

**City of Phoenix
General Obligation Bond Committee
Arts & Culture Subcommittee
Summary Minutes
Friday, September 16, 2022**

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

Subcommittee Members Present

Ms. Devney Preuss, Chair
Ms. Teniqua Broughton, Vice Chair
Ms. Gretchen Freeman
Mr. Sam Gomez
Mr. Alfredo Gutierrez
Mr. John Owens
Mr. Ron Price
Dr. Donna Reiner

Subcommittee Members Absent

Ms. Annette Musa

1. CALL TO ORDER

Chair Preuss called the Arts & Culture Subcommittee to order at 9:00 a.m. with committee members Teniqua Broughton, Gretchen Freeman, Sam Gomez, Alfredo Gutierrez, John Owens, Ron Price, and Donna Reiner present.

2. MINUTES OF THE GENERAL OBLIGATION BOND ARTS & CULTURE SUBCOMMITTEE

Committee member Gutierrez made a motion to approve the minutes of the General Obligation Bond Arts & Culture Subcommittee meeting from August 26, 2022. Committee member Owens seconded the motion which passed unanimously, 8-0.

3. INTRODUCTORY REMARKS

Chair Preuss shared her introductory remarks and advised the main goal for the meeting would be to identify the complete list of projects the subcommittee wanted to prioritize, leaving their final September 30 meeting to agree on a rank-ordered recommendation. She recapped the accomplishments of the first two meetings, including presentations from staff and comments from the public, such as newly proposed projects.

4. ARTS & CULTURE CAPITAL NEEDS DISCUSSION, PUBLIC INPUT, AND PRIORITIZATION

Deputy City Manager Alan Stephenson introduced Parks and Recreation Director Cynthia Aguilar and Arts and Culture Director Mitch Menchaca to address questions from the subcommittee.

Mr. Menchaca reminded the subcommittee of the prioritized capital needs put forward by the departments, future capital needs, and proposed capital projects brought forward by community partners.

Mr. Menchaca addressed questions from the subcommittee on the following projects:

- Children's Museum of Phoenix Expansion Project
- Phoenix Center for the Arts Operating Agreement
- Valley Youth Theatre Lease Terms and ASU Intergovernmental Agreement
- Office of Arts and Culture's Facilities Critical Maintenance
- Herberger Theater Center Theatrical Improvements
- ADA Program from the Neighborhoods and City Services Subcommittee

Mr. Menchaca explained the original \$1.5 million Children's Museum of Phoenix project submission did not include the basement and outlined the new proposed scope and revised cost of \$5.4 million. He presented four project scope and cost options for full renovation, the new scope of four rooms, the addition of the dirt room, and the original project scope.

Committee member Freeman asked if it was true that the difference in cost between the original request and full renovation was more than \$3 million, which include non-public spaces. She asked how they could account for the difference in renovation costs between public and non-public spaces.

Mr. Menchaca confirmed the \$1.8 million cost was for white box readiness of the rooms. He explained renovating the dirt room was over \$1 million, which made up a significant portion of the basement cost, which would include some public space.

Kate Wells, Chief Executive Officer (CEO) of the Children's Museum of Phoenix, discussed the proposed spaces and indicated the packet provided to the subcommittee contained the detailed scope of work, including eight of 11 rooms that would be for public use such as the basement.

Vice Chair Broughton asked for clarification that the \$5.3 million full renovation included nine rooms plus the dirt room and the basement.

Ms. Wells stated it would be 11 rooms, including the dirt room, and eight would be used for public space.

Chair Preuss reminded the subcommittee that staff had sent hard copy handouts from the last meeting through email.

Ms. Wells clarified that 4,347 square feet was storage space and total renovation cost would be \$108,000.

Mr. Menchaca introduced Ms. Aguilar to present on the Phoenix Center for the Arts Operating Agreement and answer subcommittee questions.

Ms. Aguilar provided an overview of the property, which is located at Hance Park and is under a 10-year operating agreement with the City of Phoenix Parks and Recreation Department to conclude in October 2027. She differentiated between the maintenance and repair responsibilities of the City and Phoenix Center for the Arts in the operating agreement.

Ms. Aguilar highlighted next steps with the Phoenix Center for the Arts to address mutually agreed upon immediate needs, including:

- Roof replacement
- Electrical panel replacement (in progress)
- Flooring and wall repairs

Ms. Aguilar stated next steps were to work with Phoenix Center for the Arts to develop a plan to address future capital needs within the City's responsibilities in the operating agreement.

Committee member Owens stressed the importance of having HVAC in Phoenix and asked how far into the future HVAC replacement might be if it were included in a future budget cycle.

Ms. Aguilar stated staff would work with the Public Works Department to complete an assessment of the units to determine end of life and identify funding accordingly. She explained Parks and Reserve initiative funds could be used and that she felt confident they could identify funding in the appropriate time. She also mentioned the basement without air conditioning that was discussed in prior meetings was not originally intended to be programmed and would require duct work which would be part of a future plan and close to \$500,000.

Committee member Gutierrez asked Ms. Aguilar to repeat the list of near-term needs at Phoenix Center for the Arts.

Ms. Aguilar repeated the immediate needs the Parks and Recreation Department would address and stated they would work with Phoenix Center for the Arts to ensure minimal disruption of their programming.

Committee member Price asked if there was a request for the bond committee to consider now, given there was money to fix short-term needs and all other maintenance seemed like it would be addressed in the future with the respective contractual obligations of the City and Phoenix Center for the Arts.

Ms. Aguilar stated she did not see a need to ask for bond funds to address immediate and future needs that are the City's responsibility.

Mr. Menchaca stated the proposal from the Phoenix Center for the Arts also included expansions and enhancements that Sandra Bassett, CEO of Phoenix Center for the Arts, could present.

Committee member Freeman asked if the requested funding was for items that were the contractual obligation of Phoenix Center for the Arts.

Ms. Aguilar confirmed that was correct.

Committee member Freeman asked for a percentage of the proposed \$13.5 million cost that would be the responsibility of each party.

Ms. Aguilar stated \$200,000 was the current responsibility of the City and future needs total \$1.5 to 2 million, with the remainder of the funding being for Phoenix Center for the Arts responsibilities.

Vice Chair Broughton asked for clarification on slide 16 which showed immediate needs and whether funding for the other items need to be determined.

Ms. Aguilar explained slide 16 showed examples of the general responsibilities of both parties, while slide 17 showed mutually agreed immediate repair needs.

Committee member Owens asked if there were similar distinctions in contractual obligations for other projects the subcommittee was reviewing.

Mr. Menchaca stated project proposals from the City's tenants are needs that are outside the City's control, using Valley Youth Theatre as an example. He mentioned each tenant of the City has a similar agreement, whether managed by the Office of Arts and Culture, the Parks and Recreation Department, or Phoenix Convention Center.

Committee member Freeman asked if the Parks and Recreation subcommittee considered the Phoenix Center for the Arts project. She expressed concern that there is limited funding available and wanted to know if there was a precedent for projects being presented to multiple subcommittees.

Ms. Aguilar confirmed there were other projects presented to two different subcommittees and discussed the process by which the Parks and Recreation Department determined their prioritized needs.

Mr. Stephenson added the ADA improvements at Phoenix Theatre were presented to the Arts and Culture subcommittee, as well as the Neighborhoods and City Services subcommittee.

Mr. Menchaca mentioned there was a different process for determining proposed projects for the current proposed GO Bond program, and organizations submitted applications in 1999, 2001, and 2006.

Committee member Freeman requested guidance on the distribution of projects and wished to understand the parameters for what was appropriate for the committee to consider and what other committees should consider.

Mr. Menchaca recommended Phoenix Center for the Arts and Phoenix Theatre remain within Arts and Culture, as they had the most impact presenting to this subcommittee.

Committee member Freeman asked if there had been any discussion about the Office of Arts and Culture establishing an operating agreement with Phoenix Center for the Arts.

Mr. Menchaca suggested it could be discussed internally and explained the Office of Arts and Culture would look to accept applications from arts organizations and facilities for the next GO Bond cycle. He explained the Phoenix Center for the Arts, if funded through the bond, would remain tenants of the Parks and Recreation Department.

Ms. Aguilar added that changing the operating agreement was not impossible, but the master lease between the City and the Arizona Department of Transportation for the entire property may create some complexity.

Committee member Freeman clarified if the Parks and Recreation Department was fiscally responsible for some of the items included in the proposal and wondered if Parks would be receiving money from the Office of Arts and Culture.

Ms. Aguilar explained funding would come from the Parks and Recreation Department budget to address immediate and future needs.

Committee member Freeman expressed concern that if the Phoenix Center for the Arts were included, the Office of Arts and Culture budget would be too limited to cover items in the operating agreement.

Ms. Aguilar clarified that the Parks and Recreation Department would take care of what was needed, based on the operating agreement, and the subcommittee would be considering needs outside of the contract.

Mr. Menchaca stated if the GO Bond is approved and the project is moved forward, payments would go to the organization directly, not to the departments.

Chair Preuss asked for clarification on what Capital Improvement Program (CIP) meant.

Mr. Menchaca defined CIP for the subcommittee.

Chair Preuss asked if the other subcommittee meetings asked for in-depth presentations or expressed interest in learning more about the potential requests from the community.

Ms. Aguilar stated the Parks and Recreation subcommittee requested a similar presentation on the Phoenix Center for the Arts at their next meeting.

Chair Preuss asked if there was a revised request from Phoenix Center for the Arts for the subcommittee to consider.

Ms. Bassett confirmed there was no revised request and expressed frustration that the project had been passed between the Arts and Culture and Parks and Recreation subcommittees. She stated there had been a lot of back and forth regarding maintenance responsibilities for the property, requested repairs had not occurred since 1997, and there were no dates confirmed for when the near-term repairs would be completed. She added that since the North Building was no longer included in the request, the remaining request was for \$8 million in building renovations, theatrical improvements, and repairs.

Chair Preuss asked for the total proposal cost.

Ms. Bassett stated the submitted proposal had a total project cost of \$8 million, of which \$766,500 would be for theater updates.

Committee member Freeman asked for clarification on what the responsibility of the organization is, as she was hearing different things. She wondered if there were any requirements to complete interior repairs, referencing the requests from the Jewish Historical Society and the Children's Museum.

Ms. Aguilar stated most partners fundraise to help with improvements and reiterated contractor responsibilities. She explained Phoenix Center for the Arts did not have a monthly rent payment and only needed to cover 50 percent of the cost of utilities. She stated staff had reviewed the contract with their attorney who agreed with their assessment and offered to review the contract together with Phoenix Center for the Arts staff.

Committee member Freeman asked who was responsible for repairing the floors.

Ms. Aguilar stated Phoenix Center for the Arts only had a responsibility to maintain the floors, so the City must replace them. She explained future needs would be addressed and the water-damaged portions of the floor are part of the current needs Parks and Recreation would be covering.

Committee member Freeman wanted to understand how much the subcommittee could give and asked what percentage of the \$1 million Phoenix Center for the Arts would be obligated to cover.

Ms. Bassett referred to the scope of work included in the packet provided to the subcommittee and outlined interior and exterior repairs to make the property functional.

Chair Preuss recommended that by the end of the meeting, the subcommittee identify projects that will be moved forward to the Executive Committee, not yet including amounts or the rank order of those projects. She recommended Phoenix Center for the Arts and City staff meet again between this meeting and the fourth meeting to determine the scope of what are critical needs, what could be covered through other budgets, and what could not be covered through other budgets that should be brought forward to the Arts and Culture subcommittee.

Committee member Owens stressed the importance of understanding the identified future needs and how much it would cost the City to repair all floors at once, rather than doing it in a piecemeal fashion.

Committee member Gutierrez emphasized the importance of repairing rotting floors in the Phoenix Center for the Arts property, noting there was a debate over the meaning of the word "maintenance" and stated the attempt to dispense with responsibility relying on that word was flimsy.

Ms. Bassett read the City's responsibilities listed on page 6 of the contract, which listed the items that the City of Phoenix would maintain, repair, and replace continually on its own expense as their budget allows.

Ms. Aguilar confirmed that was correct and acknowledged the City's responsibilities according to the contract.

Committee member Gutierrez stated the maintenance was substantially more expansive than the Parks and Recreation Department mentioned and reiterated that the subcommittee would ultimately have to choose sides.

Chair Preuss expressed her hope that by the fourth meeting, the subcommittee would not have to choose sides and that there would be mutual agreement about items the City should cover and what should be considered for the bond program.

Committee member Gutierrez noted the City and the organization had been in discussion since 1997.

Ms. Bassett stated she remained hopeful that the two parties could make a determination, expressing appreciation for the partnership with the Parks and Recreation Department and the Office of Arts and Culture.

Mr. Menchaca introduced Community and Economic Development Director Christine Mackay to provide answer questions about the Valley Youth Theatre Permanent Home Project.

Mr. Menchaca addressed why the project should be funded, explaining the intergovernmental agreements in place between Arizona State University (ASU) and the City of Phoenix that require relocation of Valley Youth Theatre to occur before 2030.

Committee member Owens asked if the cost of \$14 million indicated there was a site already in mind, noting potential difficulties in getting a true cost estimate.

Ms. Mackay explained she had worked with Valley Youth Theatre for the last eight years to determine the needs of the organization and where the new site could be. She stated the City would like to see them remain in Downtown Phoenix and they had looked at a number of City-owned sites, citing three to four Downtown Phoenix sites that would be a good fit.

Committee member Reiner asked if the sites were south of Jefferson Street in the Warehouse District.

Ms. Mackay explained they looked at older existing building south of Jefferson, focused on vacant city-owned that could be rebuilt, with some of the sites in the northern part of Downtown Phoenix near McDowell Road.

Committee member Reiner recommended the selected site be close to light rail and bus service, which would be essential for those attending shows and students who would be travelling to work at the theater.

Ms. Mackay agreed and stated it would be critical that the site have bus and light rail access.

Committee member Gutierrez asked if ASU had a financial obligation toward Valley Youth Theatre.

Ms. Mackay stated the City is responsible for relocating Valley Youth Theatre in a like for like building before 2030, before the obligation is passed on to ASU. She explained if the City were not going through this process and ASU had to relocate

Valley Youth Theatre, their responsibility would be to replace the building at a cost of around \$2 to 3 million, which is significantly less than what is being pursued. She stated that if the committee chooses to move this project forward, Valley Youth Theatre understands they would have to initiate a capital campaign to raise funds and would not be solely reliant on the \$14 million from the City. She stated they had discussed a potential contribution from ASU into the ultimate capital campaign but no commitments were made.

Committee member Freeman asked for more information on what the \$14 million would cover beyond land acquisition. She recalled Valley Youth Theatre received funding in 2001 for what was considered a permanent home at the time.

Ms. Mackay stated Valley Youth Theatre was a different organization in 2001 and has grown exponentially, and that the organization wanted a true permanent home with expansion opportunity.

Committee member Freeman reiterated her request for a project budget, explaining it was the fourth time she had asked for it.

Mr. Menchaca stated he could provide the information the organization had presented.

Chair Preuss requested it be sent out between the current meeting and the next and asked for a slide on the costs to be presented at the next meeting.

Committee member Reiner asked if the \$14 million was for land acquisition.

Mr. Menchaca referred to the Capital Needs Study, which showed what the funding would be used for and stated land acquisition was not part of it because of the agreements with the City of Phoenix and ASU.

Committee member Owens asked if partial funding was a possibility.

Mr. Menchaca introduced Bobb Cooper, Producing Artistic Director at Valley Youth Theatre, to discuss how the \$14 million would be used.

Mr. Cooper discussed the history of the organization and discussed their accomplishments and impact in the community. He stated the organization received \$1.5 million in 2000 to purchase their current property and were looking to create a true permanent home that would provide adequate space for their work. He explained the organization would continue their own fundraising efforts but had a large need.

Mr. Menchaca continued by presenting on the Office of Arts and Culture's Facilities Maintenance Program. He discussed the office's seven managed facilities, provided

information on types of critical equipment items needed at the facilities based on facilities condition assessments, and noted the city's responsibility for repair and replacement of these items through existing operating agreements.

Committee member Reiner asked if more than \$10 million was needed.

Mr. Menchaca stated staff had proposed more than \$10 million and the bond funding would free up their budget for additional annual maintenance.

Committee member Reiner stated the deferred maintenance has cost the City more money than it should.

Committee member Owens asked what the maintenance budget was for this fiscal year.

Mr. Menchaca stated there was \$3 million for different operating agreements, which covered utility payments, fire inspections, and other repair and replacement.

Committee member Owens asked if the amount fluctuated from year to year.

Mr. Menchaca stated staff takes care of things that are needed and works with tenants at the end of each fiscal year to see what deferred maintenance items can be addressed.

Deputy Budget and Research Director Chris Fazio added there is a \$13 million annual general fund budget for major maintenance that funds critical projects citywide, but it is insufficient to absorb the costs of deferred arts maintenance, so the bond funding would essentially be gap funding.

Mr. Menchaca introduced Phoenix Convention Center Director John Chan to address questions about the Herberger Theater Center Theatrical Improvements.

Mr. Chan provided an overview of the history of the facility, the project scope, and benefits of the improvements. He added that the repairs were part of the terms of the City's operating agreement with Herberger but were not programmed in the capital improvement budget.

Committee member Owens asked what the expected remaining useful life of some of the systems was.

Mr. Chan stated most of the systems he mentioned were approaching the end of their useful life and could not be deferred for another 10 years or so.

Committee member Freeman asked if the scope of the \$5.3 million proposal were needs the City would be addressing through the operating agreement.

Mr. Chan confirmed that was correct, as the proposal contained items that were the obligation of the city to address.

Chair Preuss introduced Mark Mettes, President and CEO of the Herberger Theater Center, who was available to address questions from the subcommittee.

Committee member Freeman noted there were two projects that had come up during the process related to the Herberger Theater Center. She asked if the organization was asking for two different projects or sought to combine them into one.

Mr. Chan stated the project described for theatrical replacement and upgrade was a City-recommended project and the outdoor stage project was an additional item proposed by the organization.

Committee member Owens mentioned the Herberger Theater Center Theatrical Improvements was part of the Future Capital Needs.

Mr. Menchaca confirmed the City-recommended project was listed as a Future Capital Need.

Chair Preuss noted the outdoor stage was a new project to consider for prioritization.

Mr. Mettes explained the Herberger Theater Center was not aware they could add other projects and when it became clear they could put another project forward, they proposed the outdoor theater. He added the stage would be a shared cost, like the building, which was paid for through public and private funds, and operational costs would be covered by the organization.

Committee member Freeman asked if the Herberger Theater Center organization considered using Hance Park's proposed world class outdoor theater space to potentially maximize their impact.

Mr. Mettes explained Hance Park would be a larger space, but the Herberger intended to build a smaller stage on the east side of the property to hold a 300- to 400-member audience, targeting local community events and performances. He added the organization was open to all conversations, but they wanted to make permanent the outdoor stage concept they had set up during the COVID-19 pandemic.

Chair Preuss stated the stage at Hance Park was a few years down the road and acknowledged it was a good question to consider Downtown Phoenix amenities in totality.

Mr. Menchaca introduced Public Works Director Joe Giudice to address questions from the subcommittee on City Facility Americans with Disabilities Act (ADA) Compliance Improvements.

Mr. Giudice provided an overview of the project, which was being considered by the Neighborhoods and City Services subcommittee. He explained that subcommittee was not earmarking the ADA improvement funds for any specific projects and noted that Phoenix Theatre's proposal would be appropriate for the Arts and Culture subcommittee to consider.

Committee member Reiner asked if the Phoenix Theatre project was part of the City's list of ADA improvements.

Mr. Giudice explained the program submitted by the department was not for specific projects but was a lumpsum, recognizing that there were facilities throughout the City that needed to be updated to be in compliance with the most recent ADA guidelines.

Committee member Reiner questioned how the department could request funding for these improvements without knowing the true need.

Mr. Giudice expressed confidence that the needs outweighed the \$10 million request. He explained that the amount would be a good start and forward step, as many needs had been identified through the specialized ADA assessment, as well as facilities condition assessments that demonstrated additional needed improvements throughout the City.

Committee member Reiner asked when the assessment was supposed to be completed, as it would help determine if the subcommittee should consider the Phoenix Theatre project.

Mr. Stephenson added there were a number of needs throughout the City because ADA codes were updated in 2010 and 2013. He explained a consultant was reviewing and prioritizing based on public needs.

Mr. Giudice stated there were approximately 1,300 City facilities.

Committee member Reiner stated this still left the subcommittee in lurch with deciding to consider Phoenix Theatre. She noted the impacts to actors and employees in the back of the house that demonstrated a critical need. She added the study would likely be done by the time the bond program is on the ballot in November 2023 so that the recipients of the \$10.1 million lump sum for improvements could be determined.

Mr. Stephenson likened it to the Historic Preservation bond program, which did not specify who the future recipient would be as it would address future needs and would require expert prioritization.

Committee member Reiner asked if there was a general fund allocation for ADA improvements.

Mr. Giudice confirmed there were a few ways ADA needs were addressed, primarily by making necessary ADA updates during deferred maintenance projects. He explained that he shared with the Neighborhoods and City Services subcommittee the program had been structured at \$2 million a year to ensure the City demonstrated to the Department of Justice that it is committed to making improvements.

Chair Preuss expressed her hope that the commitment to improvement would be demonstrated to the community as well.

Committee member Gomez requested an itemized list of ADA improvements made in the last two years, including their cost and locations.

Chair Preuss suggested redirecting the request and recommended raising awareness of the needed ADA improvements at Phoenix Theatre to the Executive Committee as a whole. She turned to staff for their guidance.

Mr. Stephenson explained it was one \$500 million bond program and the Executive Committee would be looking at the subcommittee's recommendation. He stated the subcommittee should be prioritizing projects through the lens of what was most critical and beneficial for arts in Phoenix.

Committee member Gomez reiterated his request for a list of ADA improvements from the last two to three years to better understand what past ADA updates were, how much they cost, and how the potential bond funding could be utilized in the future.

Mr. Stephenson said most records would not have ADA projects specifically categorized. He explained that there was typically a larger project that included retrofitting items to be ADA compliant.

Mr. Menchaca added that his office has tenants who put in work orders for repairs and maintenance, and the work orders do not have any coding or calculation that indicates it was for an ADA improvement.

Vice Chair Broughton asked Michael Barnard, Producing Artistic Director of Phoenix Theatre, about past bond and capital fundraising the organization had pursued.

Mr. Barnard stated Phoenix Theatre was able to make front of house ADA improvements through fundraising efforts but fundraising for bathrooms or ramps for in the proposed project area was not as appealing to donors. He provided more detail about the proposed project and explained that it was clear after their presentation to the Neighborhoods and City Services subcommittee that the project should be considered by the Arts and Culture subcommittee. He added the organization was deeply worried about an ADA claim and the lack of accessibility to backstage and offices could not be deferred another five to 10 years.

Committee member Freeman asked what the \$5.8 million cost would entail and whether it would be possible to retrofit.

Mr. Barnard stated it would be a new building on the property.

Committee member Freeman requested the budget for the project.

Mr. Menchaca explained the proposal was included in the last presentation, which showed there would be an addition to the current building to address mobility needs at the facility. He stated he could share this information with the subcommittee.

Chair Preuss acknowledged there was limited time and asked staff to share their presentation on the survey tool and then proceed with public comments.

Committee member Gutierrez stated his full endorsement of the Phoenix Theatre project and encouraged his colleagues to endorse it as well. He stated the City should not wait six years to deal with blatant discrimination and proposed adding a footnote to the subcommittee's recommendation to the Executive Committee that these improvements must be part of the next budget to be addressed immediately.

Chair Preuss expressed appreciation for Committee member Gutierrez's comments and stated the subcommittee could discuss having the footnote accompany or be part of their recommendation at the next meeting.

Mr. Stephenson clarified that his comments were not meant to disparage needs of those who operate in the back of the house but to prioritize what will serve the majority of people.

Chair Preuss asked if any of the committees had a hard stop, as the meeting was approaching its scheduled end time.

Mr. Menchaca concluded his presentation by reviewing the list of prioritized capital needs, future capital needs, and proposed capital projects which totaled \$86.5 million.

Budget and Research Special Projects Administrator Adam Miller presented on the optional project ranking tool.

Committee member Reiner asked if there was a space for comments or if their comments should be saved for when the subcommittee meets to discuss.

Chair Preuss confirmed that comments could be shared at the next meeting based on how committee members answered the survey. She explained the survey would serve as a tool to give the subcommittee an opportunity to think about the projects and propose their own rankings before the group rank orders their final recommendation together at the next meeting.

Committee member Owens expressed support for using the survey tool.

Committee member Gutierrez likewise expressed his support for using the survey tool to begin discussion.

Chair Preuss agreed and reiterated it would be used as a discussion tool.

Vice Chair Broughton expressed her support for the tool, as it would allow the subcommittee to put their voices forward and see what will collectively come to the top them all and contribute to the discussion.

Committee member Freeman asked if the survey would be sent out prior to the next meeting because there were still outstanding questions that could impact her ranking.

Chair Preuss asked if those questions could be answered through email.

Committee member Freeman emphasized the importance of understanding whether the City could fund the Jewish Historical Society as it was not a City-owned facility.

Assistant Chief Counsel Patricia Boland advised the City must receive consideration that is tantamount to what it would be giving, explaining that because it was not a City-owned property, there must be a benefit given to the City by the Jewish Historical Society if the City were to provide them with funding.

Committee member Freeman stated it was an important project and asked for clarification that it would be possible to provide funding if the City were given an equivalent amount of physical ownership. She asked if it would be a legitimate expenditure and if there was precedent.

Ms. Boland confirmed it had to be material or tangible. She added it was hard to say if there is precedent because the law of gift clause in the constitution has changed considerably since 2006, the last time the City had a bond, and since then the courts

expanded on the meaning of the gift clause that a government entity must receive equivalent consideration.

Committee member Freeman stated there were outstanding questions about the Latino Cultural Center and while she thought it was an important project for the City given the Latino population, she believed the timing was wrong and there was a lack of organizational leadership capacity to vote on \$21.7 million for the project.

Mr. Menchaca clarified the Office of Arts and Culture would be spearheading the project and the department would be using the recommendations from the Latino Cultural Center Ad Hoc Committee report to facilitate its development. He reiterated the department has organizational capacity and is tiered up for the project, citing the position funded in the last budget cycle to lead the program.

Committee member Gutierrez stated the community organizations necessary to proceed and raise substantial funds beyond the \$21.7 million were ready and in place. He stated the project was moving at a great pace and it would be realistic to move forward with the Latino Cultural Center funding at this point.

Committee member Freeman questioned whether the cost was accurate because it was based on the North Building, where she recalled committee member Gutierrez previously noted the center did not have to be located.

Committee member Gutierrez affirmed his previous comment and stated the goal was to make the effort greater to provide for the larger Hispanic community. He explained the funding would absolutely be necessary as a starting amount and would be up to the City Council's consideration. He added it was a dream for many years and it was unfortunate that it was minimized in this fashion.

Mr. Menchaca stated the \$21.7 million cost for the project was based on factual data the office could use to develop their proposal by the deadline. He explained the funding would go to the project whether the North building was used or not.

Mr. Gutierrez stated he believed the proposal would be approved at \$21.7 million and, if in fact an alternative is not adopted, this amount would be what moves forward. He informed the subcommittee there were discussions to increase this amount beyond \$21.7 million, mostly through other sources.

Committee member Reiner asked if a conservation easement would satisfy the gift clause requirements for equivalent consideration if funding was provided to the Jewish Historical Society, citing situations involving private residences with historic designation. She stated the Jewish Heritage Center is a registered historic property.

Ms. Boland explained conservation easements are obtained in exchange for grant funding and it would be conceivable. She stated it would not be bond funds but conservation funds.

Mr. Stephenson stated this situation was unique because \$1 million is considerably more than other historic preservation grants. He mentioned City staff had met with the Jewish Historical Society and they would be amenable to sitting down with the city to figure out what would satisfy the gift clause requirements.

Committee member Owens reminded subcommittee members that they had received the Latino Cultural Center Ad Hoc Committee recommendations after the first meeting.

Mr. Menchaca committed to providing the subcommittee with the full scope of the Phoenix Theatre, Phoenix Center for the Arts, and Valley Youth Theatre projects to assist as they use the survey tool.

Chair Preuss reiterated committee member Gomez's request for information related to ADA improvements.

Mr. Stephenson confirmed staff would develop a list of improvements that had been funded through larger projects.

Chair Preuss also reiterated her request for Phoenix Center for the Arts to return with a revised scope of work at the next meeting.

Mr. Stephenson stated staff and the organization would discuss maintenance and repair needs and prepare a list of uses for potential bond funds that would be a request for future improvements beyond maintenance obligations spelled out in the contract, an ask for the Parks and Recreation subcommittee, and other nice to have things.

Committee member Owens asked for clarification on whether items like floors would go to the Parks and Recreation subcommittee and theater-related items would go to Arts and Culture.

Mr. Stephenson stated they would meet to discuss details such as determining which floors to address.

Chair Preuss reiterated her direction for the entities to meet and mutually agree to what is critical, what can be covered by other budgets, and what is critical that cannot be covered by other funding sources that Phoenix Center for the Arts would like the subcommittee to consider.

Committee member Owens wanted to ensure the Parks and Recreation obligations do not get lost and expressed concern for the possibility the proposed repair items are sent to the other subcommittee and do not get funded.

Chair Preuss stated she believed it would go to the Parks and Recreation Department budget, not to the subcommittee.

Mr. Stephenson confirmed the Parks and Recreation Department had other funding sources they could pursue, and staff had committed to taking a portion of the longer term maintenance to the Parks and Recreation subcommittee. He explained there would be other funding opportunities should the Parks and Recreation subcommittee not move forward with the project.

Committee member Owens stated he looked forward to hearing the resolution of the discussion.

Chair Preuss asked the subcommittee if they were generally supportive of using the survey tool.

Committee member Reiner stated she wanted to see it and give it a try, and that she would not submit if she did not like it.

Vice Chair Broughton asked if the subcommittee needed to discuss the various Children's Museum options.

Mr. Stephenson recommended all committee members complete the survey to serve the discussion of the full committee.

Committee member Owens asked staff to present on what the survey tool would look like.

Mr. Miller provided a visual overview of how the survey would look.

Committee member Reiner asked if the subcommittee needed to decide on the projects today.

Chair Preuss confirmed that was correct.

Vice Chair Broughton asked how long they would have to complete it.

Mr. Miller stated the subcommittee would have approximately three days to complete the survey, as staff would work to distribute it early the following week and would need time to prepare the results to present at the next meeting.

Committee member Owens suggested including multiple Children's Museum options in the survey, one with the full scope and one with the \$1.4 million in renovations.

Mr. Stephenson reiterated staff's recommendation that the subcommittee decide on the full universe of projects today, referencing the Children's Museum.

Committee member Freeman advocated for including the organization and their proposal in the survey and stated there was no benefit of the projects coming in at a lower amount.

Vice Chair Broughton expressed discomfort with ranking amounts and likewise recommended including each organization in the survey.

Chair Preuss pointed out there was one organization, the Herberger Theater Center, with two projects.

Mr. Miller stated the subcommittee would need to understand what is being ranked and affirmed that there was flexibility in how the survey could be structured and how project names could be phrased.

Chair Preuss stated it sounded like the subcommittee was not comfortable ranking the project and the amount at this point. She reiterated the challenge was narrowing the three options proposed for the Children's Museum to one.

Committee member Owens suggested adding "Children's Museum of Phoenix" as an item to be ranked, with the addition of a footnote that there will need to be discussion on it regardless of the outcome. He asked for clarification from staff that the subcommittee must determine which Herberger Theater projects will be included.

Mr. Stephenson confirmed the subcommittee should be clear in their direction and that it was at the subcommittee's discretion.

Committee member Gutierrez expressed his discomfort with ranking project amounts and making appropriations decisions without more information.

Chair Preuss asked the subcommittee if receiving the detailed cost for each project would get them to a more comfortable place to begin discussion, or if there were additional requests for staff.

Committee member Gutierrez stated he was not sure what the \$5.3 million encompassed and reiterated his discomfort with serving as an appropriations committee or adjusting recommended amounts without the knowledge necessary to feel comfortable making those decisions.

Mr. Stephenson replied staff had provided the initial information that demonstrated how costs were determined for the prioritized and future capital needs, and organizations provided detailed proposals. He asked Mr. Menchaca for his input.

Mr. Menchaca explained the information in the prioritized and future capital needs had been vetted and assessed and the subcommittee was provided with the background information showing how the needs were determined. He stated he could share all the information on the proposed, prioritized, and future capital needs, but it would be a significant amount of documentation to resend.

Chair Preuss reiterated direction to resend detailed cost estimates of all projects in one email, with time for the subcommittee to review before the next meeting. She suggested including all projects listed on the slide for the survey and including the Children's Museum with no amount recommended.

Committee member Reiner stated she would not feel comfortable arriving at a decision with a short amount of time to review the detailed information. She requested consideration of adding an October meeting.

Chair Preuss encouraged committee members to take time to review the documents and asked if an additional meeting could be scheduled in October, if needed.

Mr. Miller stated there was not enough time to add another meeting, as the Executive Committee must start meeting.

Committee member Reiner stated she was not comfortable with a rushed decision and stated the Executive Committee should consider making an exception.

Mr. Stephenson recommended the subcommittee do as much as they could in the next meeting. He stated staff could not guarantee an additional meeting, but it would be at the discretion of the Executive Committee.

Committee member Reiner asked if the Chair could make an urgent request.

Chair Preuss thanked staff for additional direction and stated she was willing to submit a request to the Executive Committee if additional time was needed.

Committee member Freeman expressed concern that the subcommittee had not discussed the criteria they would use for their ranking.

Chair Preuss stated criteria was outlined in the Capital Needs Study as part of the memo prepared by the City Manager and requested staff present slides on the Capital Needs Study from the kick-off meeting at the next meeting.

Mr. Miller stated the memo Chair Preuss referred to was sent to the GO Bond committee on June 27.

Chair Preuss stated the Capital Needs Study could be included with the project information staff would resend and requested staff make it an agenda item to discuss at the start of the next meeting.

Committee member Reiner expressed support for including the Capital Needs Study document in the email with detailed project information to assist with the ranking process.

Chair Preuss reminded subcommittee members the Capital Needs Study was available on the GO Bond website at phoenix.gov/bond and reiterated the request for staff to send it out with the survey link.

Chair Preuss asked the subcommittee if they were comfortable with receiving the survey link before having detailed cost estimates of each project.

Mr. Miller clarified the criteria included in the Capital Needs Study was for the purposes of departments ranking their project submissions.

Chair Preuss indicated the Capital Needs Study criteria could be used as a starting point.

Committee member Freeman offered to share the criteria she had put together.

Committee member Owens suggested the intent of the committee process was to gather diverse voices and backgrounds together to reflect the priorities of the population at large. He stated he was not sure a subcommittee-wide ranking criteria would be needed and recommended they use their individual ranking criteria to complete the survey and regroup for discussion at the next meeting.

Vice Chair Broughton agreed with Committee member Owens and stated a committee-wide ranking criteria was not needed.

Chair Preuss asked Committee member Freeman to present her criteria to the subcommittee as a point of discussion at the next meeting.

Committee member Freeman explained her suggestion did not preclude subcommittee members from bringing their own backgrounds to the table and stated it could be provided.

Mr. Stephenson stated the criteria could be provided to Mr. Menchaca, then emailed to the subcommittee in between meetings in the interest of time. He clarified the

potential motion on the table, which included using the survey tool to rank the following projects:

- All Projects On-Screen (List of Prioritized Capital Needs, Future Capital Needs, and Additional Proposed Projects)
- Both Herberger Theater Projects Combined

Committee member Owens indicated Herberger Theater Center should have two separate projects.

Committee member Freeman stated the Children's Museum should be listed as one project.

Mr. Stephenson suggested there could be a problem diluting the two projects.

Vice Chair Broughton recommended listing the organization in the survey, such as Children's Museum, and have Herberger as two separate projects.

Mr. Stephenson confirmed the survey could do both and advised the subcommittee members to pay attention as they rank the projects.

Mr. Miller confirmed they would be listed as two separate projects, one for building updates and the other for theatrical improvements.

Mr. Stephenson requested confirmation that the Children's Museum of Phoenix Expansion and Phoenix Center for the Arts would be listed with no cost.

The subcommittee confirmed that was correct.

Committee member Reiner clarified that the survey would include all three categories.

Mr. Stephenson confirmed that was correct and a vote was needed.

Committee member Freeman reiterated no costs would be associated with any of the projects in the rank ordering tool.

Mr. Miller confirmed a note about the Children's Museum project could be added and reminded the subcommittee they had discretion to adjust the funding and approach the survey ranking tool with costs as defined except for projects that were scalable.

Mr. Stephenson stated that would help the subcommittee arrive at a consensus.

Committee member Owens made a motion to proceed with the survey, to include all projects listed on-screen, which were the prioritized capital needs, future capital needs, and additional proposed projects. Vice Chair Broughton seconded the motion.

Mr. Stephenson asked if the survey would include the cost of each project.

Vice Chair Broughton stated the subcommittee would rank only the projects and none would include cost.

The vote passed unanimously, 8-0.

Chair Preuss asked staff for direction on public comment and advised members of the public could speak for one minute, given the meeting time constraints and the testimony heard from organizations earlier in the meeting.

Chair Preuss opened floor to public comment.

Sara Dial spoke in support of the Valley Youth Theatre Permanent Home Project.

Tyler Service spoke in support of the Valley Youth Theatre Permanent Home Project.

Mark Fearey spoke in support of the Valley Youth Theatre Permanent Home Project.

Olivia Fearey spoke in support of the Valley Youth Theatre Permanent Home Project.

Bobb and Karol Cooper spoke in support of the Valley Youth Theatre Permanent Home Project.

Catrina Kahler spoke in support of all Arts and Culture projects identified in the prioritized, future, and additional capital needs brought forward for GO Bond funding. She also advocated for an overall increase in funding for arts beyond the GO Bond.

Mark Mettes spoke in support of funding the Herberger Theater Pavilion Stage Project and reiterated the theater's commitment to funding their portion.

Sandra Bassett spoke in support for funding the Phoenix Center for the Arts proposed project and reiterated her appreciation the organization's partnership with the City and the support of the subcommittee.

Kate Wells spoke in support of funding for the complete renovation and expansion of the Children's Museum of Phoenix, highlighting the proposed scope of work provided in their supplemental packet and the museum's accomplishments.

Chris Daniel expressed support for Phoenix Center for the Arts proposed project.

Prince Murray thanked Committee member Gutierrez for his service in the community and spoke in support of the expansion of the Jewish Heritage Center.

Rabbi Jeffrey Schesmol spoke in support of funding the expansion of the Jewish Heritage Center and expressed the Jewish Historical Society's commitment to working with the City to provide an asset that satisfies the requirements of ownership.

Matthew Shafer spoke in support of ADA improvements to Phoenix Theatre, reiterating the proposed extension as the most cost-effective approach to improve mobility.

Michael Barnard spoke in support of ADA improvements to Phoenix Theatre.

5. FUTURE AGENDA ITEMS

Chair Preuss discussed items that would be provided before the next meeting and outlined the following future agenda items that were previously mentioned:

- Presentation on the Capital Needs Study
- Revised Phoenix Center for the Arts Project Scope
- Valley Youth Theatre Permanent Home Project Detailed Budget
- Discussion on Footnote for Phoenix Theatre's Unaddressed ADA Needs
- Results of the Survey
- Committee member Freeman's Ranking Criteria

6. ADJOURNMENT

Chair Preuss adjourned the meeting at 12:14 p.m.