

City of Phoenix
General Obligation Bond Executive Committee
Summary Minutes
Monday, November 7, 2022

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

Committee Members Present

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

Committee Members Absent

Mr. Ron Butler
Ms. Pam Kehaly

CALL TO ORDER

Chair Harper called the meeting to order at 9:01 a.m. with Vice Chair Aguilar-Lawlor and committee members Jennifer Grandahl, Rick Naimark, Steve Beuerlein, Diana Yazzie Devine, Abraham James, David Martin, Devney Preuss, Ginger Torres and Mary Rose Wilcox present.

*Committee member Reed joined the meeting at 9:03 a.m.

1. Minutes of the General Obligation Bond Executive Committee

Committee member Beuerlein made a motion to approve the minutes of the October 31, 2022 General Obligation Bond (GO) Executive Committee meeting. Committee member James seconded the motion which passed 11-0, with member Martin not being present at the time of the vote.

2. Introductory Remarks

Chair Harper stated that the Executive Committee adopted the City Manager's recommended targets to achieve a \$500 million program limit. She further stated

that two subcommittee targets were achieved in the last meeting, and that the process would continue today with three additional subcommittee meetings including Housing, Human Services and Homelessness, Public Safety and Parks & Recreation.

3. GO Bond Program Recommendations

Chair Harper recapped the process that the committee would be following which was that staff would be tracing the committee's deliberations and would be showing the impact of the changes live, during the meeting, and that she would be looking for an informal consensus on a clear structure before making any motions and taking votes. She then stated that she would like to begin the process with the recommendations from the Housing, Human Services and Homelessness subcommittee.

Member Naimark asked for clarification on the adopted targets from the last meeting. Chair Harper responded that the Executive Committee adopted to work within the \$500 million target, and that there would also be some flexibility with subsequent deliberations.

Member Yazzie Devine thanked the Housing, Human Services and Homelessness Subcommittee members and the City staff that provided a significant volume of requested information and financial documents. She further generally stated that the community input for program needs exceeded subcommittee's target, and that providing needed housing and other community based human services was a difficult task. She noted the additional challenge of ongoing operating costs associated with shelter projects, and additional capital funding available, should be taken into account in formulating a recommendation within the \$500 million program. She requested that a higher allocation be considered for the Housing, Human Services and Homelessness program, and urged the City to seek alternative funding for any unfunded recommendations. Deputy City Manager Gina Montes then presented information on \$88.9 million in alternative sources of funding for Housing, Human Services and Homelessness projects, primarily from American Rescue Plan Act (ARPA) funding, including \$70.9 million set aside for shelter and capital needs to address homelessness. Chair Harper then opened the floor for discussion.

Member Wilcox made a motion to approve Housing, Human Services and Homelessness Subcommittee project numbers 1-6, with the exception of project number 4 (instead utilizing alternative funding), shown on the screen as follows: #1 - Affordable Housing Property Preservation - Phase 1 for \$33,010,113, #2 - Cesar Chavez Senior Center for \$5,707,191, #3 - McDowell Senior Center Renovation for \$1,765,118, #4 - Acquisition/Renovation of Property for Shelter for \$0 (zero dollars), #5 - Choice Neighborhoods Housing Development Gap Funding for \$21,217,878, and #6 - Innovation in Affordable Housing Program for \$1,000,000. The motion was

seconded by member James. Chair Harper then opened the motion up for discussion. Member Preuss asked if there were alternative funding sources for project #7 - Affordable Housing Development Gap Financing, and project #8 - Expansion of the Parsons Center for Health and Wellness? Ms. Montes replied that there was alternative funding identified for project #7 through ARPA, and that staff was exploring other financing options for the Parsons Center. Member Naimark asked how much alternative funding was available for the Affordable Housing Development Gap Financing project? Ms. Montes replied that there was \$12,000,000 available. Mr. Naimark then asked if the Housing, Human Services and Homelessness Subcommittee was aware that the alternative funding was available when they submitted their recommendations to the Executive Committee? Member Yazzie Devine stated that the subcommittee was aware of the alternative funding, but wished to put a spotlight on homelessness. Member Torres asked if the Executive Committee was aware of two letters of support from Senator Sinema and Congressman Gallego for project #8, the Parsons Center Project? Budget Director Amber Williamson responded that the Executive Committee members were provided with the two letters of support. Member Wilcox advocated applying any remaining funding to the Parsons Center. The motion passed 12-0.

Member Beuerlein presented the findings of Public Safety Subcommittee. He stated that there were still public safety projects from the 2006 Bond programs that were never completed, and that the needs were so great in the past, under Interim Mayor Thelda Williams, a bond program was considered just for Police and Fire. He then stated that public safety needs account for 70% of most municipal budgets, and that there is only 27% of this proposed bond program allocated to public safety, which he felt was inadequate. He further stated that if the bond program were to exceed \$500 million, he would expect public safety to be well represented. City Manager Jeff Barton confirmed that in 2019, Interim Mayor Thelda Williams convened a Public Safety Bond committee, noting that \$350 million was expected to be needed for a new Police Headquarters facility. Mr. Barton stated that consideration of that bond program was paused due to COVID, and in the interim, the City opportunistically acquired the 100 W. Washington (former Wells Fargo) building for use as a Police Headquarters facility. The City Council approved an excise tax supported municipal bond sale for the renovation, thereby avoiding the need to include that project in this \$500 million GO bond program proposal. Mr. Barton further stated that if the total amount of \$198 million for the acquisition and renovation were to be summed with the \$500 million program, the current Public Safety target amount of \$132.5 million plus the \$198 million would equal 47% for Public Safety. With regards to Fire Safety needs, Mr. Barton stated that the City would be hiring additional firefighters, and summarized a long-term strategy of delivering 20 fire stations over 20 years, including the associated firefighter staffing. Executive Assistant Fire Chief Scott Walker and Assistant City Manager Lori Bays then presented an overview of the Fire Safety additions being proposed to the City Council outside of the GO Bond Program.

Mr. Barton noted an option to scale the Cactus Park Precinct & Northern Command Center Relocation project, phasing it over two bond programs. Ms. Bays relayed that acquiring land for the full project in this bond program, but only constructing the Cactus Park Precinct replacement, could result in a \$12 million savings. The Northern Command Center replacement construction could be accomplished in a future bond program. Member Reed noted that these savings could fund items #6 and 8, Police Property Management Warehouse Renovation and Maryvale Police Precinct Renovations. Member Naimark asked for input from Police staff. Assistant Chief Kurtenbach indicated support.

Member Martin made a motion to approve the following Public Safety projects totaling \$132,270,568: #1 Fire Station 7 for \$21,370,986, #2 Fire Station 13 for \$21,715,423, #3 Fire Station 15 for \$21,370,986, #4 Cactus Park Precinct Relocation [excluding Northern Command Center Relocation but including associated land acquisition] for \$37,274,003, #5 Fire Station 51 for \$18,545,514, #6 Police Property Management Warehouse Renovation for \$9,012,264, and #8 Maryvale Police Precinct Renovations for \$2,981,392. The motion was seconded by Mr. Naimark and was passed by a vote of 12-0.

Chair Harper then asked that Parks & Recreation Subcommittee to proceed with their presentation and recommendation.

Member Wilcox thanked staff and said that the Parks & Recreation Subcommittee's main consideration was equity, and given the current target level, was concerned that distribution was not sufficiently equitable. Member Wilcox recommended that the Grant Park Bath House renovation be moved to the bottom of the list, and that Margaret T Hance Park improvements be moved to number 10. Member Wilcox then made a motion to approve the following Parks & Recreation projects totaling \$68,424,249: #1 Citywide Funding for Parks Minor Capital Projects for \$1,500,000, #2 Esteban Park Recreation Center for \$5,000,000, #3 South Mountain Roadway Safety Enhancements for \$10,686,522, #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 1 for \$12,342,949, #7 Desert View Civic Space - Phase 1 for \$8,375,338, #8 Telephone Pioneers of America Park Recreation Center Improvements for \$2,202,033, and #9 Mountain View Community Center Sports Complex Improvements for \$1,191,999. The motion was seconded by Member James with Member Preuss disclosed a conflict, being on the private sector fundraising committee for Margaret T Hance Park, recusing herself from the vote. Mr. Barton informed the Executive Committee that the total amount in the Parks & Recreation Subcommittee's total motion amount was over the \$64,000,000 target amount by approximately \$4,400,000, but that was acceptable because the Subcommittees adopted their targets with flexibility. Member Wilcox modified the motion to accept reduction of the \$68,424,249 amount in the future, if alternative replacement funding or scope reductions could be identified. The

modified motion was seconded by member James. The modified motion passed by a vote of 11-0, with Member Preuss abstaining.

Member Ginger Torres then presented Environment & Sustainability Subcommittee recommendations. She stated that her subcommittee met the City Managers' target amount but felt that the amount was woefully inadequate to address the environmental issues that are facing the City today including climate change and extreme heat, and that additionally the target amount of \$26 million was only 5% of the total \$500 million proposed GO Bond program. She requested that the Environment & Sustainability Subcommittee allocation be increased an additional \$15 million above the \$26 million already allocated. Deputy City Manager Karen Peters stated that there were other City operating funding sources, as well as ARPA funding sources to address tree replacement and heat mitigation projects. Mr. Barton stated that there was approximately \$11 million of ARPA funding available that included \$5 million for trees, \$3 million for home weatherization projects that would be utilized by underserved areas of the community, and \$2.9 million for shade structures. Member James suggested that the Federal government will possibly make more funding available to address environmental issues. Member Torres stated that she did not want to rely, and or wait the for the Federal government for assistance. Chair Harper stated that all subcommittees advocated for additional funding, but she did not support increasing the Environment & Sustainability Subcommittees' allocation at this point in the process. Member Grandahl stated that the Environment & Sustainability Subcommittees' proposed amount of \$25.1 million was \$900,000 under the City Managers' \$26.0 million recommended target and suggested adding the \$900,000 back into the Subcommittees' allocation. Ms. Peters suggested that the Energy and Water Efficiency and Renewable Energy Upgrades at City Facilities project could be increased from \$13.5 million to \$14.0 million, and that the Heat Resiliency Project could be increased from \$7.3 million to \$7.7 million.

Member Beuerlein made a motion to approve the following Environment & Sustainability projects for a total of \$26,000,000 as follows: #1 Energy and Water Efficiency and Renewable Energy Upgrades at City Facilities for \$14,000,000, #2 Heat Resiliency for \$7,700,000, #3 City Brownfields Redevelopment Projects for \$3,000,000, and #4 City Facility Vehicle Electrification Stations for \$1,300,000. The motion passed with a vote of 11-0, with Member Martin abstaining.

Member Grandahl left the meeting at 10:40 a.m.

Chair Harper opened the floor for public comment.

Nicole Rodriguez felt that pavement maintenance projects should not be included in the GO Bond program. She supported the Vision Zero project.

James Teeple supported full funding for Hance Park and renovation of the Central Avenue bridge.

Brenda Montoya spoke in support of the Estrella Civic Space project.

Dan Penton spoke against Hance Park and in support of the Estrella Civic Space project.

Joseph Specter spoke in support of full funding for all Arts & Culture projects that are in vital need of capital maintenance.

Kristine Morris spoke in support of the Estrella Civic Space project.

Jami Kozemczak in support of all Arts & Culture projects including the Symphony Hall Theatrical Venue Improvements project.

Sandra Oviedo spoke in support of the Vision Zero Implementation project and the Equity Based Transportation Mobility - T2050 Mobility Implementation project.

Jessyca Leach spoke in support of the Expansion of The Parsons Center for Health and Wellness project.

Chel'sea Ryan spoke in support of the Expansion of The Parsons Center for Health and Wellness project.

Cyndy Gaughan spoke in support of Arts & Culture Projects, ASU Tech facilities projects, Historic Renovation projects, and the Hance Park Improvements project.

Sandra Bassett spoke in support of full funding for all Arts & Culture projects and advocated for equitable funding allocation.

Mark Mettes spoke in support of full funding for all Arts & Culture projects.

Ryan Boyd stated he was concerned with the prioritization process and spoke in support of the Vision Zero Implementation project and the Equity Based Transportation Mobility - T2050 Mobility Implementation project.

Sarah Gaumont spoke in support the renovation of the Phoenix Center for the Arts.

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

Nora Ulloa spoke in support of the Estrella Civic Space and Library project.

Matthew Schaefer spoke in support of the Phoenix Theater Company ADA Accessibility project.

Lisa Perez spoke in support of the Estrella Civic Space project.

Chaz Salazar spoke in support of the Vision Zero Implementation project and the Equity Based Transportation Mobility - T2050 Mobility Implementation project.

Laura Earl spoke in support of the Estrella Civic Space project.

Caroline Van Slyke spoke in favor of Hance Park Improvements

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

Taylor Earl spoke in support of the Estrella Civic Space project.

Kirin Goff spoke in support of the Vision Zero Implementation project and the Equity Based Transportation Mobility - T2050 Mobility Implementation project.

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

Karen Gresham spoke in support full funding for the Vision Zero Implementation project and the Equity Based Transportation Mobility - T2050 Mobility Implementation project.

Kenneth Steel spoke in support full funding for the Vision Zero Implementation project and the Equity Based Transportation Mobility - T2050 Mobility Implementation project.

FUTURE AGENDA ITEMS

There were no future agenda items.

ADJOURNMENT

Chair Harper adjourned the meeting at 11:18 a.m.