Rose Wilcox, Parks & Recreation Director Cynthia Aguilar then explained a plan to phase the South Mountain Safety Roadway project amount to help fund Margaret T. Hance Park Improvements.

After presentation of staff's plan, Member Wilcox made a motion to adjust the total Parks & Recreation projects to be within the \$64,000,000 target through the following modifications: reduce the Esteban Park Recreation Center project by \$500,000 and reduce the Estrella Civic Space - Phase One project by \$4.0 million, replacing those reductions by utilizing alternative funding as identified by staff. Additionally, to reduce the South Mountain Roadway Safety Enhancements project by \$3.0 million and transferring that amount to the Margaret T Hance Park Improvements project. The motion was seconded by member James and passed with a vote of 13 to 0 with Member Preuss abstaining.

Member Preuss then made opening remarks about the Arts & Culture Subcommittee projects stating that arts and culture contributes to the economic development of the City, and that Phoenix has become a creative city with downtown at the center of it. Investment in arts and culture attracts more residents, students and businesses and leads to the private sector also following suit. The incorporation of arts and culture in the public realm creates a competitive advantage for businesses and their attraction and retention of talent. She further stated that funding all the arts and culture recommendations will produce a true return on investment for the city with no increases to operating costs. Member Preuss then inquired of Arts & Cultural Director Mitch Menchaca if there was any alternative funding available? Mr. Menchaca replied there was not. After additional discussion regarding alternative funding, City Manager Jeff Barton also confirmed that there was no alternative funding for the Arts & Culture program.

Chair Harper then requested a proposed motion to approve the Arts & Culture projects within the target parameters submitted by the City Manager. Member Preuss made a motion to fund the first six projects as they were prioritized by the Arts and Culture Subcommittee with flexibility, totaling \$50,238,148: 1) Latino Cultural Center for \$21,729,054, 2) Valley Youth Theater – Permanent Home for \$14,089,510, 3) Children’s Museum of Phoenix Expansion for \$5,399,584, 4) Phoenix Center for the Arts Improvements for \$1,200,000, 5) Phoenix Theater Company ADA Accessibility for \$5,800,000, and 6) Arizona Jewish Historical Society Renovation & Expansion for \$2,020,000. The motion passed 13-0 with Member Naimark abstaining due to a conflict of interest regarding the Valley Youth Theater – Permanent Home project.

Member Robin Reed then began the deliberations on Economic Development and Education Subcommittee’s recommendation by stating that he believed that all would agree that the quality of jobs and redevelopment over the past few years moved Phoenix into the forefront as a global competitor, and as the Economic Development and Education Subcommittee looked at their options they all agreed that the most important thing they could do was help to continue to give Phoenix a seat at the table to ensure that the quality growth continued to help revitalize the community. Deputy City Manager Ginger Spencer then presented the Economic Development and Education Subcommittee’s proposed prioritized projects, and a proposed adjustment to meet the City Managers’ recommended target amount of \$38.0 million. Ms. Spencer then described the allocation of the \$38.0 million within three projects as follows: 1) Rio Reimagined Land Acquisition for \$23.5 million, 2) ASU Health Technology Center for \$12.0 million and 3) Spark Area Land Acquisition - Reuse and Redevelopment Strategy Implementation for \$2.5 million.

Member Reed made a motion to approve that the allocated funds, as indicated by previously by Ms. Spencer totaling \$38.0 million be approved by the Executive Committee. The motion passed 13-0 with Member Naimark abstaining due to a conflict of interest regarding the ASU Health Technology Center project.

Chair Harper opened the floor for public comment.

Nicole Rodriguez felt that the Vision Zero and Equity Based Transportation Mobility - T2050 Mobility Implementation projects funding should be increased to their original amounts.

Jim McPherson spoke in support of historic preservation projects and suggested that Heritage Funds should be applied for to improve Hance Park.

Cory Kincaid spoke in support of shifting more funding to the Vision Zero and Equity Based Transportation Mobility - T2050 Mobility Implementation projects.

Vania Guevara spoke in support of Vision Zero and Equity Based Transportation Mobility - T2050 Mobility Implementation projects.

Parker Pitt spoke in support of funding for the Valley Youth Theatre Permanent Home project.

Jessica Leach asked for consideration of partial funding for expansion of the Parsons Center.

Mark Mettes in support of the Herberger Theater Center – Theatrical Improvements project.

Cyndy Gaughan spoke in support and consideration of for full funding for all nine projects originally submitted by the Arts & Culture Subcommittee, the ASU Health Technology Center, Vision Zero, Equity Based Transportation Mobility, Historic Preservation, Hance Park, Non-Congregate Shelter, Innovation in Housing, and Parsons Center.

Lawrence Bell spoke in support of the Arizona Jewish Historical Society Renovation & Expansion Project including the Holocaust Education Center.

Lon Babby spoke in support the Symphony Hall Theatrical Venue Improvements project.

Michelle Dodds thanked the Executive Committee for their support of Historic Preservation projects.

Matthew Schaefer spoke in support of the Phoenix Theatre Company ADA Accessibility project and asked the Executive Committee to consider funding the three projects that were cut from Arts & Culture Subcommittees' original recommendation.

Kate Wells spoke in support of fully funding the Children's Museum of Phoenix Expansion project.

Hope Ozer spoke in support of the Valley Youth Theatre Permanent Home project.

Sandra Bassett advocated for equitable allocation of funding, and in support of full funding for all Arts & Culture projects, including the Phoenix Center for the Arts Theater Improvements project.

Bob Cooper spoke in support of the Valley Youth Theatre Permanent Home project.

Tim Sprague spoke in support of the Margaret T Hance Park Improvements project \$3.0 million allocation.

Samuel Gomez spoke support of Arts & Cultural projects including the Latino Cultural Center project.

Catrina Kahler spoke in support of the Margaret T Hance Park Improvements project \$3.0 million allocation, and in support of all Arts & Cultural projects.

Mary Moriarty spoke in support of the Margaret T Hance Park Improvements project.

Aimee Esposito spoke in support of the Vision Zero and Equity Based Transportation Mobility - T2050 Mobility Implementation projects

Lisa Perez spoke in support of the Estrella Civic Space - Phase I and library projects.

At the conclusion of public comment, Chair Harper asked the Executive Committee to deliberate on a final consideration and recommendation, and also requested that each subcommittees' program recommendations be presented for discussion and action by the Executive Committed in alphabetical order. Member Naimark inquired if it were possible to also present high priority projects in the final report to City Council that would not be part of the formal recommendation? Budget Director Amber Williamson replied that the Chair would be drafting a letter to send to the City Council on December 13th, and that letter would include reports that will contain the ranked priority order of projects with associated dollar amounts. Ms. Williamson continued to say that the projects by subcommittee program area, that fell below the line, could be included in the final report.

Vice-Chair Aguilar-Lawlor made a motion to accept the Arts & Culture Subcommittee projects numbers 1 thru 6, with an allocated reduction of an overall overage of \$238,148 to each of project numbers 1 thru 6, to arrive at a total amount of

\$50,000,000 for project numbers 1 thru 6. Member Torres seconded the motion. The motion passed 13-0 with Member Naimark abstaining due to a conflict of interest regarding the Valley Youth Theater – Permanent Home project.

Chair Harper then requested staff to present the Economic Development & Education Subcommittees' recommended allocations. A motion was made by Vice-Chair Aguilar-Lawlor to approve the following three projects totaling \$38,000,000 as follows: 1) Rio Reimagined Land Acquisition for \$23,500,000 2) ASU Health Technology Center for \$12,000,000 and 3) Spark Area Land Acquisition - Reuse and Redevelopment Strategy Implementation for \$2,500,000. The motion was seconded by Member Reed. The motion passed 13-0 with Member Naimark abstaining due to a personal conflict regarding the ASU Health Technology Center project.

Chair Harper then requested staff to present the Environment & Sustainability Subcommittees' recommendations. Member Torres requested increased funding for the Energy and Water Efficiency and Renewable Energy Upgrades at City Facilities project and for the Heat Resiliency project. Chair Harper asked Member Torres to make a motion within the target amounts. Member Torres then made a motion to approve the following four projects totaling \$26,000,000 as follows: 1) Energy and Water Efficiency and Renewable Energy Upgrades at City Facilities Citywide for \$14,000,000 2) Heat Resiliency Citywide for \$7,700,000 3) Brownfields Redevelopment Program for City-Owned Properties Citywide for \$3,000,000 and 4) City Facility Vehicle Electrification Stations for \$1,300,000. The motion was seconded by Member Naimark. The motion passed by a vote of 14-0.

Chair Harper then requested staff to present the Housing, Human Services & Homelessness Subcommittees' recommended allocations. Member Yazzie Devine proposed utilizing the \$299,700 program surplus for the Parsons Center project. Member Naimark suggested that the amount could be too little to be useful, and Member Yazzie Devine agreed. Mr. Barton stated that certain thresholds for useful life need to be met for legal requirements, and that the \$299,700 expenditure request might not be feasible. Member Butler then suggested doing a pro-rata allocation of the amount requested to increase the prioritized projects as presented by staff. Upon Member Butlers' suggestion, Member Yazzie Devine then made a motion to recommend alternative funding for the Parsons Center to the City Council, and to approve the following five projects totaling \$63,000,000, reflecting the remainder of \$299,700 distributed on a pro-rata basis across the projects: 1) Affordable Housing Property Preservation - Phase I for \$33,167,897 2) Cesar Chavez Senior Center for \$5,734,471 3) McDowell Senior Center Renovation for \$1,773,555 4) Choice Neighborhoods Housing Development Gap Funding for \$21,319,297 and 5) Innovation in Affordable Housing for \$1,004,780. The motion was seconded by Member Wilcox. The motion passed on a vote of 14-0.

Chair Harper then requested staff to present the Neighborhoods & City Services Subcommittees' recommended allocations which was \$385,339 below the City Manager's recommended target amount of \$45,000,000. Member James then made a motion to approve the following five projects totaling \$44,614,661 as follows: 1) Branch Library at Estrella Civic Space \$8,574,460 2) City Facility ADA Improvements for \$10,100,000 3) Yucca Branch Library Expansion for \$10,626,991 4) Branch Library at Desert View Civic Space for \$10,313,210 and 5) Historic Preservation Programs for \$5,000,000. The motion was seconded by Member Aguilar-Lawlor. The motion passed on a vote of 14-0.

Chair Harper then requested staff to present the Parks & Recreation Subcommittees' recommended allocations which was \$75,751 below the City Manager's recommended target of amount \$64,000,000. Member Wilcox made a motion to approve the Parks & Recreation program projects 1-10 at a total of \$63,924,249 with the \$75,751 surplus being held aside for allocation later in the meeting. Projects 1-10 totaling \$63,924,249 as presented by staff for the motion were as follows: 1) Citywide Funding for Parks Minor Capital for \$1,500,000 2) Esteban Park Recreation Center for \$4,500,000 3) South Mountain Roadway Safety Enhancements - Phase I for \$7,686,522 4) Harmon Park Regional Pool and Three Splash Pad Sites for \$12,774,702 5) Maryvale Park Regional Pool and Two Splash Pads Sites for \$14,350,706 6) Estrella Civic Space - Phase I for \$8,342,949 7) Desert View Civic Space - Phase I for \$8,375,338 8) Telephone Pioneers of America Park Recreation Center Improvements for \$2,202,033 9) Mountain View Community Center Sports Complex Improvements for \$1,191,999 and 10) Margaret T Hance Park Improvements 7 for \$3,000,000. The Motion passed by a vote of 13-0 with Member Preuss abstaining due to a conflict of interest.

Chair Harper then requested staff to present the Public Safety Subcommittees' recommended allocations which was \$229,432 below the City Manager's recommended target amount of \$132,500,000. Member Anne Ender inquired about Fire Station 20 being added to the list of prioritized Public Safety projects? Mr. Barton responded that Fire Station 20 had a need of \$18.2 million in GO Bond funding, and that there was less than \$1.0 million available, so there was not enough extra capacity to include Fire Station 20 into the funding mix. Member Ender inquired about replacing another fire station in the list for Fire Station 20? Chief Scott Walker responded that would be replacing one high need fire station with another high need fire station. Member Ender then made a motion to approve the Public Safety program projects 1-7 at a total of \$132,270,568 with the \$229,432 surplus being reallocated pro-rata to project numbers 1-7. Projects 1-7 totaling \$132,270,568 as presented by staff for the motion (prior to addition of the surplus) were as follows: 1) Fire Station 7 / Community Assistance Program (7th Street & Hatcher Road) for \$21,370,986 2) Fire Station 13 / Community Assistance Program (44th Street & Thomas Road) for \$21,715,423 3) Fire Station 15 / Community Assistance Program (45th Avenue & Camelback Road) for \$21,370,986 4) Cactus Park Precinct Replacement for \$37,274,003 5) Fire Station 51 (51st Avenue & SR

303) for \$18,545,514 6) Police Property Management Warehouse Renovation for \$9,012,264 and 7) Maryvale Police Precinct Renovation for \$2,981,392. The Motion was seconded by member James. The motion passed by a vote of 14-0.

Chair Harper then requested staff to present the Streets & Storm Drainage Subcommittees' recommended allocations which was \$275,606 below the City Manager's recommended target amount of \$81,500,000 at \$81,224,394. Member David Martin made a motion to approve the Streets & Storm Drainage projects numbers 1-6, with the provision that the \$275,606 surplus be added to the Vision Zero Implementation project number 1. The project numbers 1 thru 6 amounts totaling \$81,224,394 were as follows: 1) Vision Zero Implementation for \$16,647,159 2) Equity Based Transportation Mobility - T2050 Mobility Implementation for \$12,570,371 3) Laveen Flood Mitigation for \$8,230,401 4) Pavement Maintenance Supplement for \$22,030,869 5) Hohokam Drainage Program for \$19,245,594 and 6) Storm Drain Replacement Program for \$2,500,000. The motion was seconded by Member Naimark. The motion passed by a vote of 14-0.

The Executive Committee then deliberated over the programs where there were surplus amounts available.

Member Wilcox then made a motion to reallocate the \$75,751 surplus in the Parks and Recreation Program over the ten projects that were approved in the prior motion in the meeting. The motion was seconded by Member Naimark. The motion was approved by a vote of 14-0.

Member James then made a motion to allocate the \$385,339 surplus that was available in the Neighborhood & City Services Program and apply that amount to the Cultural Facilities Critical Replacements project within the Arts and Culture Program. The motion was seconded by Member Naimark. The motion was approved by a vote of 14-0.

Member Yazzie Devine then made a motion to replace her prior motion for the Housing, Human Services & Homelessness program to reallocate the total of \$63,000,000 as follows: 1) Affordable Housing Property Preservation - Phase I for \$33,170,454 2) Cesar Chavez Senior Center for \$5,734,913 3) McDowell Senior Center Renovation for \$1,773,692 4) Choice Neighborhoods Housing Development Gap Funding for \$21,320,941 and 5) Innovation in Affordable Housing for \$1,000,000. The motion was seconded by Member Naimark. The motion passed on a vote of 14-0.

Chair Harper then stated that the \$500 million recommendation for City Council's consideration was solidified and now wanted to identify projects outside the \$500 million recommendation that the Executive Committee would also recommend in the Executive Committees' submission to City Council. Budget Director Amber

Williamson confirmed that these other top priority projects would be included in the formal letter of recommendation for the City Council to consider for possibly funding with alternative resources or within next bond program. The Executive Committee then deliberated on the composition and prioritization of the additional list of projects outside the \$500 million recommendation. Upon deliberation, two priority projects were established as follows: 1) Symphony Hall Theatrical Venue Improvements, and 2) Expansion of the Parsons Center for Health and Wellness. A motion was made by Member Naimark to include these two projects in the Executive Committee's recommendation to City Council, as projects not in the \$500 million target, but to be considered as high priority projects for alternative funding sources. The motion was seconded by Member Martin. The motion passed by a vote of 14-0.

Chair Harper thanked the citizens who participated in the process, and also the Executive and Subcommittee members and City staff for their efforts. Ms. Williamson and Mr. Barton also thanked committee members, Phoenix citizens and City staff. Member Martin thanked Chair Harper for her leadership in the process.

Chair Harper acknowledged the completion of the Executive Committee's work and informed the meeting participants that their formal recommendations would be presented to the City Council on December 13th.

ADJOURNMENT

Chair Harper adjourned the meeting at 11:50 a.m.