



City of Scottsdale  
Council Subcommittee on Economic Development  
Regular Meeting  
**APPROVED SUMMARIZED MINUTES**  
Wednesday, December 14, 2022  
4:00 p.m.  
One Civic Center  
7447 E. Indian School Rd., Suite 301, Scottsdale, AZ 85251

Subcommittee Members: Councilwoman Linda Milhaven, Chair  
Councilwoman Solange Whitehead  
Councilwoman Betty Janik

Staff: Rob Millar, Economic Development Director

Guests: Pat Montroy, Business Representative, Sheet Metal Workers'  
Local Union 359  
Albert Blanco, Training Coordinator, Sheet Metal Workers' Local  
Union 359  
Anubhav Bagley, Regional Analytics Director, Maricopa  
Association of Governments

**Call to Order**

Councilwoman Linda Milhaven called the Council Subcommittee on Economic Development to order at 4:06 p.m.

**Roll Call**

Present: Councilwoman Linda Milhaven, Councilwoman Solange Whitehead, Councilwoman Betty Janik

**1. Approval of September 8, 2022 Summarized Minutes of Regular Meeting**

Motion to approve as presented: Councilwoman Solange Whitehead. Second: Councilwoman Betty Janik.

**2. Arizona Sheet Metal Workers Apprenticeship Program**

Pat Montroy, Business Representative, and Albert Blanco, Training Coordinator, and possibly other representatives with the Sheet Metal Workers' Local Union 359 will provide an overview of the Arizona Sheet Metal Apprenticeship Program.

Presenter: Pat Montroy, Business Representative – Sheet Metal Workers' Local Union 359  
Albert Blanco, Training Coordinator - Sheet Metal Workers' Local Union 359

Staff Contact: Rob Millar, Economic Development Director –  
480-312-2533

**Action: Presentation and Discussion**

**Mr. Montroy presented an overview of the union's benefits and pension programs. Councilwoman Janik asked how many members are in this union. Mr. Montroy replied that there are 800 building trade, journeymen, apprenticeship members and 500 production members. There are also 350 retired members. Benefits are lifelong. Mr. Montroy commented that the union is seeing a lot more women in the trades.**

**Mr. Blanco presented an overview of the military SMART Heroes program and the organization's overall training program. The union is doing job career fairs at high schools, the second chance program with the local women's prison and the Maricopa County Workforce Development Program. Councilwoman Janik asked if they did job fairs at community colleges. Mr. Blanco stated that they do but need to reconnect with the new people at EVIT.**

**Mr. Blanco played a video titled *The Life of a Sheet Metal Worker*.**

**Mr. Blanco stated that Covid taught the industry how important the air quality technology is in offices and in schools. This organization trains their journeymen on air checks and balances.**

**Women in the trade is a big push for this organization and the union sent seven women to the recent Las Vegas trade conference.**

**Mr. Blanco played a video titled *Start Your Training Today, Become a Sister in the Sheet Metal Industry SMART*.**

**There are more woman and more diversity in the industry than ever before. Councilwoman Whitehead asked how long it takes to finish the program. Mr. Blanco stated that it takes five years. However, if an individual is working for a contractor in the trades, the program can give aptitude tests and if the scores are within certain ranges, that may qualify them to be in a two year apprenticeship program instead of the entire five years. He also stated that the program does require a high school diploma, but the organization will work with Rio Salado**

**Workforce Development, get your GED and your career started within the profession.**

**Councilwoman Janik asked about average salary. Current average salary of a journeymen is \$60.61 per hour. \$40.82 is on the check, the rest is towards benefits. This is a fulltime job, and right now the hours are ranging about 60 hours a week. Students receive tablets and books. One sheet metal worker can have a career path for 18-20 different jobs. These programs are college accredited and the organization is accredited by the International Training Institute.**

**Mr. Blanco stated there are options to further your career beyond journeymen status. The union also does journeymen upgrade training.**

**Mr. Montroy stated that they are the only trade that does everything by hand. Everything is designed and built by hand. Dysert School District observed Mr. Blanco instruct classes on calculus and trigonometry because students are learning trigonometry in two years and the district was interested in adapting its teaching methods.**

**Mr. Blanco stated that the organization is big on peer-to-peer instruction and uses vendors to validate what they do.**

**The union does fire inspection training for municipalities and this is available free of charge and will teach fire life safety at the Glendale fire academy. Mr. Blanco sits on the City of Phoenix Fire Safety Council.**

**Job opportunities include fabrication, installation, architectural sheet metal, kitchen installation, HVAC fabrication and installation. Students receive college accredited training and the program is VA approved. Costs are \$300 a semester, with the first semester free and with the GPA policy if you receive an A each semester you go for free. Students graduate without college debt.**

**Equal pay for equal work. Male and female accepted.**

**Councilwoman Whitehead asked if there was something Scottsdale could do to help further this program. Mr. Blanco stated that right now the organization uses the Maricopa County Workforce Development program.**

**Councilwoman Whitehead stated that apprenticeships are the path for many students for the future. Mr. Blanco commented that not all high school students want to or can afford to go to college, even though they may have the intelligence to do so. The organization is looking for those types of students who can become project managers and business owners.**

### **3. Maricopa Association of Governments Economic Trends**

Anubhav Bagley, Regional Analytics Director with the Maricopa Association of Governments (MAG) and potentially other MAG staff will present a report on an analysis of current trends in the economy, real estate transactions and housing affordability across the MAG region.

Presenter: Anubhav Bagley, Regional Analytics Director – Maricopa Association of Governments

Staff Contact: Rob Millar, Economic Development Director – 480-312-2533

**Action: Presentation and Discussion**

**Mr. Bagley presented an overview of the regional trends, housing trends, labor force and economic trends. The region's unemployment rate is currently higher than the national average. MAG has been tracking how and what kind of businesses are coming into the region. This does not include the second phase of the newly announced TSMC plant.**

**The regional economy has changed since 2000. Jobs in finance and insurance are increasing, retail and wholesale trade is declining. In Maricopa County, the number of births per year is declining and deaths have gone up. The region thrives on population growth and that is due to net migration. The Phoenix Metro area has been able to attract individuals from outside of the state and that will keep the economy vibrant. MAG collects data on who is coming in and who is moving out. The Phoenix Metro area is attracting a lot of this net migration from California, Illinois and Washington.**

**The quality of life and cost of living is a big reason people are moving here. The medium sales price for a house in the Phoenix Metro area was at \$475,000 a few months ago. Now this is at about \$420,000 and this has wiped out the gains from earlier this year. Councilwoman Milhaven stated this is not a loss, but this is a market correction. However, Scottsdale is still in the sellers' market due to the attractiveness of community. Housing inventory of active sales is currently around 22,000. In 2011 the Phoenix region homes under \$300,000 accounted for 88% of sales, now this is less than 13%. In Scottsdale, homes for sale under \$400,000 has decreased by 52% since 2011. Housing price per square foot in Scottsdale is currently 47% higher than the rest of Maricopa County.**

**New construction in Scottsdale is priced higher than existing homes for sale. However, many new homes being constructed are on the fringes of Phoenix Metro and not within the metro area.**

**Apartments are being built more than single family homes. However, for newly built apartments, rents are 25% higher than older apartments. There has been an overall increase of 71% in rent since 2017. Phoenix Metro availability units with rent under \$1000 has decreased by more than 86% since 2010. In Scottsdale, availability of units under \$1,500 has decreased by 88% since 2010.**

**In 2005 Maricopa County built about 40,000 housing units. In 2011 units being built dropped to about 6,000 units. Now home units being built are down by about 40% less than the past decade. Millennials are not buying homes after seeing their parents go through issues during the downturn.**

**Councilwoman Milhaven commented that in Scottsdale apartments are a smaller percent of total housing units compared to the region and the country.**

**Population is increasing in Maricopa County, but housing completion is slowly catching up. Across the country, housing completion is about 37% lower than in the past.**

**The number of homes that are vacant has changed. In 2010, there was a 16% vacancy rate. There were two components, 11% completely vacant (60,000 – 70,000 in foreclosure) and 5% were winter/seasonal visitors. Scottsdale was not hit as bad as the rest of the Phoenix area in 2010. However, now Scottsdale is at 14% vacancy rate because 10% of homes are held for seasonal use. Seasonal and investor properties in the entire region – of 1.4 million homes, 364,000 homes are in some form of seasonal or investor owned. This has contributed to housing price increases and shortages.**

**15% of sales are out of state buyers who are paying about 14% higher than the market. Some markets such as Dallas, has a lot of large investor activity going on behind the scenes. When you have large companies move into a community, investors buy houses for rental property. In Scottsdale, there are about 6,000 full rental units, 4.3% of housing stock. In comparison, the town of Sedona, 27% of housing stock is in rental. All of this is causing a crunch for the labor force.**

**It is difficult to find out what Open Door, We Buy Ugly Houses, etc. are doing in the housing market.**

**24% of home sales are cash. Some could be hard money loans but there is no way of knowing.**

**In the metro area, at least 100,000 housing units are sitting in the pipeline waiting to be built. Most are in the suburbs, not in the central corridor and not next to jobs.**

**Councilwoman Janik asked if there are any trends in single family rental. Mr. Bagley responded that it is still too new and there are no regulations in place.**

**Mr. Bagley stated that Scottsdale and Tempe are net importers of workforce. In the Phoenix area, home sales prices increased by 100% in some neighborhoods over the last 5 years. High poverty areas went up by 125%. Housing cost burden (more than 30% of income) are more than 45% of households or 1/2 million households. Those paying 50% of their income on house is at 230,053. In**

**Scottsdale, 33,500 are spending more than 30% of their income on housing. Renters are the most impacted. Multi-family renter households have severe housing cost-burden.**

**Service sector workers live across the region, but not in Scottsdale because they can't afford it. The household anchor for these service industry jobs makes around \$39,000 per year.**

**There is currently a statewide housing shortage of 270,000 units. Maricopa County has a housing affordability shortage of 11,580 to 104,139 units. There is a shortage of a certain product at a certain price point.**

**Councilwoman Whitehead stated that it is more than salary but also the debt. Mr. Bagley stated he can get data on salary ranges in Scottsdale.**

#### **4. Economic Development Update**

Economic Development Director, Rob Millar and potentially other city staff will provide an update on economic development trends, events and projects.

Presenter: Rob Millar, Economic Development Director – 480-312-2533

Staff Contact: Rob Millar, Economic Development Director – 480-312-2533

#### **Action: Presentation and Discussion**

**Mr. Millar presented an update on vacancy rates, new business licenses and performance metrics.**

**Mr. Millar reviewed the department highlights including the HUUB program, publication of an economy report, partnership with the Scottsdale Area Chamber of Commerce on a bus tour of Scottsdale, and the department's support for the United Business Diversity Summit.**

**HonorHealth was the winner of the 48 acres of State Land on the 101 Freeway. Councilwoman Janik asked about the property at Pima and Bell Rd. and what the Mack Group was planning. Mr. Millar stated that they are not looking to rezone and that they are interested in industrial.**

**Councilwoman Whitehead asked what is going on with the Ilume Building. Mr. Millar stated that owners still want this to be a bio life science building and are working with the department on promoting the building.**

**Mr. Millar provided an overview of the upcoming department events including activities involving the Super Bowl and spring training. Mr. Millar reviewed the council-approved Super Bowl program which includes \$250,000 for economic development related activities.**

**The department has been working with Experience Scottsdale since February on this Super Bowl program. This includes purchasing a Waste Management suite at the Phoenix Open, creation of a video, hotel accommodations, ground transportation, attendance of the Super Bowl game, etc. for corporate site selectors. The department identified and invited the top site selectors for this promotion. The city received 14 tickets from the Super Bowl Host Committee to the game, 12 tickets are for the city's guests (6 site selectors, each with 1 guest) and 2 tickets for hosts. Those hosts will be from GPEC's appointed members, Todd LaPorte, CEO of HonorHealth and John Graham of Sun Belt Holdings.**

**The invited site selectors will be in Scottsdale for five days. They will be meeting with existing Scottsdale companies and learning about Scottsdale.**

**The department is also working with Fervor Creative on messaging for the marketing campaign. This messaging will also be used after the campaign. 280 ads will appear at the Waste Management Phoenix Open. Scottsdale Airport is where many of the corporate executives land while attending the golf tournament and/or the Super Bowl. The department is placing signage at Scottsdale Airport in and around the east and west side of the airport with messaging that directs them to the economic development website.**

**As this is the last Council Subcommittee on Economic Development meeting for Councilwoman Milhaven, Mr. Millar presented Councilwoman Milhaven with a decorative framed map of Scottsdale.**

**5. Open Call to the Public (A.R.S. §38-431.02)**

Citizens may address the members of the Council Subcommittee on Economic Development during Public Comment. This "Public Comment" time is reserved for written citizen comments submitted electronically regarding non-agendized items. However, Arizona State law prohibits the Subcommittee on Economic Development from discussing or taking action on an item that is not on the agenda.

**6. Future Agenda Items**

**None**

**7. Adjournment**

**5:46 p.m.**



Persons with a disability may request a reasonable accommodation by contacting [name of designated contact person] at [telephone number and TDD telephone number (if any)]. Requests should be made 24 hours in advance, or as early as possible, to allow time to arrange the accommodation. For TTY users, the Arizona Relay Service (1-800-367-8939) may contact [name of designated contact person] at [telephone number].