

**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 18, 2013, at 2:00 p.m. located in Phoenix City Hall, Assembly Rooms A, B, C, 200 W. Washington Street, Phoenix, Arizona.**

One or more board members may participate via teleconference. Agenda items may be taken out of order.

The agenda for the meeting is as follows:

1.	Call to Order	Chairman Johnson
2.	Approval of May 1, 2013 Minutes	Subcommittee
Items 3-5 are for Information Only. No presentations or discussions are planned, but Council Members may ask for further information.		
3.	<p>MONTHLY HEAD START REPORT - APRIL</p> <p>The report provides an updated summary on the financial and programmatic status of the program the Downtown, Aviation and Redevelopment Subcommittee, which serves as the City of Phoenix Head Start Governing Board.</p> <p>This item is for Information Only.</p>	<p>Deanna Jonovich, Human Services Director</p> <p>Page 13</p>
4.	<p>SISTER CITIES INTERNATIONAL INNOVATION FOR ECONOMIC DEVELOPMENT AWARD</p> <p>This report provides information to the Downtown, Aviation and Redevelopment Subcommittee on the Sister Cities International Innovation for Economic Development Award.</p> <p>This item is for Information Only.</p>	<p>John M. Chan, Community and Economic Development Director</p> <p>Page 19</p>
5.	<p>READ ON PHOENIX UPDATE</p> <p>This report provides an update to the Downtown, Aviation and Redevelopment Subcommittee on the newly formed Read On Phoenix Taskforce charged with coordinating and targeting citywide literacy activities serving high-need communities.</p> <p>This item is for Information Only.</p>	<p>Rita Hamilton, City Librarian</p> <p>Tim Valencia, Youth & Education Manager</p> <p>Page 21</p>

Items 6-8 are for Consent. No presentations or discussions are planned, but Council Members may ask for further information.

6.	<p>RFP 13-006 CUSTOMER SERVICE INITIATIVE AND ANALYSIS CONTRACT AWARD RECOMMENDATIONS</p> <p>This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council approval to award and enter into contracts with Fresh Revenues, Inghilleri Consulting Group and Strategic Solutions for customer service initiative and analysis projects for the Phoenix Convention Center Department.</p> <p>This item is for Action.</p>	<p>Debbie Cotton, Interim Director Phoenix Convention Center</p> <p>Page 25</p>
7.	<p>APPROVAL OF HEAD START AND EARLY HEAD START PLANNING DOCUMENTS</p> <p>This report provides the Downtown, Aviation and Redevelopment Subcommittee an overview of the Head Start and Early Head Start program planning documents and request approval of the documents.</p> <p>This item is for Action.</p>	<p>Deanna Jonovich, Human Services Director</p> <p>Page 27</p>
8.	<p>APPROVAL OF HEAD START SEQUESTRATION FUNDING CUTS</p> <p>This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council approval of the proposed funding cuts to the Head Start program due to the federal sequestration cuts.</p> <p>This item is for Action.</p>	<p>Deanna Jonovich, Human Services Director</p> <p>Page 33</p>
9.	<p>CONTRACT AWARD FOR AVIATION DEPARTMENT CUSTODIAL SERVICES REQUIREMENTS CONTRACT</p> <p>This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council approval to award the requirements contract for Airport Custodial Services to ISS Facility Services, Inc..</p> <p>This item is for Discussion and Action.</p>	<p>Danny Murphy, Aviation Director</p> <p>Page 35</p>

10.	<p>MODIFY AIR SERVICE MARKETING SUPPORT AT PHOENIX SKY HARBOR INTERNATIONAL AIRPORT</p> <p>This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council approval to make modifications to the Air Service Marketing Support Program to encourage the growth of air service at Phoenix Sky Harbor International Airport (PHX).</p> <p>This item is for Discussion and Action.</p>	<p>Danny Murphy, Aviation Director</p> <p>Page 37</p>
11.	<p>INTERNATIONAL ECONOMIC DEVELOPMENT STRATEGY</p> <p>This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council approval of a comprehensive multi-year International Economic Development Strategy to enhance the contribution of global commerce to the local Phoenix economy.</p> <p>This item is for Discussion and Action.</p>	<p>John M. Chan, Community and Economic Development Director</p> <p>Hank Marshall, Economic Development Executive Officer</p> <p>Page 39</p>
12.	<p>DISPOSITION AND DEVELOPMENT AGREEMENT WITH ARTHAUS, LLC</p> <p>This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council authorization to enter into a disposition and development agreement with arTHAUS LLC to facilitate the development of arTHAUS, a market-rate rental residential project at 1717 North First Avenue in downtown Phoenix.</p> <p>This item is for Discussion and Action.</p>	<p>John M. Chan, Community and Economic Development Director</p> <p>Page 41</p>
13.	<p>AUTHORIZATION TO AMEND CONTRACT NO. 128632, HH LUHRS, LLC</p> <p>This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council authorization to amend City Contract No. 128632, Disposition and Redevelopment Agreement and Development Lease (Agreements) with HHLuhrs, LLC, (the Developer) to extend the term of the Agreements by 15 years.</p> <p>This item is for Discussion and Action.</p>	<p>John M. Chan, Community and Economic Development Director</p> <p>Page 43</p>

14.	YOUTH AND EDUCATION COMMISSION This report provides the Downtown, Aviation and Redevelopment Subcommittee an update on the process for reengaging the Youth and Education Commission and requests that the Subcommittee recommend City Council approval of revisions to the Ordinance governing the Youth and Education Commission. This item is for Discussion and Action.	Tim Valencia, Youth and Education Manager Page 45
15.	ADAMS STREET ACTIVATION STUDY UPDATE This report provides information to the Downtown, Aviation and Redevelopment Subcommittee on the Adams Street Activation Study. This item is for Information and Discussion.	John M. Chan, Community and Economic Development Director Page 47
16.	Call to the Public	Chairman Johnson
17.	Future Agenda Items	Chairman Johnson
18.	Adjournment	Chairman Johnson

For further information, 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.

For reasonable accommodations, call Sam Feldman at Voice/602-534-3916 or TTY/602-534-5500 as early as possible to coordinate needed arrangements.

June 14, 2013

**Phoenix City Council
Downtown, Aviation, and Redevelopment Subcommittee
Summary Minutes
Wednesday, May 1, 2013**

Assembly Rooms A, B and C
1st Floor Atrium
200 West Washington Street
Phoenix, Arizona

Subcommittee Members Present

Councilman Michael Johnson
Councilwoman Thelda Williams
Councilman Daniel Valenzuela
Councilman Michael Nowakowski

Subcommittee Members Absent

None

Staff Present

Caitlyn Mitchell
Corey Williams
Danny Murphy
Deanna Jonovich
Debbie Cotton
Denise Yanez
Eric Johnson
Grant Belter
Hank Marshall
John Chan
John Ojeda

Staff Present

Joni Lindsey
Kathy Wenger
Patt Nightingale
Penny Parrella
Rick Naimark
Roxanne Favors
Tammie Fisher
Tim McBride
Toni Maccarone
Wathsna Sayasane
Wendy Villa

Public Present

Alisa Lyons
Allie Anderson
Amy Bratt
Bert Coleman
Brett Jones
David Jones
Don Keuth
Grady Gammage
Jay Thorne
Sara Dial
Tim Snyder
Zac Upchurch

1. Call to Order

Councilman Johnson called the meeting to order at 10:09 a.m. with Council members Williams, Nowakowski and Valenzuela present.

2. Approval of Minutes of the April 3, 2013 Downtown, Aviation, and Redevelopment Subcommittee Meeting

Councilwoman Williams motioned for approval of the April 3, 2013 meeting minutes. Councilman Valenzuela seconded the motion, which passed 4:0.

3. Request For Proposals For Tourism and Hospitality Advisory Board Funds

Councilwoman Williams motioned for approval of item 3. Councilman Valenzuela seconded the motion, which passed 4:0.

4. Head Start Monthly Report - March

Item was for information only. No questions were asked.

5. Phoenix Public Library's Children's Reading Program

Item was for information only. No questions were asked.

6. Discovery Triangle Update

Scott Sumners, Community and Economic Development Department (CEDD) Deputy Director, introduced the item and Sarah Dial, Discovery Triangle Chief Development Officer, and Don Keuth, Discovery Triangle President. Ms. Dial presented background information related to the location, members, area characteristics and purpose of Discovery Triangle. She explained the area was targeted based on development opportunities, transit-oriented infrastructure and diverse housing opportunities. She highlighted area challenges, such as under-utilized redevelopment tools and disconnected organizations.

Ms. Dial discussed services Discovery Triangle provides for the purposes of facilitating urban regionalism in the area. She described services related to project support, strategy development, media and community promotion, and marketing intelligence. She presented statistics demonstrating the economic impact of major projects within the Discovery Triangle area. She noted Discovery Triangle continuously monitors the area and assists potential business locates by providing project site identification information.

Mr. Sumners presented background information related to a \$2.9 million HUD Grant awarded to the City in November of 2011. He stated in December 2012 the City Council authorized a contract with Discovery Triangle to work for Central Business District (CBD) and redevelopment planning for the area.

Ms. Dial described the current boundaries of the CBD. She explained the legal and planning analysis of the CBD, the study area and overlap of existing redevelopment areas. She summarized the items taken into consideration as part of the study to determine the CBD boundary expansion. She emphasized their goal to be sensitive to surrounding residential neighborhoods. She presented the CBD focus area along Washington Street and stated the next step would involve a parcel-by-parcel analysis to identify the exact boundary expansion. She reviewed the stakeholder groups they would involve as part of their outreach process.

Councilman Nowakowski asked for clarification on Discovery Triangle's involvement with K-12 education industry. Ms. Dial responded they have collaborated with an education stakeholder group comprised of superintendents, representatives from charter schools and foundations that provide schools with funding to develop goals for the area. Mr. Keuth added they have been working with the education group to create and fund after-school STEM programs. He also discussed their efforts to implement a concept of a mobile food market with Arizona State University (ASU) to bring fresh food into the area and promote healthy eating among the children.

Councilman Nowakowski asked whether areas past 44th Street would be classified as blight and whether the grant was limited to a specific boundary. Ms. Dial clarified the definition of blight and noted there were some parcels past 44th Street that would meet the definition. Mr. Keuth also responded that the study area is limited to areas along the light rail route but there is the possibility in the future to expand. Mr. Sumners added the intent of evaluating the CBD boundaries was due to the lack of review or amendments since the 1970's. He clarified that the funding is part of the HUD Community Challenge Planning grant for the light rail corridor.

Councilman Nowakowski asked if a fiber infrastructure map could be obtained. Mr. Keuth responded infrastructure information can be provided on a case-by-case basis by utility companies but they typically do not provide public access to those types of maps. He stated they have been reassured that the capacity is available to meet any big user demand needs.

Councilwoman Williams asked whether there were any efforts to train workers for manufacturing jobs. She explained it was a concern that had been voiced by some international representatives during her Washington D.C. trip. Mr. Keuth replied there had been discussions with Gateway Community College regarding the subject. He suggested utilizing the new skills center on 14th and Buckeye where they offer a lot of tradesman training such as electric and plumbing.

Councilman Johnson expressed support for better promotion of Phoenix's job training opportunities and for continued collaborations with community colleges such as Gateway and Maricopa County. He stressed the need for better outreach and marketing of vocational training centers. He discussed the significance of city-owned property as being a valuable tool when talking to businesses and asked for clarification on efforts related to the City's asset inventory. Mr. Keuth explained they respond to questions related to available land, square footage and capacity as quickly and as best they can. He shared success stories of businesses expanding and locating into the area.

7. Barrister Building

Deputy City Manager Rick Naimark introduced the item. He stated the Barrister building is included in a list of potential surplus properties, which was originally requested by the Finance, Efficiency and Economy Subcommittee. He introduced Mr. Sumners and John Trujillo, Public Works Department Acting Director to present historical and updated ownership and tenant information.

Mr. Sumners presented historical information of the building. He stated the building was originally constructed in 1915, operated as a hotel, converted into an office and the City acquired it in 1990. He noted the Public Works and Police Departments have both been tenants. He explained the City vacated the building in 2010 as part of an innovation and efficiency move to save the City approximately \$300,000 to \$400,000 a year. He described the building square footage, available parking and Historic Preservation

designation. He noted the operating costs are approximately \$146,000 a year and discussed the deferred maintenance costs.

Mr. Naimark summarized the overall savings achieved from moving City staff to City Hall and the Police Museum to Historic City Hall. He noted staff did not anticipate needing to occupy the Barrister building anytime in the future. He stated any disposition of the building would include a strong recommendation by Historic Preservation staff to pursue some form of permanent protection for the building.

Councilman Nowakowski asked for clarification on operating and improvement costs and total efficiency savings. Mr. Sumner confirmed the \$146,000 a year operating costs and estimated \$800,000 capital improvement costs needed to reoccupy the building. Mr. Trujillo added a more accurate projection of improvement costs is dependent on the end user of the building and what their needs are. Councilman Nowakowski inquired about the impact of a possible future light rail route expansion and amount of parking available. Mr. Naimark responded if the City Council directed staff to move forward with selling the building that there would be provisions established to address any light rail expansion. Mr. Sumners stated there were a total of 60 parking spaces.

Councilman Valenzuela encouraged staff to be cautious when determining which City-owned properties should be sold. He expressed support to dispose of City-owned properties not being utilized and creating inefficiencies, but he noted the Barrister building's historical significance and potential conflict with future light rail expansion plans. Mr. Naimark noted the Finance, Efficiency and Economy Subcommittee directed staff to obtain an appraisal on the property but to also develop criteria to be considered as part of the disposition decision. He affirmed the importance of balancing City-owned property dispositions and pointed out the example of the downtown biomedical campus.

Councilman Johnson asked staff to bring an update back to the Subcommittee. He expressed support for any potential user conducive to the surrounding area. He emphasized the importance of keeping in consideration the benefits of City-owned properties.

8. Downtown Tourist Attraction Request for Proposals

Mr. Sumners introduced the item and stated the request was to approve a staff recommended proposal from the Request for Proposal (RFP) seeking downtown tourist attractions in the downtown area. He discussed the RFP background and results. He noted staff received three proposals and the review panel selected Novawest, LLC.

Mr. Sumners described Novawest's conceptual design for an observation tower to be located in Heritage Park. He explained the financing and details of the design have not been discussed and emphasized the conceptual status of the RFP process. He stated the recommendation was to allow staff to move forward with discussing design details and negotiating with the developer. He noted the Parks and Arts Subcommittee would be hearing this item at their next meeting and it would also be presented to the Parks and Recreation Board.

Councilman Johnson inquired about the other two proposals. Mr. Sumners responded one proposal was not specific enough in terms of location or details so the application was unable to move forward. He explained the other proposal was for a museum of television history but was determined to be unsuitable by the review panel.

David Jones, Arizona Contractors Association President and Chief Executive Officer, expressed his support for the proposal. He discussed the employment and tourism benefits of the project.

Councilwoman Williams expressed concern with potential impacts with Phoenix Sky Harbor International Airport. Mr. Sumners replied Aviation staff have been closely involved with the project. He explained the proposer has met with the Aviation Department and understands the height restrictions. Councilwoman Williams requested that the availability of parking be taken into consideration when evaluating the project.

Councilmen Valenzuela and Nowakowski expressed support for the concept and the possibility of creating another destination point for Phoenix.

Councilman Johnson concurred with Councilwoman Williams and requested Aviation and Parks and Recreation staff be intimately involved with the project. He discussed potential development challenges and the importance of having the appropriate departments included in the discussion.

Councilwoman Williams motioned for approval. Councilman Valenzuela seconded the motion, which passed 4:0.

9. Sky Harbor Food and Beverage Concessions Update

Tamie Fisher, Assistant Aviation Department Director, introduced the item and Roxanne Favors, Deputy Aviation Department Director. She noted the success of the food and beverage concession program, pointing out the mix of local and national brands, the ability to provide street pricing and inclusion of small businesses. She explained complete revenue figures would be provided once the second portion of the program were implemented.

Ms. Favors described the construction schedule, opening dates and responsible parties for Package 1 and Package 2 of the program. She presented the layout of concession spaces, noting the goal to equalize space for each package. She discussed the average sales figures for three months and the trends between previous and new concessionaires. She explained the complexities with choosing concessionaires similar in characteristics and size.

Councilwoman Williams inquired as to whether any of the concession sales had decreased. Ms. Fisher responded not all concessionaires have achieved what they originally projected but all have increased from the concessionaires who were there

previously. She also pointed out the airport has experienced a flat passenger growth rate.

Ms. Favors discussed the Airport Concessions Disadvantaged Business Enterprises (ACDBE) performance. She stated Host committed to 17 percent ACDBE participation for Package 1 and has achieved 21 percent ACDBE participation. She outlined the ACDBE operators.

Ms. Favors discussed the positive customer feedback received through social media outlets. She described successes with the newly created real estate opportunity with two new Starbucks locations. Councilman Johnson asked how the national brands, such as Starbucks, compared to the ACDBE coffee shops. Ms. Fisher replied the data was not available at the time to provide an accurate comparison. She noted the new real estate opportunities were a demonstration to how staff is attempting to adapt to passenger behavior and to capture more passenger revenue as they make their way through the airport. Councilman Johnson discussed the success with getting local businesses in the airport and requested follow-up information on how they compared to national concessionaires.

Ms. Favors discussed the implementation of hand held line busters and the B4 YOU BOARD™ mobile application, two new technology initiatives. She explained the line buster device allows the capturing of additional sales when customers do not want to wait in long concession lines and the mobile application allows customers to order their food from their mobile devices, which allows customer to choose to pickup their orders at the restaurant or for gate delivery. She presented the previous artist rendering of the concession spaces with photos of the actual, completed concession spaces.

Ms. Favors provided an update on Package 2 of the concessions package. She pointed out the concession spaces under construction, their renderings and the scheduled completion of all units by November of 2013. She listed the units opening in the second quarter of 2013 and their locations within the airport. She noted staff needed Package 1 and 2 to be fully implemented in order to provide a more complete report of the airport's concession performance.

Councilwoman Williams stated there were concerns previously to the RFP process regarding employees and asked whether the transition was successful. Ms. Fisher responded staff worked closely with both general managers and company representatives to provide a smooth transition for new and old employees. She added some of the newer concepts require a higher level of staffing to meet the needs of their brand, therefore they expect to hire additional staff after completely absorbing the available pool of employees.

Councilman Valenzuela acknowledged staff's work and success of the new concessions.

Councilman Nowakowski asked for clarification on the scheduled completion date for Package 2 and the expected ACDBE participation from SSP America, the Package 2

provider. Ms. Favours responded Package 2 has a total of 26 units and is on time to finish by November of this year. She stated SSP America has committed to 41 percent ACDBE participation. Councilman Nowakowski inquired as to whether the flat passenger growth rate was for just the month of December or for the entire year. Ms. Fisher replied the flat passenger growth rate was regarding a year to year comparison and not for the specific month of December in 2011 and 2012. Councilman Nowakowski asked how the street pricing was enforced. Ms. Fisher explained a secret shopper verifies their compliance by shopping at the airport and at their street locations.

Councilman Johnson commended staff for their outreach to bring local businesses to the airport. He discussed the significance of supporting local businesses and giving them the opportunity to locate in the airport.

10. Foreign Trade Zone Program

John Chan, CEDD Interim Director, introduced the item and Hank Marshall, Economic Development Executive Director. Mr. Marshall stated the presentation would provide an update specifically on the usage activity of Foreign-Trade Zone (FTZ) 75 and its economic impact. He introduced Denise Yanez, Economic Development Program Manager with CEDD

Councilman Valenzuela left the meeting at 11:41 a.m.

Ms. Yanez stated the definition of a FTZ and discussed their purpose to encourage international trade, global competitiveness and create employment opportunities. She outlined the seven FTZ grantees in Arizona. She stated there were 11 active, with 5 of those in Phoenix, and 7 non-active companies in FTZ 75. She provided status updates on each company

Councilman Valenzuela returned to the meeting at 11:44 a.m.

Ms. Yanez discussed Prologis and TJX/Marshalls in Phoenix and Clear Energy in Tempe, both pending FTZ 75 applications. She provided a historical account of FTZ 75 applications, noting over a period of 20 years they averaged one application per year. She discussed employment figures, the number of active firms and their locations in Arizona FTZs. She discussed highlights from the 2011 FTZ Board Annual Report to Congress. She presented trends related to the amount of merchandise received since 1991. She stated Arizona ranked 22 in the top 25 states for FTZ activity.

Councilwoman Williams inquired as to why there have been such frequent discussions of South Carolina and why they are ranked so high. Ms. Yanez stated she could provide further follow-up information with a state to state comparison but she did not have the information at the moment. Mr. Marshall explained South Carolina's success could be contributed to their available seaports and the widening of the Panama Canal provides an easier access for foreign freights to travel, versus longer vehicular transfers on land that could dock in California.

Ms. Yanez presented figures related to Arizona's top foreign-status products by value, merchandise received and exports. She also provided comparison figures from California and Texas.

Councilman Johnson inquired as to why there was such a major difference between the amount exported and what Arizona receives. Mr. Marshall stated staff would be presenting a comprehensive international strategy to the Subcommittee in a few weeks to help answer that specific question. He explained part of the reason the export figures are comparably low is because exports involve products assembled or produced in the state, which unfortunately isn't a highly active industry in Arizona.

Councilman Nowakowski expressed concern with the challenge of attracting Mexico to export materials across Arizona versus Texas. He explained Texas has an expedited process to allow for exports to travel more quickly through their borders.

Ms. Yanez presented the marketing efforts of Phoenix FTZ 75. She summarized the major elements of the FTZ update and pointed out items such as Phoenix's highest FTZ usage in Arizona and low interest levels in air cargo terminal FTZ.

Councilmen Valenzuela, Nowakowski and Johnson thanked staff for their work and expressed support for continued efforts related to international trade.

11. Call to the Public

None

12. Future Agenda Items

None

13. Adjournment

The meeting adjourned at 11:58 a.m.

Respectfully submitted,

Wathsna Sayasane
Management Intern

CITY COUNCIL REPORT

TO: Neal Young
Senior Executive Assistant
to the City Manager

FROM: Deanna Jonovich
Human Services Director

SUBJECT: MONTHLY HEAD START REPORT - APRIL

The purpose of this report is to provide the Downtown, Aviation and Redevelopment Subcommittee, which serves as the City of Phoenix Head Start Governing Board, an updated summary on the financial and programmatic status of the program.

THE ISSUE

Under the Improving Head Start for School Readiness Act of 2007, each Head Start agency has the responsibility of sharing information on a monthly basis with the Governing Board and Policy Council about program planning, policies, and operations. In order to comply with the Act, the Head Start program provides this report on the following Head Start areas:

- Fiscal Expenditures
- Medical/Dental Exams
- School Attendance
- Enrollment Reports
- Program Information Summaries

Fiscal Expenditures: A report which includes all expenditures to the City of Phoenix Head Start grant is prepared and presented to the Policy Council for information each month. Attachment A shows April expenditures for the \$27,262,819 Head Start grant for Fiscal Year 2012 – 2013. The report includes a breakdown for each Delegate Agency, the Policy Council and staff support. Expenditures are tracked on a year-to-date basis and the percent expended for the fiscal year.

School Attendance in Head Start: Monthly information on school attendance is submitted by the Human Services Department (HSD) to the City Manager by the tenth of each month. This data generates the chart shown in Attachment B. The monthly target for attendance set by the Office of Head Start is 85 percent and as of April the year-to-date attendance is 89 percent.

Medical/Dental Exams: Tracking information is submitted to the City Manager on the number of medical and dental exams completed since the start of the program year (see Attachment B). As part of the Head Start regulations, all Head Start children are required to have complete medical and dental exams each year. The target goal is 6,800 exams and year-to-date 6,699 exams have been completed.

Enrollment Reports: The Office of Head Start also requires all programs to submit the total number of funded slots and children enrolled in the program on the last school day of the month. Attachment C indicates enrollment is at 3,374 children/slots. Sixteen positions are vacant due to the authority provided in 1305.7(b) stating programs may elect not to fill a vacancy when 60 calendar days or less remain in the programs enrollment year.

Program Information:

Funding Update: The Education Division received official notice of its funding for fiscal year 2013 – 2014. The division will receive a 5.27 percent reduction in funding to the base budget. The Training and Technical Assistance funding will remain the same.

Infant Toddler Mental Health: During the month of April, Early Head Start (EHS) staff began a ten-session seminar on Infant Toddler Mental Health. This series will help staff learn how developmental, relational, transactional and cultural influences impact child development. The training is being provided by a Child Therapist from the Good Fit Counseling Center.

Federal Review: Region IX conducted the follow-up conference call for the triennial federal review. The purpose of the call was to ensure clarity on the findings and plan the actions for the Program Improvement Plan. The findings must be resolved by July 27.

Grade Level Reading: On April 12, Valley of the Sun United Way and Education Division staff met with representatives of Roosevelt Elementary School District to propose Roosevelt's involvement in the Read On Phoenix campaign. Superintendent Jackson was very excited about the opportunity.

EHS Male Involvement Event: On April 11, EHS had its semi-annual male involvement event at Maryvale Community Center. The workshops focused on literacy, music and movement. Special guest speakers were Carol Towles, the librarian at Maryvale Library and Ray Yocopis, from the Neighborhood Services Department. Ray stressed the importance of "being present" in the lives of your children. The focus was also on the importance of reading to your children from the time they are infants and to have fun while incorporating exercise into your daily routine. All participants received books and backpacks. Donations of T-shirts and pens from Radio Campesina were also given out as door prizes.

EHS Literacy Month: On April 12, Councilman Daniel Valenzuela read to the families at the EHS Cartwright socialization. EHS celebrated Literacy month by inviting special readers to the socializations and giving each family a book to take home. The EHS parent training on April 12 gave parents the opportunity to make their own books: a "Texture book" with different textured fabric swatches, and a "Food book" with pictures from the grocery store sale ads. In addition, a Child and Family Resources Developmental Special Instructionist attended the Deer Valley Socialization. As part of

the Literacy event, community members were invited to read the book, *The Little Mouse, the Red Ripe Strawberry, and the Big Hungry Bear*. Children were each given a book about fruits and vegetables to take home.

Hope Fest Volunteers: On April 20, EHS staff and intern students participated in the Hope Fest event at Chase Field. Program information was provided to parents who were interested in the program. Pre-registration forms were also completed on families who have age-eligible children.

Head Start Mother Dies in Car Accident: On April 22, a child's mother from Golden Gate Head Start, her mother, and seven children were involved in a rollover accident on Interstate 10. The mother (driver) died at the hospital. Three of the seven children attend Golden Gate Head Start at the Cartwright site. Casework and Mental Health staff provided information and referral services to the family. Golden Gate parents started a collection for the family.

Valley of the Sun United Way: On April 22, Valley of the Sun United Way provided Training and School Readiness kits to the EHS program. Family Advocates introduced the kits to parents and children as part of their transition out of the program at age three. The kit includes tips on how children learn along with books, music and more than 80 activities to engage children in learning experiences at home. The activities are aligned with Arizona Department of Education Early Learning Standards and support the skills children need for school such as reading and math.

RECOMMENDATION

This report is for informational purposes only.

Attachments

Attachment A

Yr 47 Head Start Financial Summary Fund 1620
Planned level of Expenditures 83%
For the Month Ending April 30, 2013

Fund Center	Program	FTE	Estimate Budget Version: 038	FY13 YEAR-TO-DATE Expenditures	FY13 YEAR-TO-DATE % Spent
8940050001	HS Administration	10	2,359,307	1,737,619	74%
8940050004	HS T&TA	-	111,348	64,694	58%
8940050012	HS Policy Council	-	17,792	12,826	72%
8940050015	HS Mental Health	5	481,866	399,801	83%
8940050016	HS Casework Support	67	4,827,537	3,898,101	81%
8940050017	HS Classroom Support	18	1,707,301	1,396,887	82%
	Total City of Phoenix	100	9,505,151	7,509,928	79%
8940051001	Alhambra	-	2,065,641	1,155,464	56%
8940051003	Booker T Washington	-	1,331,909	1,141,685	86%
8940051005	Washington	-	2,542,779	1,395,501	55%
8940051006	Deer Valley	-	851,289	497,902	58%
8940051007	Golden Gate (ACA)	-	1,319,928	808,191	61%
8940051008	Murphy	-	1,036,137	456,441	44%
8940051010	Greater Phoenix Urban League	-	1,881,568	1,725,668	92%
8940051011	Roosevelt	-	1,947,536	635,100	33%
8940051013	Wilson	-	689,337	432,240	63%
8940051116	Fowler	-	772,839	400,297	52%
	Total Delegates	-	14,438,963	8,648,488	60%
8940505021	Early Head Start Operations Support	46	3,237,761	2,597,731	80%
8940505024	Early Head Start T&TA	-	80,944	38,166	47%
	Total Early Head Start	46	3,318,705	2,635,898	79%
	Grand Total	146	27,262,819	18,794,314	69%

Delegate Agency data is one month behind due to the billing process, with the exception of Booker T. Washington and Greater Phoenix Urban League.

Percentage of School Attendance

Target: 85% **YTD Percent: 89%**

Goal:

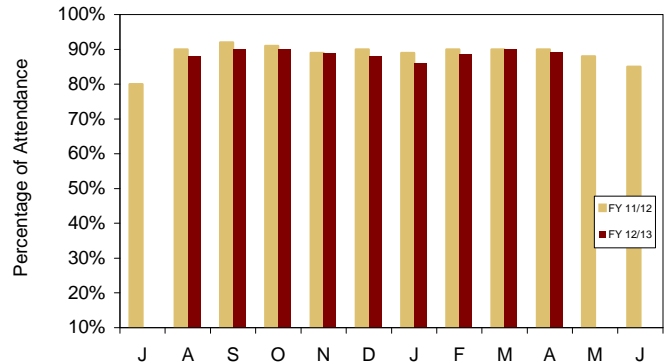
Increase attendance of Head Start kids

Target:

85% of school days attended

Significance:

Attendance is a key factor in being able to get kids ready to attend kindergarten.



Medical and Dental Exams Completed

Target: 6,800 exams **YTD Exams: 6,699**

Goal:

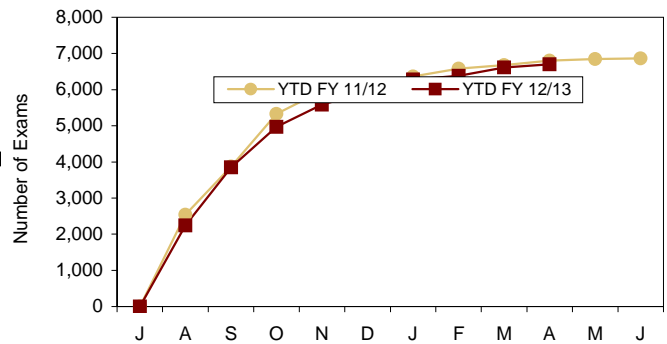
Ensure Head Start kids receive necessary medical and dental exams

Target:

6,800 exams

Significance:

Head Start kids are required to have medical and dental exams as part of Head Start regulations.



Attachment C

City of Phoenix Head Start Enrollment			
<u>Month</u>	<u>Enrolled</u>	<u>Funded</u>	<u>Status</u>
July 2012	300 ¹	3,390	8.8%
August 2012	3,390	3,390	100%
September 2012	3,390	3,390	100%
October 2012	3,390	3,390	100%
November 2012	3,390	3,390	100%
December 2012	3,390	3,390	100%
January 2013	3,390	3,390	100%
February 2013	3,390	3,390	100%
March 2013	3,390	3,390	100%
April 2013	3,374 ²	3,390	100%
May 2013			
June 2013			

¹Head Start was not operational. Early Head Start was fully enrolled.

² 16 positions are vacant due to the authority provided in 1305.7(b) which specifies the programs may elect not to fill a vacancy when 60 calendar days or less remain in the program's enrollment year.

CITY COUNCIL REPORT

TO: David Cavazos
City Manager

FROM: John M. Chan
Community and Economic
Development Director

SUBJECT: SISTER CITIES INTERNATIONAL INNOVATION FOR ECONOMIC
DEVELOPMENT AWARD

This report provides information to the Downtown, Aviation and Redevelopment Subcommittee on the Sister Cities International Innovation for Economic Development Award.

THE ISSUE

The Phoenix Sister Cities program recently received international recognition for winning the 2012 Sister Cities International “Innovation: Economic Development Award”. The award is in recognition of the body of work done by Phoenix Sister Cities in 2012 to promote economic development opportunities such as: the annual Global Links Business Outlook Luncheon; the Mayor’s trade delegation to Hermosillo, Mexico; a business delegation to Chengdu, China; participation in the Community and Economic Development Department International Business Symposium; incorporation of a business component in delegation visits to Sister Cities; cooperation with partner organizations to host panel discussions on topics of international interest; and being a signatory to a multi-lateral tourism alliance established by Chengdu, China and its sister cities.

Phoenix Sister Cities competed for the award with first-tier cities across the United States. A panel of judges rated the submissions on community involvement, benefits to the community, sustainability, and demonstrating excellence and innovation. The award will be formally presented at the Sister Cities International conference in San Antonio, Texas in July 2013.

OTHER INFORMATION

Phoenix Sister Cities, Inc., a nonprofit, membership and volunteer-based organization, is administered by a Board of Directors composed of Phoenix Sister Cities Commission members and the chairs of Sister City committees. It is committed to promoting global awareness, understanding and appreciation of different cultures by creating international opportunities for the citizens, businesses and organizations of Phoenix. This is achieved through a variety of educational, cultural and economic exchanges and programs that lead to sustainable, long-term, international partnerships. Focus is given to five broad programmatic areas: 1) youth and education; 2) economic relations; 3)

municipal and technical cooperation; 4) arts and culture; and 5) disabilities awareness. All Phoenix Sister Cities programs, exchanges and travel are privately-funded through memberships, fundraising events and corporate sponsorships.

RECOMMENDATION

This report is for information only.

CITY COUNCIL REPORT

TO: Rick Naimark, Deputy City Manager
Lisa Takata, Deputy City Manager

FROM: Tim Valencia, Youth & Education
Manager
Rita Hamilton, City Librarian

SUBJECT: READ ON PHOENIX UPDATE

This report provides an update on the newly formed Read On Phoenix Taskforce charged with coordinating and targeting citywide literacy activities serving high-need communities.

BACKGROUND

According to the U.S. Department of Education National Center for Education Statistics, the percentage of students in Arizona who performed at or above the National Assessment of Educational Progress (NAEP) Proficient or Basic levels was 26 and 32 percent, respectively, in 2011. Forty-two percent of students read below the NAEP Basic level.

Arizona's Instrument to Measure Standards (AIMS) is the current Standards Based Assessment that measures student proficiency of the Arizona Academic Content Standards in Writing, Reading, Mathematics, and Science. The Arizona Department of Education releases scores based on schools and school districts in one of three ratings: Falls Far Below, Approaches, Passing. Of the 25 school districts serving elementary students in Phoenix, only 11 have 70 percent or more of third grade students who passed the AIMS Reading Test in 2012.

In 2010, the State of Arizona passed a third grade reading retention law, Move on When Reading, that raises expectations for third grade students. The law requires third grade students to read at grade level prior to being promoted to the fourth grade. The law will affect third grade students who score "Far Below" in AIMS (or successor assessment) in the 2013-14 school year. Arizona is one of 14 states that have implemented a third grade reading retention law.

By the end of third grade, students must shift from "learning to read" to "reading to learn." Current data shows that if students are not reading proficiently by the end of third grade, they are more likely to continue struggling in subsequent grades, less likely to graduate high school, and will not meet the expectations of the 21st century workforce.

THE ISSUE

To support schools in meeting the challenges presented by the Move on When Reading legislation, the City of Phoenix Youth and Education Office created the Read On Phoenix Taskforce, comprised of city departments (Library, Parks and Recreation, Human Services and Housing), Valley of the Sun United Way, and Read On Arizona, to develop a city-wide action plan that aligns city literacy resources through a common vision, mission, and mutually reinforcing activities.

Read On Phoenix's overall goal is simple: every third-grader in Phoenix will be reading proficiently. The Task Force plans to collectively target literacy resources to high-need communities to ensure every child is reading on grade level by the end of third grade. Read On Phoenix will engage parents, businesses, and the community to collectively improve third grade reading proficiency through four key areas:

- School readiness
- Preventing and addressing summer learning loss
- Afterschool literacy enrichment
- Volunteerism

The Read On Phoenix Taskforce also created the following goals to begin addressing the early literacy crisis in Phoenix:

- Increase community awareness through quality literacy opportunities and resources.
- Increase childrens' ability to be ready to succeed in Kindergarten.
- Increase summer literacy opportunities by ensuring children have access to and are engaged in quality literacy activities.
- Increase afterschool literacy enrichment activities
- Increase community/business knowledge on literacy through volunteerism.

In order to reach these goals, the Library Department is:

- Creating a resource on its website that provides a menu of early literacy information for easy public access.
- Conducting workshops for parents that provide information on how to develop early literacy skills in young children – with special outreach to parenting teens, foster parents and/or kinship caregivers.
- Offering an eight-week summer reading program for children, teens and adults.
- Providing afterschool programs including Lego Clubs and Science Explorers for literacy enrichment.
- Conducting Family Literacy Nights at each of 17 library locations.
- Providing training to Phoenix Afterschool Center (PAC) full-time and part-time staff on how to incorporate literacy in program components.

ADDITIONAL INFORMATION

On June 6, 2013, Mayor Stanton held a press conference at Burton Barr Central Library to launch Read On Phoenix. The Mayor discussed the City's responsibility for assisting the education community in ensuring every third grader is reading at grade level. The Mayor also challenged Phoenix residents to read 100,000 books this summer and unveiled the Read On Phoenix website – readonphoenix.phoenixpubliclibrary.org.

RECOMMENDATION

This report is for information only. No Council action required.

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CITY COUNCIL REPORT

TO: Rick Naimark
Deputy City Manager

FROM: Debbie Cotton, Interim Director
Phoenix Convention Center

SUBJECT: RFP 13-006 CUSTOMER SERVICE INITIATIVE AND ANALYSIS
CONTRACT AWARD RECOMMENDATIONS

The purpose of this report is to request the Downtown, Aviation and Redevelopment Subcommittee recommend City Council approval to award and enter into contracts with Fresh Revenues, Inghilleri Consulting Group and Strategic Solutions. The contracts are for customer service initiative and analysis projects for the Phoenix Convention Center Department (PCCD), for a one-year contract term beginning July 19, 2013, through July 18, 2014, with four one-year extension options.

THE ISSUE

On February 28, 2013, PCCD issued Request for Proposal (RFP) 13-006 for Customer Service Initiative and Analysis, which included nine projects designed to help PCCD attract new and returning business through service excellence:

- Venue Branding Development
- Hospitality Sales Training
- Event Management Training
- Service Excellence Program Development
- Volunteer, Usher and Venue Host Program Development
- Mystery Shopper Program
- Ongoing Training Support
- Service Recovery Program
- Customer Surveying

The RFP included a provision stating that the City may award multiple contracts to more than one proposer and that individual contract awards may be for a single project or multiple projects. The RFP was advertised in the Record Reporter, Asian American Times, Prensa Hispana, Arizona Business Gazette, Arizona Informant and the International Association of Venue Managers website. Nineteen firms downloaded the RFP from the phoenix.gov website.

A mandatory pre-proposal conference was held March 14, 2013, with six firms in attendance. Proposals were due on April 2, 2013, and PCCD received proposals from the following three firms: Fresh Revenues, Inghilleri Consulting Group and Strategic Solutions.

An evaluation panel was formed to conduct a technical evaluation of each proposal. The panel consisted of four members including one representative each from PCCD, the Human Resources Department, the Aviation Department and the Phoenix Art Museum. Next, proposers were invited to present to the panel and respond to questions.

OTHER INFORMATION

Based on the quality of the proposals, presentations and responses to questions, the panel recommends awarding various projects to each of the proposers, as follows.

To Fresh Revenues the panel recommends awarding: Volunteer, Usher and Venue Host Program Development, Mystery Shopper Program, Ongoing Training Support and Customer Surveying. This proposer:

- Has a good depth of trainers on staff who are very skilled for developing volunteer, usher and venue host programs.
- Uses innovative approaches for mystery shopping.
- Can deliver training using a variety of methods.
- Partners with University of Nevada, Las Vegas, which has a well-respected hospitality management program, for customer surveying.

The panel recommends Inghilleri Consulting Group be awarded: Venue Branding Development, Service Excellence Program Development and Service Recovery Program. This proposer has:

- Extensive experience with venue branding.
- Service excellence as the core of its business and in-depth knowledge about service recovery.
- Previous and current experience in developing PCCD's service excellence and service recovery programs.

The panel recommends Strategic Solutions be awarded: Hospitality Sales Training and Event Management Training. This proposer:

- Provided a very detailed approach for providing hospitality sales training and event management training.
- Identified several training strategies that will be used to build upon PCCD staff's current level of expertise.

FINANCIAL IMPACT

The total annual contract dollar amount for the three contracts combined will not exceed \$50,000 per year. The funds are available in PCCD's Operating Budget.

RECOMMENDATION

This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council approval to award and enter into contracts with Fresh Revenues, Inghilleri Consulting Group and Strategic Solutions for customer service initiative and analysis projects at PCCD for a one-year contract term with four one-year extension options.

CITY COUNCIL REPORT

TO: Neal Young
Senior Executive Assistant
to the City Manager

FROM: Deanna Jonovich
Human Services Director

SUBJECT: APPROVAL OF HEAD START AND EARLY HEAD START PLANNING
DOCUMENTS

The purpose of this report is to provide the Downtown, Aviation and Redevelopment Subcommittee an overview of the Head Start and Early Head Start program planning documents and request approval of the documents. The planning documents include the Self Assessment, Planning Procedures, Ongoing Monitoring Plan, and Service Plan.

THE ISSUE

The Head Start Performance Standards require Head Start and Early Head Start grantees to develop and implement a systematic, ongoing process of program planning including consultation with the governing body, policy groups, program staff, and other community organizations. The governing board needs to review and approve the program planning in order to ensure a quality program is provided in compliance with the federal regulations.

OTHER INFORMATION

Each year, Head Start and Early Head Start reviews its planning documents to determine the need for any revisions based on new regulations, changes in the service delivery, and the information from the Community Assessment and Self Assessment. As a result, the following planning documents are being implemented for the 2013 – 2014 program year.

Self Assessment: The City is required to conduct a self assessment, with the consultation and participation of the Policy Council and Governing Board, at least once each program year. The self assessment evaluates the effectiveness and progress in meeting program goals, objectives and implementing federal regulations. The purpose is to ensure the program is providing high quality and comprehensive services to the children and families served and to assess compliance with the Head Start Performance Standards. The City plans to conduct the Self Assessment by monitoring key areas including school readiness outcomes, family engagement, health services and nutrition for the 2013 – 2014 program year. In July and August, City staff, Policy Council members, Governing Board members, and Delegate Agency staff will have the opportunity to review the results and make recommendations for improvement. In

previous years, the review was conducted in January. Moving the date to July and August will allow all areas to review the entirety of the previous program year.

Planning Procedures: Planning procedures support accountability and quality services. The document provides a month by month plan ensuring all the requirements of the Head Start Performance Standards are addressed. It serves as a guide to outline continuous efforts to implement programmatic and fiscal operation in order to effectively benefit families. The Planning Procedures are in Attachment A.

Ongoing Monitoring Plan: The Improving Head Start for School Readiness Act of 2007 requires Head Start grantees to develop and implement procedures for monitoring Grantee and delegate agencies. To meet this standard, Phoenix Head Start and Early Head Start have created the Ongoing Monitoring Plan. This plan is comprised of the monitoring tools to evaluate compliance with each performance standard, the staff person responsible for conducting the monitoring, and instructions on the use of the monitoring tool. All delegate agencies will receive monitoring annually on the Head Start Performance Standards, which are critical to the health and safety of children (disability services, child mental health, classroom environment, etc.). The key compliance areas, such as personnel policies, management systems, and human resources, will be monitored by HSD on a triennial basis. Quarterly reports will be submitted to the delegate agency director, with the final year-end report being submitted to the delegate agency governing board. Early Head Start will also conduct ongoing monitoring on a quarterly basis.

Service Plan: Service plans are a management tool for planning, organizing and implementing Head Start and Early Head Start program services. It is a working document specifying how the City will meet or exceed the minimum performance requirements. The Service Plan has been structured so strategies and activities are identified for implementing each performance standard. The staff person(s) responsible for implementing the activities is also identified, along with the timeframe for completion. Information has been provided on data sources used to monitor and evaluate the outcomes of the activities.

RECOMMENDATION

The Human Services Department requests the Downtown, Aviation and Redevelopment Subcommittee approve the Self Assessment, Planning Procedures, Ongoing Monitoring Plan, and Service Plan for the City of Phoenix Head Start and Early Head Start programs.

Attachment

Attachment A

**City of Phoenix Head Start
2013 – 2014 Planning Procedures**

Project Activities	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Budget expenditures reviewed	X	X	X	X	X	X	X	X	X	X	X	X
Caseworker Files closed out and archived	X	X										X
Caseworker Summer Training Track conducted	X										X	X
Child Outcomes Report completed and develop plan of action	X	X										X
Community Assessment conducted	X	X	X									
Community Assessment Goals and Objectives discussed at Head Start Leadership meetings	X	X	X	X	X	X	X	X	X	X	X	X
End of Month enrollment report submitted	X	X	X	X	X	X	X	X	X	X	X	X
Family Outcomes Pre-Assessments for next school year started	X									X	X	X
Family Outcomes Report completed and develop plan of action	X	X										X
Head Start Annual Report completed	X	X	X									
Monitor Delegate agencies	X	X	X	X	X	X	X	X	X	X	X	X
Monthly report submitted to Policy Council and City Council Subcommittee	X	X	X	X	X	X	X	X	X	X	X	X
Policy Council Recognition Event conducted	X	X	X	X								
Program Information Report benchmark progress tracked	X	X	X	X	X	X	X	X	X	X	X	X
Program Information Report submitted	X	X								X	X	X
Program Staff conduct orientations to delegate agencies		X										
QIP/Goals and Objectives/Planning Procedures reviewed	X	X	X	X	X	X	X	X	X	X	X	X
Quality Improvement Plan submitted to Policy Council and City Council Subcommittee for approval							X					
Self Assessment completed	X	X	X	X	X	X	X	X	X	X	X	X
Year 47 final close out is completed and report sent to Office of Head Start.	X	X	X									
Year 48 staff calendar distributed	X											X
Head Start Classes begin		X	X									
MAPS items reviewed		X	X	X	X	X	X	X	X	X	X	X
Program Information Report analysis is conducted		X										
Staff and Policy Council members make recommendations for potential community representatives to Policy Council and contact nominees		X										
Community Assessment Goals and Objectives update provided at divisional staff meeting			X			X			X			X
Family Partnership Agreements developed			X	X	X	X						
Update(s) on goals and one-year objectives are presented to the City Council Subcommittee and Policy Council.									X			

Project Activities	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Year 49 delegate draft budgets completed			X	X	X							
Child Outcomes and Family Outcomes Measures reports submitted to City Council Subcommittee and Policy Council				X								
In-Service Conference conducted				X	X	X	X	X				
Policy Council is seated				X								
Policy Council orientation conducted				X	X							
Immunization report submitted to Maricopa County Department of Health					X							
Bylaws are approved by Policy Council and City Council Subcommittee if necessary						X						
City Council Subcommittee orientation conducted							X	X				
Shared-Governance and Internal Dispute Procedures reviewed						X						
Year 49 Training and Technical Assistance Budget completed and draft submitted to Region IX						X	X	X				
Disabilities midpoint report reviewed						X	X	X	X	X		
ERSEA Plan is approved by Policy Council and City Council Subcommittee							X	X	X			
Grantee and fiscal staff discuss and modify delegate agency's Year 47 proposals							X					
Year 49 budget completed							X	X				
Year 49 Budget discussions with delegates conducted							X					
Contracts/IGAs are prepared for vendors								X	X	X	X	X
Delegate Agencies submit their final revised programmatic and fiscal renewal documentation.								X				
Service Plans are approved by Policy Council and City Council Subcommittee.								X	X	X	X	
Standards/Special Terms and Conditions and Scope of Work are reviewed for contracts/IGAs								X				
Delegate Agency staff and Disability Specialist meet with LEAs to plan for transition of children on IEPs into Head Start.									X			
Grant application is submitted to Region IX office for the next budget year									X			
Marketing Plan updated and begin recruitment for Year 48 school year									X	X	X	X
Program Options are discussed and approved by the Policy Council, if necessary, for the next operating period and for recruitment of new families. Program Options proposed reflect the needs of families to be given priority for enrollment, capacity of the agency in terms of staffing, facilities and other critical issues that will assure quality services to families.									X			
Year 49 contracts are completed									X	X	X	X
Year 49 grant application is approved by Policy Council and City Council Subcommittee									X			

Project Activities	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Year 49 grant submitted to Region IX									X			
ERSEA Training for Grantee and Delegate Agency staff conducted										X		
Family Outcome Post Assessments completed										X	X	
Intakes for Year 49 completed										X	X	X
Planning Procedures are revised for Year 49										X	X	X
Transition meetings are held with Delegate Agency staff and EHS providers to transition EHS children into Head Start.										X		
Year end transition meetings completed and disseminate Child Health summaries										X	X	
Calibration of hearing machines; conduct repairs, order supplies, prepare for contracts and coordinate with caseworkers											X	X
Head Start Classes end											X	
Mental Health staff meet with Delegate Agency directors to review prior year's services and plan for coming year												X
Policies and Procedures are reviewed and approved by Policy Council												X

NOTE: The month with a shaded area with an X is when the item is due; the area without shading and an X is the planning time.

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CITY COUNCIL REPORT

TO: Neal Young
Senior Executive Assistant
to the City Manager

FROM: Deanna Jonovich
Human Services Director

SUBJECT: APPROVAL OF HEAD START SEQUESTRATION FUNDING CUTS

The purpose of this report is to request the Downtown, Aviation and Redevelopment Subcommittee recommend City Council approval of the proposed funding cuts to the Head Start program due to the federal sequestration cuts.

THE ISSUE

The Budget Control Act of 2011 mandated a series of spending cuts, called sequestration, to cancel approximately \$85 billion in budgetary resources across the federal government for the remainder of the federal fiscal year. The President issued a sequestration order on March 1, 2013 resulting in spending reductions across all programs.

As a result, all Head Start, Early Head Start, American Indian and Alaska Native Head Start, and Migrant and Seasonal Head Start grants were reduced by 5.27 percent. For the City of Phoenix Head Start and Early Head Start programs, the funding cuts will be effective July 1, 2013.

OTHER INFORMATION

The Office of Head Start allowed flexibility to grantees on how to handle the cuts and provided the following principles to take into consideration:

- The first priority for all programs must be to maintain a high quality of service provided to children and families and ensure their health and safety.
- Community Assessment data should be utilized to support decisions.
- Grantees should prioritize areas of highest need.

Based on the Office of Head Start guidance, the Human Services Department is recommending the funding cuts occur in those areas serving the highest percentage of children eligible for Head Start or Early Head Start. The range of children served is currently from 0 percent to 165 percent according to 2010 census data from the Community Assessment. As a result, the following enrollment and funding reductions are recommended:

Program/Delegate Agency	% of Eligible Children Served	Number of Slots Reduced	Funding Reduction
Wilson	165%	32	\$161,442
Murphy	83%	60	\$262,349
Greater Phoenix Urban League	62%	20	\$89,536
Fowler	53%	26	\$102,520
Deer Valley	46%	17	\$90,591
Roosevelt	34%	31	\$139,488
Booker T. Washington	34%	0	\$0
Alhambra Elementary	29%	0	\$0
Washington Elementary	29%	0	\$0
Arizona's Children Association	14%	0	\$0
Early Head Start	3%	0	\$0
TOTAL		186	\$845,926

In addition to the reduction in the number of children served, the following cuts are being recommended to City of Phoenix staff positions supporting the reduced slots.

Job Code	Pay Grade	Position Title	Number of Positions
07100	325	Caseworker I	2
00110	316	Clerk I	5
07090	032	Caseworker III	1
0510	030	Training Specialist	2
07642	028	HS Educator*Program Assistant	1
TOTAL			11

CONCURRENCE

The Head Start Policy Council approved this item on June 10, 2013.

RECOMMENDATION

The Human Services Department requests the Downtown, Aviation and Redevelopment Subcommittee approve the proposed funding cuts to the Head Start program due to the federal sequestration cuts.

CITY COUNCIL REPORT

TO: Ed Zuercher
Assistant City Manager

FROM: Danny Murphy
Aviation Director

SUBJECT: CONTRACT AWARD FOR AVIATION DEPARTMENT CUSTODIAL SERVICES REQUIREMENTS CONTRACT

The Finance and Aviation Departments request the Downtown, Aviation & Redevelopment Subcommittee's recommendation to the Phoenix City Council to award the requirements contract for Airport Custodial Services to ISS Facility Services, Inc..

THE ISSUE

On November 13, 2012, the Finance Department issued a Request for Proposals (RFP) for Custodial Services at Phoenix Sky Harbor International Airport. The Finance Department received 17 proposals. An evaluation panel appointed by the Finance Department Procurement Division in consultation with the Aviation Department evaluated the proposals.

The evaluation panel was comprised of a Deputy Director and a Special Projects Administrator from the Aviation Department, a Deputy Director from the Phoenix Convention Center, and a Deputy Director from the Public Works Department.

The proposals were evaluated based on the following criteria, as established in the RFP:

- | | |
|--|--------------|
| 1. Proposed Price | 0-300 points |
| 2. Qualifications and Experience of Proposer | 0-250 points |
| 3. Employee Wages, Benefits and Incentives | 0-250 points |
| 4. Operations Plan | 0-200 points |

After the review of the written proposals, the top six firms were invited to participate in an interview process: DTZ a UGL Company, GCA Services Group, ABM Janitorial Services, ISS Facility Services, Inc., Marsden Services, LLC, and O.P.E.N. America Inc. The panel unanimously recommended contract award be made to ISS Facility Services, Inc., who was the highest scored proposer.

The incumbent firm, GCA Services Group, filed a timely protest of the award recommendation. The Procurement Division in consultation with the Law Department, reviewed the protest and found no legal or factual basis for protest; therefore, the protest was denied. GCA Services Group subsequently filed a timely appeal to the City

Manager's Office. The City Manager appointed an independent hearing officer to preside over the appeal. The hearing officer denied GCA Services Group's appeal and affirmed the recommended award to ISS Facility Services, Inc.

OTHER INFORMATION

The contract term will be for two years with three one-year extension options to be exercised at the discretion of the Deputy Finance Director in consultation with the Aviation Director.

RECOMMENDATION

The Finance and Aviation Departments request the Downtown, Aviation and Redevelopment Subcommittee's recommendation to the Phoenix City Council to award the Custodial Services requirements contract for the Aviation Department to ISS Facility Services, Inc.

CITY COUNCIL REPORT

TO: Ed Zuercher
Assistant City Manager

FROM: Danny Murphy
Aviation Director

SUBJECT: MODIFY AIR SERVICE MARKETING SUPPORT AT PHOENIX SKY
HARBOR INTERNATIONAL AIRPORT

The Aviation Department requests the Downtown, Aviation & Redevelopment Subcommittee's recommendation to the Phoenix City Council to make modifications to the Air Service Marketing Support Program to encourage the growth of air service at Phoenix Sky Harbor International Airport (PHX).

THE ISSUE

The current Air Service Marketing Support Program was approved by the Phoenix City Council in June 2012, which provides for marketing support and landing fee waivers of **new international** nonstop routes only.

The proposed modification is designed to increase nonstop frequencies to specific domestic and international routes and to encourage new service to specific domestic markets where there is no nonstop service. Airlines which launch at least five times per week for domestic nonstop service and at least three times per week for international nonstop service for the cities listed below to Sky Harbor will be eligible for marketing reimbursements to promote the route(s) of \$75,000. Airlines which launch at least seven times per week for domestic nonstop service and at least five times per week for international nonstop service to Sky Harbor for the specific cities listed below will be eligible for marketing reimbursements to promote the route(s) of \$100,000.

The proposed program is open to all airlines for new service added only. Service and frequency must be sustained for a full 12 months to receive this support. Carriers which have served these destinations within the last 12 months are eligible only for additional frequencies.

The proposed program modification allows for marketing support for each route flown to the following cities from Phoenix Sky Harbor. This is available once per route per airline for the first year of service.

Increased Frequencies to Existing Markets:

Raleigh/Durham, New Orleans, Des Moines, Boston, Cleveland, Mexico City, Guadalajara, Toronto and Vancouver

New Domestic Routes Where no Service Exists:

Hartford, Providence, Jacksonville, Manchester, Richmond

New international routes are specified under the existing Marketing Support Program approved by the City Council in June 2012.

The initial program offer period is July 1, 2013 through June 30, 2015, with two, one-year options, which may be exercised at the sole discretion of the Aviation Director. Details and parameters of the above will be provided in the contract and follow the Federal Aviation Administration guidelines updated in September 2010.

OTHER INFORMATION

Introducing new air service routes has an immediate, positive economic effect to the City of Phoenix and to the regional economy. Marketing funds may be offset by the additional revenue that is generated by passengers who use the new service. The economic impact of a new, daily route can generate as much as \$11 million in airport-related expenditures and \$100 million in total expenditures in the region and State. When an airline qualifies to receive support under this program, staff will return to City Council to seek authorization for the transaction.

Funds are available in the Aviation Department FY 2013-2014 Operating Budget to support this air service development program.

RECOMMENDATION

The Aviation Department requests the Downtown, Aviation & Redevelopment Subcommittee's recommendation to the Phoenix City Council to make modifications to the Air Service Marketing Support Program to encourage the growth of air service at Phoenix Sky Harbor International Airport (PHX).

CITY COUNCIL REPORT

TO: David Cavazos
City Manager

FROM: John M. Chan
Community and Economic
Development Director

SUBJECT: INTERNATIONAL ECONOMIC DEVELOPMENT STRATEGY

This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council approval of a comprehensive multi-year International Economic Development Strategy to enhance the contribution of global commerce to the local Phoenix economy.

THE ISSUE

The City of Phoenix is an emerging international region with significant potential for long-term economic growth. The most significant area of unrealized potential is related to international trade, more specifically exports. A focused, concentrated and sustained effort to broaden and deepen our export base will be the single most important contribution to the economic future of the City of Phoenix. The adoption of a robust export-centric international strategy will provide the City of Phoenix with the opportunity to achieve true global connectivity and relevance.

Canada, Mexico, Asia, Europe and Central America are key target markets that are projected to help the City achieve export, Foreign Direct Investment (FDI), employment, capital investment and tourism goals.

The proposed International Strategy and Action Plan includes the following strategies to enhance Phoenix' competitive position in the global economy:

- Compile and aggregate market intelligence and research to validate and guide the City's international efforts;
- Embrace and integrate the 2010 National Export Initiative which was conceived by the Office of the President of the United States to double US exports and create two million new jobs by the end of 2014
- Develop comprehensive connectivity with key international markets, including Mexico and Canada;
- Leverage existing assets, resources and relationships to expand service delivery;
- Establish a framework of alignment with City of Phoenix partners (particularly the Arizona Commerce Authority and the Greater Phoenix Economic Council) and stakeholders - obtain private sector partner "buy-in" and support;

- Integrate a comprehensive City of Phoenix international marketing and branding program that compliments, leverages and capitalizes on current regional and statewide efforts; and,
- Explore methods to leverage long-standing global Phoenix Sister City relationships for the purpose of channeling sustained economic opportunity.

The proposed International Strategy and Action Plan has been developed to be a complimentary and fully integrated component of the broader Community and Economic Development Department (CEDD) Strategic Plan adopted by the City Council in 2012.

OTHER INFORMATION

Phoenix is uniquely positioned to leverage its growing population, talented workforce, infrastructure, robust tourism, pro-business climate and competitive operating costs to significantly increase exports and FDI. With the proper strategy and positioning, the City of Phoenix can achieve true global connectivity and become a top tier international region.

The Greater Phoenix metro area is a recognized top 10 metro region in the United States. However, the region is lagging in exports and FDI contributions to Gross Domestic Product (GDP). Additionally, the metro region is experiencing sub-standard export expansion (less than 3 percent) with a heavy reliance on legacy export commodities and legacy export markets. This results in a flat or diminishing exports.

There are more than 140 foreign-owned firms within the City of Phoenix. As part of the ongoing Business Retention and Expansion (BRE) program, CEDD staff will continue to meet with these companies to explore ideas and opportunities to assist in expanding their markets and grow, both regionally and internationally.

Staff is also proposing to implement an outreach initiative to establish connectivity with established exporters in the City of Phoenix, as well as conducting in-market Trade and Investment Forums and utilizing key metrics to measure success. Given the City's current budget and resource constraints, CEDD must collaborate now more than ever with partner organizations to market Phoenix and mutually leverage the capacity for identifying export promotion opportunities and FDI.

Additionally, the proposed multi-year International strategy will continue to utilize Phoenix Sky Harbor International Airport (PSHIA) as an asset to create increased Phoenix awareness and to encourage additional investments from those countries that have the potential for adding more business passengers to existing international flights. The plan calls for close collaboration with PSHIA to secure additional international routes and carriers.

RECOMMENDATION

This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council approval of a comprehensive multi-year International Economic Development Strategy to enhance the contribution of global commerce to the local Phoenix economy.

CITY COUNCIL REPORT

TO: David Cavazos
City Manager

FROM: John M. Chan
Community And Economic
Development Director

SUBJECT: DISPOSITION AND DEVELOPMENT AGREEMENT WITH ARTHAUS, LLC

This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council authorization to enter into a disposition and development agreement with arTHAUS LLC to facilitate the development of arTHAUS, a market-rate rental residential project at 1717 North First Avenue in downtown Phoenix.

THE ISSUE

On February 5, 2013, the Community and Economic Development Department (CEDD) issued an Addendum to the Downtown Request for Proposals (RFP) to develop a vacant 23,000 square foot city-owned parcel located on 1st Avenue, North of McDowell Road.

On March 5, 2013, CEDD received a proposal for arTHAUS, a 30-unit market-rate rental residential project. A review panel consisting of representatives from CEDD, Planning & Development Department and Phoenix IDA (PIDA) unanimously recommended proceeding with the arTHAUS proposal.

If approved, this project will result in the City disposing of the property for \$350,000 to accommodate the private development of a 3 story multi-family residential building with approximately 30 units, and at least one parking stall per unit.

This project represents significant new private capital investment of more than \$5.5 million in the community. It will redevelop a vacant lot into an urban residential development located within walking distance of the McDowell and Central light rail transit station and the midtown Phoenix art district. arTHAUS will expand the customer and employee base for local businesses in the downtown area.

arTHAUS will help the City achieve three of the primary goals of the City Council-adopted Downtown Strategic Plan. The Downtown Living, Great Neighborhoods and Connected Oasis concepts will all be achieved by adding residential units, enhancing the adjacent Willo neighborhood and closing a gap in the urban fabric.

OTHER INFORMATION

This parcel was originally acquired in 2011 as part of the land acquisition for the Arizona Opera Facility. CEDD and PIDA partnered, to acquire the parcel for future development. Under the terms of the agreement with PIDA, the City will split 50 percent of the proceeds from the sale of the property with PIDA.

The Developer and CEDD will pursue rezoning of the property to Urban Residential by December 2013. The Developer will provide construction documents to CEDD by approximately March 2014, commence construction by April 2014 and open the project by July 2015.

RECOMMENDATION

This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council authorization to enter into a disposition and development agreement with artHAUS LLC to facilitate the development of artHAUS, a market-rate rental residential project at 1717 North First Avenue in downtown Phoenix.

CITY COUNCIL REPORT

TO: David Cavazos
City Manager

FROM: John M. Chan
Community and Economic
Development Department Director

SUBJECT: AUTHORIZATION TO AMEND CONTRACT NO. 128632, HH LUHRS, LLC

This report requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council authorization to amend City Contract No. 128632, Disposition and Redevelopment Agreement and Development Lease (Agreements) with HHLuhrs, LLC, (the Developer) to extend the term of the Agreements by 15 years.

THE ISSUE

On July 1, 2009, the City Council authorized a development agreement with HHLuhrs, LLC for development of a 315 room dual-brand hotel, located at the northwest corner of Madison Street and Central Avenue (Hotel Project). Under the terms of the agreement, construction must commence by July 1, 2014, and the hotel must open by July 1, 2016. Due to current credit market and financing environments, the Developer is facing unforeseen challenges in closing the financial gap for the Hotel Project and meeting the required deadlines.

In order to close this gap and meet the obligations of the development agreement, the Developer has taken three actions: 1) provided additional personal equity; 2) worked closely with financial institutions and investors to secure \$25 million in direct foreign investment as a part of the EB-5 immigrant investor program; and 3) requested an extension to the term of the Agreements, including Government Property Lease Excise Tax treatment, by 15 years, from 35 years to 50 years. The Developer has indicated that these actions will effectively close the financial gap and allow the Hotel Project to be delivered under the schedule included in the development agreement. With this requested extension, the Developer is confident that construction will start in early 2014, well ahead of the July 2014 deadline in the Agreements. Without this extension, the Developer has indicated that the Hotel Project is not viable at this time.

This action will leverage \$25 million in direct foreign investment in the Phoenix economy through the Immigrant Investor Program administered by the U.S. Citizenship and Immigration Services. This program, commonly known as the EB-5 Program, was created by Congress to stimulate the U.S. economy through job creation and capital investment by foreign investors based on proposals that promote economic growth. The action will also facilitate creation of approximately 800 construction jobs over the two-year construction period, and approximately 125 permanent jobs in the ongoing

management and operation of the hotel. Further, this action supports the Strategic Vision and Blueprint for Downtown Phoenix, approved by City Council in 2004. The Hotel Project, through significant private sector investment, will maximize the public investment in light rail, the convention center and other downtown amenities, providing additional hotel rooms and supporting economic vitality through increased tourism.

As consideration for this request, the Developer will provide increased lease payments to the City. Payments will continue to increase from \$355,000 in year 35 to \$500,000 in year 50. All other terms and conditions of the Agreements shall remain in full force and effect.

RECOMMENDATION

Staff requests the Downtown, Aviation and Redevelopment Subcommittee recommend City Council authorization to amend City Contract No. 128632, Disposition and Redevelopment Agreement and Development Lease with HHLuhrs, LLC to extend the term of the Agreements by 15 years.

CITY COUNCIL REPORT

TO: Rick Naimark
Deputy City Manager

FROM: Tim Valencia
Youth and Education Manager

SUBJECT: YOUTH AND EDUCATION COMMISSION

This memo provides the Downtown, Aviation and Redevelopment Subcommittee an update on the process for reengaging the Youth and Education Commission and requests that the Downtown, Aviation and Redevelopment Subcommittee recommend City Council approval of revisions to the Ordinance governing the Youth and Education Commission.

BACKGROUND

In 2003, the Phoenix Youth and Education Commission merged three governing bodies: the Phoenix Education Commission, Phoenix Youth Commission, and the Educational Access Governing Board.

In 2010, due to budgetary constraints, the Youth and Education Office was dissolved, and the Youth and Education Commission became inactive.

In June 2012, the City Council approved a Youth and Education Manager position to oversee the coordination and delivery of youth and education services citywide. A high priority of the newly formed Youth and Education Office has been to recruit and reengage the Youth and Education Commission. As a part of this effort, staff is recommending a number of changes to the Ordinance which establishes the Commission. These changes including adding a post-secondary education representative and reducing the Commission size from 25 to 17.

THE ISSUE

The Youth and Education Office is currently seeking individuals interested in advising the Mayor, City Council, and City management on how to enhance educational strategies and positive youth development approaches within City programs and the community.

The re-vamped Youth and Education Commission would be comprised of no more than seventeen members from local businesses, youth-serving organizations, secondary/postsecondary institutions, and the Arizona Department of Education. The Commission members would include one youth appointed from each council district and one youth appointed by the Mayor, to assist in advising the City on opportunities and challenges relating to youth. The goals of the Commission include:

- Creating and strengthening partnerships and communication between the City and secondary/postsecondary institutions
- Assisting in establishing policies, developing educational initiatives, and securing resources for school readiness, high school transition to postsecondary education, and career readiness
- Providing quality educational television programming targeted to educators, youth, and learners of all ages

Newly appointed commission members will begin meeting in the fall to develop a new vision, mission, and strategic plan for the next three years.

RECOMMENDATION

This report requests that the Downtown, Aviation and Redevelopment Subcommittee recommend City Council approval of revisions to the Ordinance governing the Youth and Education Commission.

CITY COUNCIL REPORT

TO: David Cavazos
City Manager

FROM: John M. Chan
Community and Economic
Development Director

SUBJECT: ADAMS STREET ACTIVATION STUDY UPDATE

This report provides information to the Downtown, Aviation and Redevelopment Subcommittee on the Adams Street Activation Study.

BACKGROUND

In December 2012, the City issued a Request for Proposals for consultant services to conduct a conceptual master planning study to explore strategies to activate and enhance the pedestrian and economic vitality of Adams Street between Central Avenue and Second Street. On March 20, 2013, the City Council authorized a contract with Gensler to conduct this work.

The scope of the study includes conducting outreach with the area businesses and property owners and hosting community stakeholder meetings to gather input regarding potential concepts to improve the experience in the corridor for residents, visitors, businesses, students and workers. The goal of the study is to generate concepts for enhanced connectivity and pedestrian comfort while providing a friendly and inviting atmosphere that is representative of the cultural identity of Phoenix. It also seeks to maximize the utilization of the right-of-way and adjacent City properties to enhance City revenue through increased commercial opportunities and tourism within the study area.

THE ISSUE

Throughout April and May 2013, City staff and consultants (Gensler) completed the first phase of stakeholder input for the Adams Street Activation Study. City staff and Gensler conducted meetings with 15 property and business owners on or adjacent to Adams Street, hosted two interactive community stakeholder meetings, and collected data on the existing area infrastructure. Stakeholders identified several opportunities and guiding principles that will serve as the foundation for the next steps of the study:

- 1) Establish Adams Street as a downtown destination by creating an identity for the area that is appealing, safe, welcoming and comfortable to a diverse and broad mix of people.

- 2) Improve the large blank and uninteresting walls and surfaces to create a point of interest with the use of large art murals and projected art.
- 3) Fill the vacant retail storefronts on Adams Street with tenants and transparent windows that open to the street for an improved pedestrian experience.
- 4) Consider improvements to the street that make temporary street closures for events easier and more efficient.
- 5) Maintain on-street parking as an amenity for businesses and visitors, and as a safety buffer for pedestrians participating in outdoor activities.

Next steps include the creation of conceptual renderings and policy recommendations that incorporate these guiding principles. Once completed, staff and Gensler will present the information to the stakeholders through additional meetings and public outreach sessions. Following this additional outreach, staff will return to Subcommittees and Council with final recommendations.

RECOMMENDATION

This report is for information and discussion.