NEW ISSUE — BOOK-ENTRY-ONLY

RATINGS: S&P: AAA
Moody's: Aa2
Fitch: AA+

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 29, 2022

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax and (ii) interest on the Bonds is not included in the taxable income of individuals or corporations for Arizona income tax purposes so long as that interest is excluded from gross income for federal income tax purposes. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

$142,275,000*
CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
Subordinated Excise Tax Revenue Bonds,
Series 2022

Dated: Date of Delivery **Due: July 1, as shown on inside front cover**

The Subordinated Excise Tax Revenue Bonds, Series 2022 (the *"Bonds"*) are being issued by the City of Phoenix Civic Improvement Corporation (the *"Corporation"*) only in fully registered form without coupons and, when issued, will be registered in the name of The Depository Trust Company (*"DTC"*) or its nominee and will be available to purchasers initially only through the book-entry-only system maintained by DTC. So long as the book-entry-only system is maintained, no physical delivery of the Bonds will be made to the ultimate purchasers thereof and all payments of principal of and premium, if any, and interest on the Bonds will be made to such purchasers through DTC. Payment of the principal of and premium, if any, and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, Phoenix, Arizona, as trustee (the *"Trustee",* also referred to herein as the *"Registrar"* and *"Paying Agent"*). The Bonds are being issued pursuant to a Subordinated Trust Indenture, dated as of August 1, 2022 (the *"Indenture"*), between the Corporation and the Trustee.

Interest on the Bonds is payable semiannually on January 1 and July 1 of each year, commencing January 1, 2023. The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS—Redemption Provisions" herein.

The principal of and premium, if any, and interest on the Bonds are payable solely from payments to be made by the City of Phoenix, Arizona (the *"City"*), to the Corporation pursuant to a Subordinated Loan Agreement, dated as of August 1, 2022 (the *"Loan Agreement"*), between the City and the Corporation. The obligations of the City to make payments under the Loan Agreement are absolute and unconditional but do not constitute a pledge of the full faith and credit or the ad valorem taxing power of the City. Except to the extent the City appropriates other lawfully available funds for such payments, the City's payments under the Loan Agreement are payable solely from Excise Taxes (as defined herein). The pledge of Excise Taxes to amounts due under the Loan Agreement and other Subordinated Junior Obligations (as defined herein) of the City are junior and subordinate to amounts due under other Senior Obligations and Junior Obligations (each as defined herein). See "SECURITY AND SOURCE OF PAYMENT" herein.

This cover page contains only a brief description of the Bonds and the security therefor and is designed for quick reference only. This cover page is not a summary of all material information with respect to the Bonds, and investors are advised to read the entire Official Statement in order to obtain information essential to making an informed investment decision.

The Bonds are offered when, as and if issued, and subject to the legal opinion of Squire Patton Boggs (US) LLP, Bond Counsel, as to validity and tax exemption. Certain legal matters will be passed upon for the Underwriters by Greenberg Traurig, LLP, Phoenix, Arizona, counsel to the Underwriters. It is expected that the Bonds will be available for delivery in book-entry-only form through the facilities of DTC on or about August , 2022.

J.P. Morgan

Wells Fargo Securities **FHN Financial Capital Markets**

Mischler Financial Group, Inc. **Estrada Hinojosa**

* Subject to change.

MATURITY SCHEDULE*

$142,275,000*
CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
Subordinated Excise Tax Revenue Bonds, Series 2022

Maturity July 1	Principal Amount	Interest Rate	Price or Yield
2025	$ 3,435,000	%	
2026	3,605,000		
2027	3,785,000		
2028	3,975,000		
2029	4,175,000		
2030	4,385,000		
2031	4,600,000		
2032	4,830,000		
2033	5,075,000		
2034	5,330,000		
2035	5,595,000		
2036	5,875,000		
2037	6,165,000		
2038	6,475,000		
2039	6,800,000		
2040	7,140,000		
2041	7,495,000		
2042	7,870,000		
2043	8,265,000		
2044	8,680,000		
2045	9,110,000		
2046	9,565,000		
2047	10,045,000		

$ % Term Bonds Due July 1, , Price %

* Subject to change.

CITY OF PHOENIX, ARIZONA
CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

Michael R. Davis
President and Director

Bruce Covill
Vice President and Director

James H. Lundy
Secretary-Treasurer and Director

Barbara Barone
Director

Rosellen Papp
Director

Marian Yim
Director

CITY OF PHOENIX, ARIZONA
MAYOR AND CITY COUNCIL

Kate Gallego, *Mayor*

Laura Pastor, *Vice Mayor*
District 4

Yassamin Ansari, *Member*
District 7

Sal DiCiccio, *Member*
District 6

Carlos Garcia, *Member*
District 8

Betty Guardado, *Member*
District 5

Ann O'Brien, *Member*
District 1

Debra Stark, *Member*
District 3

Jim Waring, *Member*
District 2

ADMINISTRATIVE OFFICIALS

Jeffrey J. Barton
City Manager

Lori Bays
Assistant City Manager

Cris Meyer
City Attorney

Kathleen Gitkin
Chief Financial Officer

Denise Archibald
City Clerk

SPECIAL SERVICES

SQUIRE PATTON BOGGS (US) LLP
Phoenix, Arizona
Bond Counsel

PUBLIC RESOURCES ADVISORY GROUP, INC.
New York, New York
Financial Advisor

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
Phoenix, Arizona
Trustee, Bond Registrar, Paying Agent

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the Corporation and the City identified on the cover page hereof. No dealer, salesman or other person has been authorized to give any information or make any representation with respect to the Bonds other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the Corporation, the City, the Financial Advisor or the Underwriters. This Official Statement shall not constitute an offer to sell or the solicitation of an offer to buy, and there shall be no sale of any of the Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Corporation or the City described herein since the date hereof. There is no obligation on the part of the Corporation or the City to provide any continuing secondary market disclosure other than as described herein under the heading "CONTINUING DISCLOSURE" and in "APPENDIX I — Form of Continuing Disclosure Undertaking".

Upon issuance, the Bonds will not be registered by the Corporation, the City or the Underwriters under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED THEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The City currently maintains an investor relations website. However, unless specifically incorporated by reference herein, the information presented on the website is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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OFFICIAL STATEMENT
Relating to

$142,275,000*
CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
Subordinated Excise Tax Revenue Bonds,
Series 2022

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices attached hereto, is to set forth certain information concerning the Corporation, the City and the captioned Bonds. The offering of the Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. Accordingly, prospective purchasers of the Bonds should read this entire Official Statement before making an investment decision.

All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The Corporation and the City warrant that this Official Statement contains no untrue statements of a material fact and does not omit any material fact necessary to make such statements, in light of the circumstances under which this Official Statement is made, not misleading. The presentation of financial and other information, including tables of receipts from taxes and other sources, is intended to show recent historical information and, except as expressly stated otherwise, is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

References to provisions of Arizona law, whether codified in the Arizona Revised Statutes (A.R.S.) or uncodified, or to the Arizona Constitution, are references to current provisions. Those provisions may be amended, repealed, or supplemented.

For a summary of certain provisions of the Indenture and the Loan Agreement (each as defined below) and for the definition of certain capitalized terms used in this Official Statement, see “APPENDIX G — Summary of Certain Provisions of the Indenture and the Loan Agreement.”

THE BONDS

Authorization and Purpose

The Subordinated Excise Tax Revenue Bonds, Series 2022 (the *“Bonds”*) are being issued by the City of Phoenix Civic Improvement Corporation (the *“Corporation”*) pursuant to the terms of a Subordinated Trust Indenture, dated as of August 1, 2022 (the *“Indenture”*), between the Corporation and U.S. Bank Trust Company, National Association, as trustee (together with any successor, referred to herein as the *“Trustee”,* the *“Registrar”,* and the *“Paying Agent”* as applicable).

The Bonds are being issued for the purpose of funding or reimbursing the city for the costs of certain projects, property and equipment and for acquiring, constructing, equipping and improving real and personal property for the City.

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* Subject to change.

General Description

The Bonds will be issued as fully registered bonds, without coupons, in book-entry-only form and will be registered to Cede & Co. as described below under "Book-Entry-Only System". AS LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF THE DEPOSITORY TRUST COMPANY (*"DTC"*), REFERENCES HEREIN TO THE OWNERS OF THE BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS. PRINCIPAL, PREMIUM, IF ANY, AND INTEREST PAYMENTS ON THE BONDS ARE TO BE MADE TO DTC AND ALL SUCH PAYMENTS WILL BE VALID AND EFFECTIVE TO SATISFY FULLY AND TO DISCHARGE THE OBLIGATIONS OF THE CORPORATION AND THE CITY WITH RESPECT TO, AND TO THE EXTENT OF, THE AMOUNTS SO PAID.

The Bonds will be dated the date of initial delivery thereof, will bear interest payable semiannually on January 1 and July 1 of each year (each an *"Interest Payment Date"*), commencing January 1, 2023. The Bonds will bear interest at the rates and will mature on the dates and in the amounts set forth on the inside front cover of this Official Statement. The Bonds may be issued in fully registered form in the denomination of $5,000 each or any whole multiple thereof (but no Bond may represent installments of principal maturing on more than one date).

Subject to the provisions contained under the heading "Book-Entry-Only System" below, principal of and premium, if any, will be payable upon presentation and surrender of such Bond at the designated corporate trust office of the Trustee. Interest on each Bond will be paid on each Interest Payment Date by check or draft of said Trustee, mailed to the person shown on the bond register of the Corporation maintained by the Trustee as being the registered owner of such Bond (the *"Owner"*) as of the 15th day of the month immediately preceding such Interest Payment Date (the *"Regular Record Date"*) at the address appearing on said bond register or at such other address as is furnished to the Trustee in writing by such Owner before the 15th day of the month prior to such Interest Payment Date.

The Indenture also provides that, with the approval of the Corporation, the Trustee may enter into an agreement with any Owner of $1,000,000 or more in aggregate principal amount of Bonds providing for making all payments to that Owner of principal of and interest and any premium on that Bond or any part thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner other than as described above, without presentation or surrender of the Bond, upon any conditions which shall be satisfactory to the Trustee and the Corporation; provided that without a special agreement or consent of the Corporation, payment of interest on the Bonds may be made by wire transfer to any Owner of $1,000,000 aggregate principal of Bonds upon two day prior written notice to the Trustee specifying a wire transfer address of a bank or trust company in the United States.

If the Corporation fails to pay the interest due on any Interest Payment Date, that interest shall cease to be payable to the person who was the Owner as of the Regular Record Date. When monies become available for payment of the interest, the Trustee will establish a special record date (the *"Special Record Date"*) preceding payment which Special Record Date will be not more than 15 nor fewer than 10 days prior to the date of the proposed payment and the interest will be payable to the persons who are Owners on the Special Record Date. The Trustee will mail notice of the proposed payment and of the Special Record Date to each Owner.

Book-Entry-Only System

The following information about the book-entry-only system applicable to the Bonds has been supplied by DTC. None of the Corporation, the City, the Trustee, the Underwriters or the Financial Advisor makes any representations, warranties or guarantees with respect to its accuracy or completeness.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial

Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (*"Direct Participants"*) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (*"DTCC"*). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"* and together with Direct Participants, *"Participants"*). DTC has rating from S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the securities on DTC's records. The ownership interest of each actual purchaser of each Bond (*"Beneficial Owner"*) is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Corporation, or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Corporation may decide to discontinue the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE SOLE REGISTERED OWNER, THE CORPORATION AND THE TRUSTEE WILL TREAT CEDE & CO. AS THE ONLY OWNER OF THE BONDS FOR ALL PURPOSES UNDER THE INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE CORPORATION AND THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER SUCH INDENTURE. THE CORPORATION AND THE TRUSTEE HAVE NO RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (B) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER WITH RESPECT TO THE PRINCIPAL OF AND INTEREST ON THE BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (D) THE SELECTION BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; (E) CONSENTS OR OTHER ACTION TAKEN BY DTC OR CEDE & CO., AS REGISTERED OWNER OR (F) ANY OTHER MATTER.

Redemption Provisions*

Optional Redemption. Bonds maturing on or prior to July 1, 20   are not subject to optional redemption prior to maturity. Bonds maturing on and after July 1, 20   are subject to redemption at the option of the Corporation, as directed by the City, on July 1, 20   and thereafter, in whole or in part at any time, in increments of $5,000, in any order of maturity within a series of Bonds, as directed by the City, and by lot within a maturity, by payment of a redemption price equal to the principal amount of each Bond called for redemption plus accrued interest to the date fixed for redemption, but without premium.

* Subject to change.

Mandatory Sinking Fund Redemption. Bonds maturing on July 1, 20 (the "*Term Bonds*") are subject to mandatory redemption and will be redeemed on July 1 of the respective years set forth below (the *"Sinking Fund Retirement Dates"*) and in the amounts set forth below (the *"Sinking Fund Requirements"*), by payment of a redemption price equal to the principal amount of such Term Bonds called for redemption plus the interest accrued to the date fixed for redemption, but without premium, as follows:

Term Bond Maturing July 1,

Sinking Fund Retirement Date	**Sinking Fund Requirement**
*	$

* Maturity

At the option of the Corporation, as directed by the City, whenever Term Bonds are purchased, redeemed (other than pursuant to the foregoing scheduled Sinking Fund Requirement) or delivered by the City or the Corporation to the Paying Agent for cancellation, the principal amount of such Term Bonds so retired will satisfy and be credited against the Sinking Fund Requirement (and the corresponding redemption requirements) relating to such Term Bonds in such manner as the City determines; provided, however, that following such reduction each Sinking Fund Requirement is an integral multiple of $5,000. Upon such direction, the City shall furnish the Paying Agent a certificate setting forth the extent of the credit to be applied with respect to the then current Sinking Fund Requirement on or before the 45th day preceding the applicable mandatory Sinking Fund Retirement Date. If the certificate is not timely furnished, the Sinking Fund Requirement (and the corresponding redemption requirement) will not be reduced.

Notice of Redemption. When redemption is authorized or required, the Trustee will give the Owners of the Bonds to be redeemed (initially, only DTC) notice of the redemption of the Bonds. Such notice will specify (a) by letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed; (b) the redemption price to be paid; (c) the date fixed for redemption; and (d) the place or places where the amounts due upon redemption are payable. Subject to the provisions above under "Book-Entry-Only System", any redemption of Bonds in part will be from such maturities as directed by the City and by lot within a maturity in any manner the Paying Agent deems fair.

Notice of such redemption will be given by mailing a copy of the redemption notice not more than 60 days nor less than 30 days prior to such redemption date, to the Owner of each Bond subject to redemption in whole or in part at the Owner's address shown on the Register on the 15th day preceding that mailing. Neither failure to receive any such notice nor any defect therein will affect the sufficiency of the proceedings for the redemption of the Bonds with respect to which there is no such defect. Notwithstanding the foregoing, no notice of redemption shall be sent unless (a) the Trustee has on deposit sufficient funds to effect such redemption or (b) the redemption notice states that redemption is contingent upon receipt of such funds prior to the redemption date.

Notice having been given in the manner provided above, the Bonds or portions thereof called for redemption will become due and payable on the redemption date and if an amount of money sufficient to redeem all the Bonds and portions thereof called for redemption is held by the Trustee or any paying agent on the redemption date, then the Bonds or portions thereof to be redeemed will not be considered outstanding under the Indenture and will cease to bear interest from and after such redemption date.

Sources and Applications of Funds

The proceeds of the Bonds will be applied substantially as follows:

Sources:	
Par Amount of the Bonds	$
Original Issue Premium (Discount)	
Total	$
Applications:	
Costs of Projects	$
Cost of Issuance	
Underwriters' Discount	
Total	$

PLAN OF FINANCE

The proceeds of the Bonds remaining after deduction of allocable issuance costs, together with other available monies, will be used to fund, or to reimburse the City for, the costs of certain projects, property, and equipment and for acquiring, constructing, equipping and improving real and personal property for the City, as described in the Loan Agreement (collectively, the *"Projects"*). The City may substitute alternative equipment or real property in accordance with the provisions set forth in the Loan Agreement.

SECURITY AND SOURCE OF PAYMENT

General

The Bonds are special revenue obligations of the Corporation. The Bonds are payable as to both principal and interest solely from payments required under a Subordinated Loan Agreement, dated as of August 1, 2022 (the *"Loan Agreement"*), between the City and the Corporation. Payments under the Loan Agreement with respect to the Bonds are to be paid by the City to the Trustee for the account of the Corporation. Under the terms of the Loan Agreement, the City is required to make semiannual payments (*"Loan Payments"*) which will be sufficient to pay the principal of, premium, if any, and interest on the Bonds. See "APPENDIX G — Summary of Certain Provisions of the Indenture and the Loan Agreement".

The City pledges for these Loan Payments all excise, transaction, privilege, business and franchise taxes, state-shared sales and income taxes, and receipts from licenses and permits, which the City presently or in the future imposes or receives from other entities and which are not earmarked by the contributor for a contrary or inconsistent purpose (all such taxes and receipts are herein referred to as *"Excise Taxes"*).

The pledge of Excise Taxes to pay Loan Payments due under the Loan Agreement will be subordinate and junior to the first priority pledge of the Excise Taxes to payment of the Senior Obligations described below under "Senior Obligations" hereafter issued or incurred by the City on a parity therewith (collectively, *"Senior Obligations"*) and to the second priority pledge of the Excise Taxes to payment of any Junior Obligations described below under "Junior Obligations" hereafter issued or incurred by the City (collectively, *"Junior Obligations"*). See "Senior Obligations" and "Junior Obligations". The pledge of Excise Taxes to pay Loan Payments due under the Loan Agreement will be on a parity with the subordinated junior pledge of the Excise Taxes to payment of the outstanding Subordinated Junior Obligations described below under "Subordinated Junior Obligations" and obligations hereafter issued or incurred by the City on a parity therewith (collectively, *"Subordinated Junior Obligations"*). See "Subordinated Junior Obligations".

The obligations of the City to make payments under the Loan Agreement are absolute and unconditional but do not constitute a pledge of the full faith and credit of the City and do not constitute an indebtedness of the City, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction, nor shall the City be liable for such payments from ad valorem taxes. The Corporation has no taxing power.

Senior Obligations

As of July 1, 2022, the $350,000 of Senior Obligations outstanding will fully mature, but the senior lien priority remains available for future use. Future Senior Obligations may be issued under the documents securing the Senior Obligations. As long as any of the Bonds remain outstanding and the principal and interest thereon shall be unpaid or unprovided for, the City has agreed not to issue additional Senior Obligations unless the Excise Taxes collected by the City during the preceding fiscal year (the *"Prior Excise Taxes"*) are at least two times the highest combined interest and principal requirements for any succeeding fiscal year for all outstanding Senior Obligations, Junior Obligations and Subordinated Junior Obligations, including the Bonds, and any obligations on a parity therewith.

Junior Obligations

There are presently no Junior Obligations outstanding, but the junior lien priority remains available for future use. Future Junior Obligations may be issued under the documents securing the Junior Obligations. As long as any Bonds remain outstanding and the principal and interest thereon shall be unpaid and unprovided for, the City has agreed not to issue or incur Junior Obligations unless the Prior Excise Taxes are at least two times the highest combined interest and principal requirements for any succeeding fiscal year for all outstanding Senior Obligations, Junior Obligations, and Subordinated Junior Obligations, including the Bonds, and any obligations on a parity therewith.

Subordinated Junior Obligations

Obligations of the City. On October 1, 2021, the City executed and delivered $60 million in Subordinated Junior Obligations. The City intends to redeem those obligations on July 1, 2022 and conditional call notices have been issued to that effect.

Bonds of the Corporation. As of July 1, 2022, there are presently outstanding $819,430,000 principal amount of Subordinated Junior Obligations. The debt service requirements on $58,165,000 of the Subordinated Junior Obligations are supported by solid waste revenues.

The following issues of Subordinated Junior Obligations issued by the Corporation are outstanding:

Issue Date	Original Issuance	Purpose	Obligations Outstanding as of 7-1-22
06-21-12	$ 17,510,000	Municipal Facilities Refunding	$ 220,000
05-12-15	319,305,000	Municipal Facilities Refunding(1)	275,365,000
05-12-15	60,895,000	Municipal Facilities Refunding (Taxable)	36,925,000
06-01-17	116,835,000	Municipal Facilities	66,865,000
06-01-17	101,895,000	Municipal Facilities Refunding(2)	53,670,000
08-25-20	131,595,000	Municipal Facilities(3)	129,025,000
08-25-20	150,000,000	Municipal Facilities (Taxable)	140,675,000
08-25-20	116,685,000	Municipal Facilities Refunding (Taxable)	116,685,000
	$1,014,720,000		$819,430,000

(1) Debt service requirements on $22,825,000 of these obligations are supported by solid waste revenues.
(2) Debt service requirements on $5,340,000 of these obligations are supported by solid waste revenues.
(3) Debt service requirements on $30,000,000 of these obligations are supported by solid waste revenues.

As long as any of the Bonds remain outstanding and the principal and interest thereon shall be unpaid or unprovided for, the City has agreed not to further encumber the Excise Taxes on a parity with the outstanding Subordinated Junior Obligations unless the Prior Excise Taxes are at least equal to the highest combined total of the following for any succeeding 12 months: (i) principal and interest requirements on the Senior Obligations and the Junior Obligations during such period, plus (ii) two times the principal and interest requirements for all Subordinated Junior Obligations including the Bonds and parity obligations then outstanding and proposed to be issued during such period. In computing the interest requirements on obligations which bear or are to bear interest at a variable interest rate, such interest shall be assumed to be a fixed interest rate equal to the greater of: (1) 9.2% or (2) (a) if any variable rate obligations requirements secured by a pledge of Excise Taxes are outstanding, the highest variable rate actually borne by such obligations over the previous 24 months, or (b) if no such variable rate obligations are outstanding, then the highest rate borne by variable rate obligations over the previous 24 months for which the interest rate is computed by reference to an index, or based on factors, comparable to that to be utilized for the proposed obligations.

Future Borrowings

The City does not currently anticipate any additional borrowings secured by Excise Taxes, other than potential refundings for savings, before fiscal year 2024. However, the City may issue transit bonds on a transit specific excise tax lien.

Schedule of Estimated Annual Payments Under The Loan Agreement With Respect To The Bonds*

The Loan Agreement requires semiannual payments by the City to the Corporation, and the Loan Payments have been assigned to the Trustee. The Loan Payments are due in immediately available funds on December 31 and June 30, commencing December 31, 2022 and ending June 30, 2047.* The Indenture requires that the Trustee deposit the Loan Payments with respect to the Bonds in the Revenue Fund established in the Indenture and use such amounts to pay interest on and principal of the Bonds due on the following day. The annual Loan Payments required under the Loan Agreement with respect to the Bonds are as shown below:

	2022 Bonds		
Fiscal Year	Principal	Interest	Total
2022-23	$ —	$ 6,481,417	$ 6,481,417
2023-24	—	7,113,750	7,113,750
2024-25	3,435,000	7,113,750	10,548,750
2025-26	3,605,000	6,942,000	10,547,000
2026-27	3,785,000	6,761,750	10,546,750
2027-28	3,975,000	6,572,500	10,547,500
2028-29	4,175,000	6,373,750	10,548,750
2029-30	4,385,000	6,165,000	10,550,000
2030-31	4,600,000	5,945,750	10,545,750
2031-32	4,830,000	5,715,750	10,545,750
2032-33	5,075,000	5,474,250	10,549,250
2033-34	5,330,000	5,220,500	10,550,500
2034-35	5,595,000	4,954,000	10,549,000
2035-36	5,875,000	4,674,250	10,549,250
2036-37	6,165,000	4,380,500	10,545,500
2037-38	6,475,000	4,072,250	10,547,250
2038-39	6,800,000	3,748,500	10,548,500
2039-40	7,140,000	3,408,500	10,548,500
2040-41	7,495,000	3,051,500	10,546,500
2041-42	7,870,000	2,676,750	10,546,750
2042-43	8,265,000	2,283,250	10,548,250
2043-44	8,680,000	1,870,000	10,550,000
2044-45	9,110,000	1,436,000	10,546,000
2045-46	9,565,000	980,500	10,545,500
2046-47	10,045,000	502,250	10,547,250
	$142,275,000	$113,918,417	$256,193,417

* Subject to change.

EXCISE TAXES AND COVERAGE

Excise Taxes in General

The Excise Taxes pledged to the payment of Loan Payments include the City's unrestricted revenues from transaction privilege (sales) taxes, use taxes, State-Shared Sales Taxes (as defined herein), State-Shared Income Taxes (as defined herein), franchise taxes, permits and fees and fines and forfeitures. The major categories of such revenues are discussed more fully below. State-Shared Sales Taxes and State-Shared Income Taxes are collectively referred to herein as *"State-Shared Revenues"*.

Potential for Reduction in State-Shared Revenues

As shown in the tables under the caption "Excise Taxes and Coverage", State-Shared Income Taxes and State-Shared Sales Taxes constitute large components of Excise Taxes. The State could reduce or alter the existing formulas for determining State-Shared Revenues in connection with balancing the current years or future State budgets.

In 2016, the State Legislature passed Senate Bill 1487 (*"SB 1487"*). Under SB 1487, at the request of one or more members of the State Legislature, the State Attorney General must investigate any ordinance, regulation, order or other official action (*"Local Action"*) adopted or taken by the governing body of a county, city or town (a *"Local Jurisdiction"*) that the legislator alleges violates State law or the State Constitution. The Attorney General must make a written report within 30 days after receipt of the request. The Local Jurisdiction then has 30 days to resolve the violation. If the Attorney General determines that the violation has not been resolved within 30 days, the Attorney General must notify the State Treasurer and the State Treasurer must withhold payment to the Local Jurisdiction of State-Shared Revenues otherwise due to the Local Jurisdiction pursuant to § 42-5029(L), Arizona Revised Statutes, until such time as the Attorney General determines that the violation has been resolved. **However, the State Treasurer may not withhold any amount that the Local Jurisdiction certifies to the Attorney General and the State Treasurer as being necessary to make deposits or payments for debt service on bonds or other long-term obligations that were issued or incurred before the Local Action occurred. The City is not aware of any Local Action taken or currently under consideration that does or if taken would violate State law of the State Constitution.**

City Transaction Privilege (Sales) Taxes

The City's transaction privilege (sales) tax (*"TPT"*) is levied by the City upon persons on account of their business activities within the City. The amount of taxes due is calculated by applying the tax rate against the gross proceeds of sales or gross income derived from the business activities. The State Legislature passed House Bill 2111 (*"HB 2111"*) in June 2013, which went into effect on January 1, 2017. Rather than filing separately to multiple jurisdictions, HB 2111 provides for a single point of collection for taxpayers to remit state, county and municipal TPT and affiliated excise taxes online. HB 2111 also centralizes audit functions with the Arizona Department of Revenue (*"ADOR"*), but allows cities and towns to retain audit resources. Multi-jurisdictional audits will be the responsibility of ADOR, while businesses located solely within one jurisdiction can be audited by the local city or town.

HB 2111 also amends certain provisions relating to the taxation of the "prime contracting" (construction) category. HB 2111 maintains the current construction tax paid by prime contractors based on the location of the new construction, but creates a new exemption for contractors who work directly for a property owner where their work is limited to the maintenance, repair or replacement of existing property (e.g., HVAC, plumbing and flooring). Instead of paying the construction tax, they will pay retail TPT on materials purchased as part of the service where those items are purchased.

On September 30, 2021, Arizona State Legislature established the Municipal Firefighters Cancer Reimbursement Fund ("*MFCR*") under the new statutes in Title 23, Chapter 11. The MFCR assessment is billed by the Industrial Commission of Arizona ("*ICA*"). Local governments can pay these obligations to ICA from any revenues source and these fees are not expected to reduce the City's State-Shared Revenues. State-statutes set the maximum total amount that can be collected from all jurisdictions at $15 million in any fiscal year. For fiscal year 2021-22, the City of Phoenix was assessed a fee of $4.4 million.

State-Shared Sales Taxes

Pursuant to statutory formula, cities and towns in Arizona receive a portion of the State-levied transaction privilege (sales) tax. The State transaction privilege (sales) tax is levied against most of the categories of business activity as the City's transaction privilege (sales) tax. The rate of taxation varies among the different types of business activities taxed, with the most common rate being 5.6% of the amount or volume of business transacted.

Under current State law, the aggregate amount distributed to all Arizona cities and towns is equal to 25% of the "distribution share" of revenues attributable to each category of taxable activity. The allocation to each city and town of the revenues available to all cities and towns is based on their population relative to the aggregate population of all cities and towns as shown by the latest census. State-levied transaction privilege (sales) taxes are collected by the State and are distributed monthly to cities and towns (*"State-Shared Sales Taxes"*).

State-Shared Income Taxes

Under current State law, Arizona cities and towns are preempted by the State from imposing a local income tax. Cities and towns are, however, entitled by statutory formula to currently receive 15% of State personal and corporate income tax collections (*"State-Shared Income Taxes"*) collected by the State two years earlier. Distribution of such funds is made monthly based on the proportion of each city's and town's population to the total population of all incorporated cities and towns in the State as determined by the latest census.

Enactment of SB1828. As part of the State's fiscal year 2021-22 budget, on June 30, 2021, the Governor signed Senate Bill 1828 (*"SB1828"*), which consolidated the State's current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports indicate that such a rate consolidation is estimated to reduce income tax receipts by approximately $1.9 billion, with a possible concurrent reduction in State-Shared income taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State-Shared income taxes, SB1828 will increase beginning in fiscal year 2023-24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%. On September 28, 2021, a referendum petition was filed with the Secretary of State to refer SB1828 to the State's electors at the November 2022 general election. However, on April 21, 2022, the Arizona Supreme Court issued a minute entry order holding that SB1828 could not be referred to the electors, at which point it became effective. Based on the most recent Joint Legislative Budget Committee forecast available in April 2022, the impact from SB1828 could result in an increase in State-Shared revenues of approximately $16 million in fiscal year 2023-24. However, the City cannot predict what effects the enactment of SB1828 will have on its revenues from the State- Shared Income Taxes in future years.

For additional information about City Transaction Privilege (Sales) Taxes, State-Shared Sales Taxes and State-Shared Income Taxes, see "APPENDIX C — City Sales and State-Shared Revenues".

Other Excise Tax Revenues

Cities and towns in the State have exclusive control over public rights-of-way dedicated to the municipality and may grant franchise agreements to and impose franchise taxes on utilities using those rights-of-way. A franchise may be granted only with voter approval and the term of franchises is limited to 25 years. The City has granted franchises to and imposed franchise taxes on utility and cable television providers.

The City also imposes and collects fees for licenses and permits to engage in certain activities within the City and for the right to utilize certain City property.

Excise Tax Collections and Coverage

The City has provided actual Excise Tax receipts for fiscal years 2018 through 2021 and preliminary Excise Tax receipts for fiscal year 2021-22, and has provided a forecast of revenue to be generated over the next five fiscal years from the Excise Taxes. These figures are reflected on the following schedules. The schedule on page 14 shows the calculations of the estimated available coverage against the annual debt service requirements for all Subordinated Junior Obligations, including the Bonds, all of which are secured by the pledge of Excise Tax receipts. For information and data related to COVID-19, see "APPENDIX J — COVID-19".

Actual Excise Tax Receipts
for the Fiscal Years Ended June 30

Revenue Source	2018	2019	2020	2021	2022(1)
Privilege License Tax & Fees (2)	$424,681,000	$471,512,000	$ 477,532,000	$ 527,524,000	$ 612,585,000
Utility & Franchise (3)	142,307,000	140,489,000	134,337,000	137,137,000	131,969,000
Licenses & Permits	2,872,000	2,969,000	2,812,000	2,694,000	2,847,000
State-Shared Sales Tax	155,998,000	165,066,000	171,927,000	201,292,000	223,359,000
State-Shared Income Tax	200,035,000	196,918,000	214,697,000	240,237,000	213,294,000
Recreational Marijuana Sales Tax	—	—	—	3,424,000	11,976,000
Total	$925,893,000	$976,954,000	$1,001,305,000	$1,112,308,000	$1,196,030,000

Projected Excise Tax Receipts
for the Fiscal Years Ended June 30

Revenue Source	2023	2024	2025	2026	2027
Privilege License Tax & Fees (2)	$ 633,381,000	$ 668,717,000	$ 704,948,000	$ 741,992,000	$ 782,096,000
Utility & Franchise (3)	135,416,000	137,275,000	139,568,000	141,780,000	144,015,000
Licenses & Permits	2,872,000	2,932,000	2,997,000	3,066,000	3,139,000
State-Shared Sales Tax	227,155,000	239,699,000	252,070,000	263,890,000	277,147,000
State-Shared Income Tax (4)	310,387,000	350,437,000	315,208,000	317,201,000	302,679,000
Recreational Marijuana Sales Tax	12,248,000	12,931,000	13,654,000	14,384,000	15,192,000
Total	$1,321,459,000	$1,411,991,000	$1,428,445,000	$1,482,313,000	$1,524,268,000

Notes:

(1) Preliminary and unaudited.

(2) Receipts do not include revenues from the 0.1% increase in the City's privilege license (sales) tax rate approved by City of Phoenix voters on October 5, 1993. The revenues produced by the increase must be used to add police officers and firefighters and to expand neighborhood programs designed to deter crime. The increase affects all privilege license tax categories except advertising, utilities, cable television, jet fuel, telecommunications and mining and became effective December 1, 1993. The revenues resulting from this increase totaled $31.6 million in 2017-18, $35.0 in 2018-19, $36.2 in 2019-20 and $40.9 in 2020-21. The estimate for 2021-22 is $46.4 million.

Receipts do not include revenues from the 0.1% increase in the City's privilege license (sales) tax rate approved by City of Phoenix voters on September 7, 1999 and to be levied for a 10-year period beginning November 1, 1999. The revenues produced by the increase will be used for the acquisition of desert preserve open space and the development and improvement of regional and neighborhood parks located within the City. On May 20, 2008, City of Phoenix voters approved a 30-year extension of this tax. This extension also increases the possible uses of these funds to include operational expenses such as salaries for park rangers and maintenance workers. Forty percent of the revenues produced by the extension will be used to acquire land for Phoenix's Sonoran Preserve. The remaining sixty percent will be used to finance improvements to parks throughout the City. The extension became effective July 1, 2008. The increase affects all privilege license tax categories except advertising, utilities, cable television, jet fuel, telecommunications, and mining. The revenues resulting from the increase totaled $31.6 million in 2017-18, $35.0 in 2018-19, $36.2 in 2019-20 and $40.9 in 2020-21. The estimate for 2021-22 is $46.4 million.

Receipts do not include revenues from the 0.4% increase in the City's privilege license (sales) tax rate approved by City of Phoenix voters on March 14, 2000 and to be levied for a 20-year period. The revenues produced by the increase will be used for expanded bus service, the construction of a light rail system and other transportation improvements. The increase affects all privilege license tax categories except advertising, utilities, cable television, jet fuel, telecommunications, and mining and became effective June 1, 2000. On August 25, 2015, voters approved a new comprehensive transportation plan and funding tax proposal that increased the existing tax rate to 0.7%, effective January 1, 2016, with a sunset date of December 31, 2050. The revenues resulting from the increase totaled $215.8 million in 2017-18, $239.2 in 2018-19, $247.6 in 2019-20 and $279.3 in 2020-21. The estimate for 2021-22 is $316.8 million.

Receipts do not include revenues from the 0.2% increase in the City's privilege license (sales) tax rate approved by City of Phoenix voters on September 11, 2007. Eighty percent of the revenues produced by the increase will be used by the Phoenix Police Department to recruit, hire, train and equip at least 500 police officers and police personnel; hire crime scene investigation ("*CSI*") forensic teams; and to make service calls more efficient. Twenty percent of the revenues produced by the increase will be used by the Phoenix Fire Department to recruit, hire, train and equip at least 100 firefighters and fire personnel to improve fire protection services. The increase affects all privilege license tax categories except advertising, utilities, cable television, jet fuel, telecommunications and mining and became effective December 1, 2007. The revenues resulting from this increase totaled $63.2 million in 2017-18, $70.0 in 2018-19, $72.5 in 2019-20, and $81.9 in 2020-21. The estimate for 2021-22 is $92.8 million.

(3) On March 8, 2005, Phoenix voters approved new franchise agreements between the City and certain utilities. Effective May 1, 2005, the 2.0% privilege (sales) tax credit offset from franchise fees paid to the City by persons engaged in or continuing in the business of producing, providing, or furnishing utility services was eliminated. The effect of the elimination of the tax credit was an increase in utility & franchise fee collections of $25.8 million in 2017-18, $26.0 in 2018-19, $24.0 in 2019-20, and $24.5 in 2020-21. The estimate for 2021-22 is $25.4 million.

(4) As part of the State's fiscal year 2021-22 budget, on June 30, 2021, the Governor signed Senate Bill 1828 (*"SB1828"*), which consolidated the State's current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports indicate that such a rate consolidation is estimated to reduce income tax receipts by approximately $1.9 billion, with a possible concurrent reduction in State-Shared income taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State-Shared income taxes, SB1828 will increase beginning in fiscal year 2023-24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%. On September 28, 2021, a referendum petition was filed with the Secretary of State to refer SB1828 to the State's electors at the November 2022 general election. However, on April 21, 2022, the Arizona Supreme Court issued a minute entry order holding that SB1828 could not be referred to the electors, at which point it became effective. Based on the most recent Joint Legislative Budget Committee forecast available in April 2022, the impact from SB1828 could result in an increase in State-Shared revenues of approximately $16 million in fiscal year 2023-24. However, the City cannot predict what effects the enactment of SB1828 will have on its revenues from the State-Shared Income Taxes in future years.

Schedule of Projected Excise Tax Revenues, Subordinated Junior Lien Debt Service Requirements and Estimated Subordinated Junior Lien Debt Service Coverage (1)*

Fiscal Year	Projected Excise Taxes Pledged	Total Outstanding Subordinated Junior Lien Debt Service Requirements (1)	Estimated Coverage of Subordinated Junior Lien Debt Service Requirements
2022-23	$1,321,459,000	$ 98,617,148	13.40
2023-24	1,411,991,000	97,945,669	14.42
2024-25	1,428,445,000	95,075,082	15.02
2025-26	1,482,313,000	94,815,192	15.63
2026-27	1,524,268,000	85,746,203	17.78
2027-28		80,620,794	
2028-29		75,242,934	
2029-30		64,256,974	
2030-31		64,255,775	
2031-32		63,630,115	
2032-33		59,268,943	
2033-34		56,660,997	
2034-35		56,656,873	
2035-36		53,593,550	
2036-37		43,029,783	
2037-38		43,031,176	
2038-39		43,027,738	
2039-40		43,031,469	
2040-41		43,023,841	
2041-42		21,792,156	
2042-43		21,793,432	
2043-44		21,795,286	
2044-45		21,796,383	
2045-46		10,545,500	
2046-47		10,547,250	
		$1,369,800,263	

(1) Schedule includes all outstanding debt service requirements and the Bonds offered herein. The schedule includes debt service on obligations supported by solid waste revenues. For more details on Excise Tax debt service requirements, see "APPENDIX B — City of Phoenix, Arizona — Financial Data" herein.

* Subject to change.

GENERAL FUND SUMMARY [1]

The table below presents the General Fund revenues by major source for fiscal year 2020-21. The General Fund revenues for fiscal year 2021-22 are based on seven months of actual data, with the balance of the year estimated. The General Fund pays for the general activities of the City that are not supported by enterprise funds or special revenue funds, which are restricted to statutory or voter approved uses.

GENERAL FUND REVENUES BY MAJOR SOURCE
(Budgetary Basis)
(in thousands)

Revenue Source	2020-21	Estimated 2021-22
Local Taxes Sales Tax:	$ 536,889	$ 589,217
Privilege License Fees	2,915	3,006
Other General Fund Excise Taxes	19,148	19,264
State-Shared Revenues Sales Tax:		
Sales Tax	201,292	223,359
State Income Tax	240,237	213,294
Vehicle License Tax	79,768	79,000
Primary Property Tax	182,043	191,294
User Fees/Other Revenues	116,694	131,514
Coronavirus Relief Fund	109,126	—
Total General Fund	$1,488,112	$1,449,948

The table below presents the General Fund balance for fiscal year 2020-21. The ending General Fund balance for fiscal year 2021-22 is based on seven months of actual data, with the balance of the year estimated.

GENERAL FUND BALANCE
(Budgetary Basis)
(in thousands)

Resources:	2020-21	Estimated 2021-22
Beginning Balance	$ 169,119	$ 283,000
Revenues	1,488,112	1,449,948
Recoveries	2,458	1,000
Transfers	(5,538)	(70,737)
Total Resources	$1,654,151	$1,663,211
Expenditures:		
Operating	$1,342,045	$1,452,435
Capital	29,106	26,978
Total Expenditures	$1,371,151	$1,479,413
Ending Fund Balance	$ 283,000	$ 183,798

(1) The ending General Fund balance for fiscal year 2021-22 is based on seven months of actual unaudited data, with the balance of the year estimated.

COMBINED FINANCIAL SCHEDULES

The schedules summarized on pages B-37 through B-48 present the revenues, expenditures and encumbrances, fund balances and transfers of all City operating funds on a non-GAAP budgetary basis. The schedules reflect actual results for fiscal years 2018-19, 2019-20 and 2020-21 and estimated amounts for fiscal year 2021-22. The schedules are presented on a budgetary basis to provide a meaningful comparison of actual results with the City's budget for all City operating funds.

CITY BUDGET INFORMATION

City Budget Process

The City's budget process and policies are governed by Arizona law and the City Charter and are consistent with generally accepted budgeting best practice standards. These laws and standards set budget calendar dates, provide for budget control, including a requirement for adoption of a balanced budget, describe ways to amend the budget after adoption, and identify appropriate methods for budgeting, accounting and reporting.

The City uses a zero-based budgeting approach to preparing its annual budget as well as its longstanding process of line-item technical budgetary reviews requiring City departments to justify all budgeted expenditures, not just changes in their budget from the previous fiscal year. Therefore, the base line is zero rather than last year's budget. This practice helps facilitate cost reductions. Additionally, under the zero-based budgeting approach, the City presents its entire citywide budget in budget decision packages, or in an inventory of over 400 distinct programs. This provides the City Council and the community with the ability to review the costs, staffing, performance measures, revenues and grants related to each program in the City. This provides additional transparency and outlines the City budget in a way that helps guide strategic decisions and allocation of resources. The City believes that utilizing zero-based budgeting results in a more efficient allocation of resources, helps the City identify cost effective ways for improving its operations, helps recognize opportunities for outsourcing and improving accessibility, understandability and transparency of the City budget for Phoenix residents and other end users.

In addition to adopting zero-based budgeting, the City has enhanced the budget process by allowing the City Council and City residents to review and provide input earlier in the budget process. Under the enhanced budget process, each February, staff presents, by program, preliminary estimates of the following fiscal year's expenditures needed to continue existing service levels. A balanced Trial Budget is presented to the City Council in late March, followed by community budget hearings in April, the City Manager's proposed budget and the City Council's budget decision in May, and legal budget adoption actions in June and July. This improvement means the City Council and community have the opportunity to review the expenditure estimates of existing programs for the next fiscal year more than a month prior to the presentation of the Trial Budget. The early review of cost estimates by program is a significant improvement and will help facilitate important discussions regarding the allocation of valuable City resources.

Current Budget Actions

In January 2022, the City began the budget preparation process for fiscal year 2022-23. The City Manager presented a balanced Trial Budget for fiscal year 2022-23 for City Council discussion in March 2022. In fiscal year 2022-23, there is a projected surplus of $76 million proposed to be used for City Council and community initiatives, as well as set-asides for future use. Virtual community budget hearings were held in May for citizens to provide comments on the 2022-23 City Manager's Trial Budget. Feedback received from residents was provided to the City Council regularly as staff progressed through the budget adoption process. The City Council adopted the Final Budget on June 15, 2022.

THE CITY

The City is a municipal corporation organized and existing under the laws of the State of Arizona. Pursuant to the Loan Agreement, the City will agree to make payments sufficient to pay amounts due on the Bonds. Detailed information on the City is set forth in Appendices A through F and Appendix J.

THE CORPORATION

The Corporation is a nonprofit corporation organized under the laws of the State of Arizona for the purpose of assisting the City in the acquisition and financing of municipal property and equipment.

The Corporation will enter into the Loan Agreement and the Indenture to facilitate the funding, or reimbursing the City for the costs of the Projects. The Corporation is not financially liable for the payment of principal of or premium, if any, or interest on the Bonds, and the Owners will have no right to look to the Corporation for payment of the Bonds except to the extent of the Loan Payments received from the City under the Loan Agreement.

CERTAIN BONDHOLDERS' RISKS

Investment in the Bonds involves risk. This section describes some of the risks associated with investing in the Bonds, **specifically some of those which could result in the possible reduction or elimination of pledged Excise Tax revenues, materially and adversely affecting the City's ability to make Loan Payments with respect to the Bonds and the market value of the Bonds.** Prospective purchasers of the Bonds should give careful consideration to all of the information in this Official Statement.

Pandemic. A pandemic is a rampant spread of an infectious disease that has spread across large areas worldwide. A pandemic affects many people and can result in a significant economic downturn. The effects to the economy can vary depending on the severity and containment of the infectious disease, treatment and vaccination availability and length of the pandemic.

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic by the World Health Organization and is currently affecting State, national and global activity, increasing public health emergency response costs, and consequently, is expected to adversely impact the financial condition of the City, specifically the Excise Taxes. The materiality of such adverse impact will vary depending on the length and containment of COVID-19. For additional information and data related to COVID-19, see "APPENDIX J — COVID-19".

Excise Taxes and Economic Conditions in the City and the State. The City's obligations to make Loan Payments on the Bonds are secured by a pledge of Excise Taxes, as described under "SECURITY AND SOURCE OF PAYMENT". Excise Tax revenues are dependent upon the level of retail and other sales activity, which is generally dependent upon the level of economic activity in the City and in the State. While the City cannot determine the future level of retail and other sales activity, decreases in such activity could reduce the amount of pledged Excise Tax revenues collected by the City. For additional information relating to Excise Taxes and historic and current economic conditions in the City, County and State, see "APPENDIX A — City of Phoenix, Arizona — Description", "APPENDIX B — City of Phoenix, Arizona — Financial Data" and "APPENDIX C — City Sales Taxes and State-Shared Revenues".

Possible Future Actions on Excise Tax Revenues. From time to time, changes in law may become binding on cities, including the City, which could affect the activities or transactions on which municipal transaction privilege taxes may be imposed and the amount of such Excise Tax revenues. These measures could result from action by the Arizona Legislature, the Municipal Tax Code Commission which oversees the State's Model City Tax Code, or by initiative petition at the State or City level seeking to place measures on the ballot for voter authorization. While the City cannot predict whether any such measures will become law or how they might affect Excise Tax revenues, it is possible such actions could reduce or eliminate the amount of pledged Excise Tax revenues collected by the City.

Legislative Ability to Eliminate or Reduce State-Shared Taxes. From time to time, bills are introduced in, and legislation enacted by, the Arizona Legislature to change the formulas used to allocate the State-Shared Sales Taxes and State-Shared Income Taxes, including proposed adjustments that would reduce the distribution to cities and towns. While the City cannot predict whether any such measures will become law or how they might affect the revenues which comprise the State-Shared Revenues, it is possible such measures could reduce the State-Shared Revenues distributed to the City. In addition, initiative measures are circulated from time to time seeking to place on the ballot changes in Arizona law which would repeal or modify state sales taxes or state income taxes (major sources of funds for state revenue sharing). While the City cannot predict if any such initiative measures will ever actually be submitted to the electors, what form the measures might take or the outcome of any such election, it is possible such initiative measures could reduce or even eliminate the State-Shared Sales Taxes and/or State-Shared Income Taxes distributed to the City.

LITIGATION

The City is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. The City Attorney has advised City management of the nature and extent of pending and threatened claims against the City. In the opinion of City management, such matters will not have a materially adverse effect on the City's ability to comply with the requirements of the Loan Agreement.

To the knowledge of the City Attorney, no pending or threatened litigation or administrative action or proceeding has (i) restrained or enjoined the City from entering into the Loan Agreement or approving the issuance and delivery of the Bonds or (ii) contested or questioned the validity of the Bonds or the proceedings and authority under which the Bonds have been authorized and are to be issued, secured, sold, executed or delivered. Certificates of the City to that effect will be delivered at the time of delivery of the Bonds.

To the knowledge of counsel to the Corporation, no pending or threatened litigation or administrative action or proceeding has (i) restrained or enjoined the Corporation from entering into the Indenture or the Loan Agreement or approving the issuance and delivery of the Bonds or (ii) contested or questioned the validity of the Bonds or the proceedings and authority under which the Bonds have been authorized and are to be issued, secured, sold, executed or delivered. Certificates of the Corporation to that effect will be delivered at the time of delivery of the Bonds.

TAX MATTERS

General

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "*Code*"), and is not an item of tax preference for purposes of the federal alternative minimum tax; and (ii) interest on the Bonds is not included in the taxable income of individuals or corporations for Arizona income tax purposes so long as that interest is excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Corporation and the City contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the Corporation's or the City's representations and certifications or the continuing compliance with the Corporation's or the City's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (the "*IRS*") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Corporation or the City may cause loss of such status and result in the interest on the Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Corporation and the City has each covenanted to take the actions required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market value of the Bonds.

Interest on the Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Prospective purchasers of the Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Bonds should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of holders to sell their Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Bonds ("*Discount Bonds*") may be offered and sold to the public at an original issue discount ("*OID*"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "*issue price*" of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the issue price (described above) for that Discount Bond who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Bonds ("*Premium Bonds*") may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest on the Bonds (see "TAX MATTERS") are subject to the legal opinion of Squire Patton Boggs (US) LLP, Phoenix, Arizona, which has been retained by, and acts as Bond Counsel to, the Corporation and the City. Signed copies of the opinion, dated and speaking only as of the date of delivery of the Bonds, will be delivered to the Underwriters. Certain legal matters will be passed upon for the Underwriters by Greenberg Traurig, LLP, Phoenix, Arizona, as Counsel to the Underwriters.

The text of the proposed legal opinion of Bond Counsel is set forth in Appendix H. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of them by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to its date.

RATINGS

Moody's Investors Service Inc. (*"Moody's"*) has assigned the rating of "Aa2" to the Bonds. Standard & Poor's Global Ratings, a division of Standard & Poor's Financial Services LLC (*"S&P"*) has assigned to the Bonds a rating of "AAA" to the Bonds. Fitch Ratings (*"Fitch*") has assigned a rating of "AA+" to the Bonds. No application was made to any other rating service for the purpose of obtaining ratings on the Bonds. The City furnished these rating agencies with certain information and materials with respect to the Bonds. The ratings reflect only the view of S&P, Moody's, and Fitch respectively. An explanation of the significance of such ratings may be obtained from S&P at 55 Water Street, New York, New York 10041, from Moody's at 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, and from Fitch at 33 Whitehall Street, New York, NY 10004. There is no assurance that the ratings will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by S&P, Moody's or Fitch if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings by S&P, Moody's or Fitch may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

Public Resources Advisory Group, Inc. ("*PRAG")* is employed as Financial Advisor to the City in connection with the issuance of the Bonds. The Financial Advisor's compensation for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. PRAG, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. In its capacity as Financial Advisor to the City, PRAG has read and participated in the preparation of certain portions of this Official Statement. PRAG is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments.

UNDERWRITING

The Bonds are being purchased for reoffering by J.P. Morgan Securities LLC and the other underwriters shown on the cover hereof (collectively, the *"Underwriters").* The Underwriters have agreed to purchase the Bonds, subject to certain conditions, at an aggregate price of $. If the Bonds are sold to produce the yields shown on the inside front cover hereof, the Underwriters' compensation will be $.

The Underwriters are committed to purchase all of the Bonds if any are purchased. The Bonds are offered for sale at the initial prices or yields set forth on the inside front cover page of this Official Statement, which prices or yields may be changed, from time to time, by the Underwriters. The Bonds may be offered and sold to certain dealers (including underwriters and dealers depositing the Bonds into investment trusts) at prices lower than the public offering price.

J.P. Morgan Securities LLC ("*JPMS*"), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("*CS&Co*") and LPL Financial LLC ("*LPL*") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

On February 28, 2022, First Horizon Corporation and TD Banking Group announced that First Horizon Corporation entered into a definitive agreement to be acquired by TD Bank Group. FHN Financial Capital Markets is the municipal securities underwriting business line of FHN Financial, the fixed income division of First Horizon Bank, whose parent company is First Horizon Corporation. The acquisition is to be completed in late 2022 or early 2023 pending regulatory approvals. This transaction should not have any material effect on this transaction.

Wells Fargo Corporate & Investment Banking (which may be referred to elsewhere as "*CIB*," "*Wells Fargo Securities*" or "*WFS*") is the trade name used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association ("*WFBNA*"), a member of the National Futures Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, N.A. Municipal Finance Group, a separately identifiable department of WFBNA, registered with the U.S. Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, acting through its Municipal Finance Group, one of the underwriters of the Bonds, has entered into an agreement (the "*WFA Distribution Agreement*") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "*Wells Fargo Advisors*") ("*WFA*"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the "*WFSLLC Distribution Agreement*") with its affiliate Wells Fargo Securities, LLC ("*WFSLLC*"), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the *"Undertaking")* for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("*EMMA")* System pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the *"Rule")* adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The specific nature of the information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Undertaking, are set forth in APPENDIX I — " Form of Continuing Disclosure Undertaking".

The City has represented that it is in compliance in all material respects with each and every undertaking previously entered into by it pursuant to the Rule. A failure by the City to comply with the Undertaking will not constitute a default under the Loan Agreement or the Indenture and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See APPENDIX I — " Form of Continuing Disclosure Undertaking". A failure by the City to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The filing on January 28, 2020 of certain operating data for fiscal year ending June 30, 2019 was not associated with all of the related CUSIP numbers until February 24, 2020.

INDEPENDENT AUDITORS AND INCORPORATION BY REFERENCE OF CITY'S ANNUAL COMPREHENSIVE FINANCIAL REPORT

The financial statements of the City as of June 30, 2021 for its fiscal year then ended have been audited by BKD, LLP, who on June 1, 2022 merged companies and is now known as Forvis, LLP, independent auditors, as stated in their report. The financial statements and auditor's report are part of the City's annual comprehensive financial report (the *"ACFR"),* which may be obtained from EMMA, free of charge at http://emma.msrb.org, or from the City, free of charge, at the following location: 251 West Washington Street, 9th Floor, Phoenix, Arizona 85003, Attention: Finance Department, Telephone: (602) 262-7166. The ACFR may also be downloaded from the City's website at www.phoenix.gov under Departments-Finance-Financial Information & Reports. The ACFR so filed with EMMA as part of the City's continuing disclosure undertakings pursuant to the Rule is hereby incorporated by reference.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Corporation or the City and the purchasers or holders of any of the Bonds.

This Official Statement has been approved, executed, and delivered by the Corporation and the City.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

By: ________________________________
President

CITY OF PHOENIX, ARIZONA

By: ________________________________
Chief Financial Officer

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APPENDIX A

City of Phoenix, Arizona — Description

OVERVIEW

Phoenix is the fifth largest city in the United States, the state capital of Arizona and the center of the metropolitan area encompassed by Maricopa County (the "*County*"). This metropolitan area also includes the cities of Mesa, Chandler, Glendale, Scottsdale, Tempe, Peoria, Surprise, Avondale, Goodyear, Buckeye and El Mirage; the towns of Gilbert, Queen Creek, Fountain Hills, and Paradise Valley as well as several smaller cities and towns and all unincorporated areas of the County. It is situated 1,117 feet above sea level in the semi-arid Salt River Valley. The area is well known for its mild, sunny winters and hot summers and receives average rainfall of 7.50 inches annually.

Phoenix was founded in 1870 as an agricultural community. In 1881, it was incorporated as a city (the *"City"*). The City Charter under which it is presently governed was adopted in 1913 and has been amended from time to time. The City has grown steadily since its inception and has shown especially strong growth since 1950. The 1900 census recorded Phoenix's population at 5,544. In 1950, the City occupied 17 square miles with a population of almost 107,000 ranking it 99th among American cities. The 2020 census recorded Phoenix's population at 1,608,139. As of February 1, 2022, the City encompasses 519.90 square miles.

Population Statistics(1)
Phoenix, Maricopa County and Arizona

Area	1950	1970	1990	2000	2020	2021	Percent Change 1950-21	Percent Change 1990-21
Phoenix	106,818	584,303	983,403	1,321,045	1,608,139	1,652,815	1,447.3%	68.1%
Maricopa County	331,770	971,228	2,122,101	3,072,149	4,420,568	4,507,419	1,258.6	112.4
State of Arizona	749,587	1,775,399	3,665,228	5,130,632	7,151,502	7,285,370	871.9	98.8

(1) Population figures for the State of Arizona, City of Phoenix, and Maricopa County are as of July 1, 2021. The 2021 population figures for Maricopa County and the State of Arizona are from the Arizona Office of Employment and Population Statistics. The 2021 population figure for the City of Phoenix is from the City of Phoenix Planning & Development Department.

Phoenix is served by main lines of the Union Pacific and Burlington Northern Santa Fe Railroads, a busline (Greyhound Trailways), and 10 transcontinental, 34 interstate and 39 intrastate truck lines. Phoenix Sky Harbor International Airport, located approximately 4 miles from downtown Phoenix, is served by the following scheduled airlines: Advanced Air, Air Canada, Alaska, American, Boutique Air, British Airways, Jazz Aviation (Air Canada Express), Compass (Delta Connection), Condor, Contour, Delta, Frontier, Hawaiian, JetBlue, Mesa (American Eagle, United Express), SkyWest (American Eagle, Delta Connection, and United Express), Southwest, Spirit, Sun Country, United, Volaris and WestJet. Interstate 10, Interstate 17, U.S. Highway 60, State Routes 51, 74, 85, 87, 88, 143 and Loops 101, 202, and 303 all traverse the metropolitan area.

The metropolitan area is presently served by 34 elementary school districts, 6 high school districts, 15 unified school districts and 2 technical institutes, operating almost 800 schools. Education is also provided by public charter schools and private and parochial schools located throughout the metropolitan area. Maricopa County Community College District serves the educational needs of the Phoenix area through 10 institutions. Arizona State University (*"ASU"*) houses 17 colleges and schools and has a total full-time equivalent enrollment of more than 135,700 undergraduate, graduate and professional students on four campuses in Metro Phoenix and online. ASU's main campus is located just east of Phoenix in the city of Tempe. The Arizona State University West campus opened in 1991, is located in northwest Phoenix, and has an enrollment of nearly 5,200 students.

The Arizona State University Polytechnic campus opened in 1996, is located in southeast Metro Phoenix in the city of Mesa, and has an enrollment of more than 5,500 students. The Arizona State University Downtown Phoenix campus opened in 2006 and has an enrollment of more than 11,700 students. ASU Online has nearly 57,800 students. Grand Canyon University, a private university offering undergraduate and postsecondary degree programs, has a main campus located northwest of downtown Phoenix. In fall 2021, enrollment at Grand Canyon University was approximately 113,000 including both on-campus and online students. The City also contains a private graduate school and a number of private universities, colleges, and technical institutions. The U.S. Census Bureau's 2019 American Community Survey, the most recently available, estimated that more than 66.0% of the adult residents of the Maricopa County attended college, compared to 61.7% nationally.

CYBERSECURITY INITIATIVES

Computer networks and data transmission and collection are vital to the efficient operation of the City. The City collects and stores sensitive data, including intellectual property, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees. The secure processing, maintenance and transmission of this information is critical to the operation of each City department. The City is using the Department of Homeland Security best practices as well as cybersecurity initiatives to prevent or mitigate any disruption in service or risk to sensitive data.

The City has an insurance policy with AIG Specialty Insurance Company, Houston Casualty Company and Zurich, which insures against cyber extortion and network interruption. The Information Technology Services Department has dedicated staff specifically targeting cybersecurity initiatives such as security awareness programs, advanced email security, Endpoint Detection and Response, as well as event monitoring.

SIGNIFICANT DEVELOPMENTS

Downtown Development

In 1979, the City adopted the Downtown Redevelopment Area plan for a 1.5 square mile area of downtown to revitalize the urban center of the City. Redevelopment efforts to date have resulted in the construction of residential units as well as numerous public and private redevelopment projects that have produced several amenities and services for employers, residents and visitors.

In 1984, a group of downtown business leaders founded the Phoenix Community Alliance. The group's express purpose is to work with government and other development interests to accomplish the highest quality downtown revitalization possible. They have been involved in a program of cooperative planning between government and private interests and have been focusing their attention on bringing increased housing, especially ownership housing, to downtown. The Phoenix Community Alliance's 2011-2016 Action Plan provided three goals: facilitating quality land development in downtown Phoenix, attracting investment to downtown Phoenix, and sharpening downtown Phoenix's competitive advantage.

Downtown Phoenix Inc. ("*DPI*"), a nonprofit entity formed in 2013, was created for the purpose of enhancing the economic and cultural vitality of downtown Phoenix. It serves as an umbrella organization to "broaden the tent" of the downtown community and improve coordination amongst downtown focused organizations, resulting in greater efficiency and effectiveness among nonprofits, such as Downtown Phoenix Partnership, Phoenix Community Alliance and the Downtown Phoenix Community Development Corporation. DPI serves as a City liaison to downtown stakeholders, including neighborhood and business organizations, assisting the City in communicating with the community by providing guidance and advice as needed. DPI also collaborates with the City to expand and enhance special events downtown, in addition to working on assignments, such as studying the potential expansion of the Enhanced Municipal Services District boundaries.

General Plan

In 1985, the City Council adopted the General Plan, a long-range plan based on the Urban Village Concept. The overall goal of the Urban Village Concept (now referred to as the Urban Village Model) is to offer Phoenix residents a choice of lifestyles in which residents may live, work and enjoy leisure time activities within the same urban village. The Urban Village Model also gives residents the opportunity to play a major role in shaping these choices. It is a unique concept that has provided a high degree of citizen participation in local land use planning processes.

The General Plan guides future development in Phoenix through the establishment of fifteen urban villages, each with an approximate population of 125,000. Each village has its own village planning committee. The committees, guided by and responsible to the City Council, are comprised of 15-21 citizens, most of whom live in their respective villages. Planning activities include identifying the attitudes, problems, and issues impacting their village; formulating goals and policies that reflect the unique needs of their planning area; developing land use plans that will guide future growth in their village, and reviewing rezoning applications and development proposals.

In 1998, the State of Arizona passed the Growing Smarter legislation and in 2000 passed the Growing Smarter Plus legislation. The legislation required that the City update its General Plan, and amend or readopt the General Plan every ten years. It also requires that any changes to the General Plan be presented by public hearing to the citizens, be approved by at least two-thirds of the City Council and then be voted upon by the citizens. The City's General Plan was adopted by the City Council on December 5, 2001 and was approved by voters on March 12, 2002. In the opinion of management, the Growing Smarter and Growing Smarter Plus legislation provides processes and tools that can contribute to better planned, coordinated and balanced development. While the original legislation set a ten year deadline to readopt or amend the General Plan, in 2010 the State legislature extended the deadline to July 1, 2015.

On July 1, 2009, the City Council approved plans to implement a public participation process in developing the Phoenix General Plan Update. In August 2012, the Planning and Development Department, in partnership with the Mayor and City Council, launched PlanPHX in an effort to enhance community outreach. In order to facilitate public participation, the PlanPHX project included the debut of www.myplanphx.com. The website served as an interactive and innovative way for Phoenix residents to be involved in the Phoenix General Plan Update. In addition to the website, the Planning and Development Department conducted meetings throughout the community to obtain input and ideas from residents. The Phoenix General Plan Update focuses on five Core Values — Connecting People and Places, Building the Sustainable Desert City, Creating an Even More Vibrant Downtown, Celebrating our Diverse Communities and Neighborhoods, and Strengthening Our Local Economy. The General Plan Update was unanimously approved by the Phoenix Planning Commission on January 13, 2015. The General Plan Update was approved by the City Council on March 4, 2015 and was approved by voters in the August 25, 2015 Citywide election. Planning and Development Department is in the process of updating the General Plan which will be on the ballot in 2024.

Phoenix Convention Center

Redevelopment of the downtown Phoenix area has accompanied the construction and expansion of the Phoenix Convention Center (previously Phoenix Civic Plaza). Opened in 1972, the original convention and cultural center facility encompassed eight city-blocks in downtown Phoenix, having a capacity of 10,000 persons and containing a variety of meeting and exhibition halls in addition to Symphony Hall.

On June 22, 2001, the Arizona Legislature appointed the Ad Hoc Study Committee on Phoenix Civic Plaza/ Convention Facility Expansion (the "*Committee*") to make recommendations on several issues regarding Phoenix Convention Center expansion, including potential funding sources and State involvement. The membership included four State Senators, four State Representatives and nine public members. The Committee recognized the significant statewide benefit of convention business and unanimously recommended that the State develop a program to provide matching funds for major convention center improvements.

On November 6, 2001, City of Phoenix voters approved a ballot proposition authorizing the City to incur debt and expend public funds in an amount up to $300 million from City funding sources and in an amount up to $300 million in State or other non-City funding sources for the construction, expansion, modification and improvement of the Phoenix Convention Center. In June 2003, the Arizona Legislature approved spending up to $300 million in State money to match the City's contribution. Combined, the $600 million expansion project effectively tripled the size of the facility by adding approximately 600,000 square feet of meeting and exhibition space.

In 2001, City of Phoenix voters approved an additional $18.5 million in general obligation bonds for the renovation of the adjacent Symphony Hall. In order to minimize disruption to event activity, the construction schedule for Symphony Hall was aligned with the first phase of the Phoenix Convention Center expansion. In June 2003, the City Council approved the final development concept and selected the design team and the construction management team for the Phoenix Convention Center expansion and Symphony Hall renovation.

Construction of phase one of the Phoenix Convention Center expansion and the Symphony Hall renovation began in June 2004. Symphony Hall re-opened September 3, 2005 after renovations were completed during phase one. Significant improvements to Symphony Hall included a new entrance, plaza facing, wall paneling, carpeting, seating, roofing and an upgraded lobby. Phase one of the Phoenix Convention Center expansion, known as the West Building, was completed in July 2006. The four-level West Building includes a 45,000 square feet ballroom, an Executive Conference Center, 64,000 square feet of exhibition hall space and 27,000 square feet of meeting space.

Phase two construction on the new Phoenix Convention Center North Building was completed in December 2008. The four-level North Building features amenities such as a 46,000 square feet street-level ballroom, 56 meeting rooms, over 300,000 square feet of exhibition hall space on the lower level, 190,000 square feet of exhibition hall space on the upper level and a food court with six themed eateries. The North Building is connected to the West Building via a pedestrian bridge on the third level and below ground through the lower level exhibition hall. The fully expanded Phoenix Convention Center, which welcomed its first convention in January 2009, now offers approximately 900,000 square feet of rentable convention space and is one of the top 25 facilities in the country in terms of size.

The Phoenix Convention Center expansion had a significant impact on Arizona during the five-year construction period. From December 18, 2003 through November 30, 2008, 95 percent of the work was performed by Arizona residents, 11,684 people were employed on the project, $89.0 million was paid in wages and $26.9 million was paid in state construction taxes.

The expanded Phoenix Convention Center surpassed its projected goals for 2009, hosting 68 conventions with approximately 309,379 delegates, which equated to an economic impact of approximately $449 million in direct spending. Since its expansion in 2009, the Phoenix Convention Center has hosted 744 conventions, or an average of 62 conventions per year, with an estimated 2,694,000 delegates through 2021. The Phoenix Convention Center is projected to host over 66 conventions in 2022 with an estimated economic impact of over $400 million.

Business Development

The City of Phoenix Community and Economic Development Department (*"CEDD"*) strategically positions Phoenix as a globally competitive and sustainable city. Developing a modern economy is rooted in aligning economic development initiatives around Phoenix's core strengths: focusing on targeted industry sectors with the highest impact and opportunity for sustained growth, expanding the pipeline of job-creating businesses, enhancing the Phoenix business climate and improving Phoenix's competitive position in the new economic environment.

CEDD works to attract and grow quality businesses that strengthen and diversify Phoenix's economy through job growth, private investment and creating a sense of place for our community. The Arizona Commerce Authority, Greater Phoenix Economic Council and the Greater Phoenix Chamber of Commerce are strong allies in these endeavors. With these partners, the City continues several initiatives aimed at workforce development, creating and maintaining high quality jobs and industry diversification. These partnerships also establish sound economic development programs that enhance regional and statewide competitiveness.

In fiscal year 2021-22, CEDD and its partners directly assisted in the attraction of 30 new employers to the City of Phoenix. These companies represent more than 14,230 new jobs and approximately $14.1 billion in new capital investment. Additionally, CEDD performed 765 business outreach visits, 78 recruitment/hiring events, and assisted 62,507 job seekers.

2021 saw another year of strong job growth with the Phoenix workforce growing by over 122,000 compared to a year earlier, to a total workforce of 2.3 million, which set a record high for the metropolitan area, according to the Bureau of Labor Statistics ("*BLS*") professional, technical and scientific sectors added more jobs than any other industry sector. Phoenix led the nation in life science job hiring this past year. In July 2021, Greater Phoenix was the first metro area in the United States to recover more jobs than were lost in the pandemic. However, many of the jobs recovered were in different sectors, primarily in the high-wage sectors of bioscience healthcare, manufacturing, technology and advanced business and financial services. Across all of 2021 there were more Greater Phoenix jobs in manufacturing than in construction for the first time since July 2003, according to BLS data.

Arts, Cultural and Sports Facilities

The Orpheum Theatre was built in 1929 in downtown Phoenix for vaudeville performances and movie exhibitions. The City purchased the theatre in 1984 and it was listed on the National Register of Historic Places the following year. In 1988, citizens approved funding $7 million towards a renovation of the theatre, with the Orpheum Theatre Foundation providing additional funding of $7 million. The theatre, built in the Spanish Baroque Revival architectural style, reopened in early 1997 and is the last remaining example of theatre palace architecture in Phoenix. The 1,364-seat Orpheum Theatre is now an internationally recognized showcase for arts and entertainment and hosts a variety of productions which draw thousands of people to the vibrant downtown venue annually.

The Herberger Theater Center, a performing arts facility, opened in October 1989 adjacent to the Phoenix Convention Center. Located on a one-block site immediately north of the original Phoenix Convention Center, the Herberger Theater Center was financed with $18 million in public and private funds. Renovations to the Herberger Theater were performed during the summer of 2010 and included refurbishment of seating, platforms, lighting, carpet and paint on the 801-seat Center Stage and 343-seat Stage West. The renovations included the addition of exterior public space, upgraded outdoor signage and a new private second floor lounge and balcony for theater VIPs. The renovations were completed in October 2010 at a cost of approximately $16 million.

The Phoenix Art Museum, located at Central Avenue and McDowell Street began an expansion in December 2004. The $50 million project added nearly 30,000 square feet to the museum complex, most of which is utilized for exhibition space to benefit the museum's 290,000 annual visitors. $18.2 million of the total project cost was financed with bond funds approved by Phoenix voters in 2001. The remaining funds were raised from individuals and philanthropic organizations. The expansion was completed in November 2006.

The Arizona Science Center is located in Heritage and Science Park, a multi-block downtown cultural center, and received City funding from general obligation bonds approved by the voters in 1988. The Arizona Science Center, which cost $47 million, encompasses nearly 127,000 square feet including a 200-seat planetarium and a 285-seat IMAX Theater. The City contributed land and $20 million to the project, with the balance funded by private contributions. The Arizona Science Center opened in April 1997. In addition, an 800-space parking garage was developed. The parking garage was completed in November 1995.

In 2000, an agreement between the City and a private company was reached for development of a 4,800-seat entertainment facility on a City owned site at the northwest corner of Washington Street and Fourth Avenue. The Comerica Theatre (formerly Dodge Theatre) totals 165,000 square feet and cost approximately $39 million. Construction began in September 2000 and was completed in April 2002.

In 1988, the City entered into negotiations with the Phoenix Suns Limited Partnership (the "*Suns*") for the development and operation of a 20,000-seat downtown sports arena to be located immediately south of the Phoenix Convention Center. Final agreements between the City and the Suns were approved by the City Council in July 1989. The construction cost of the arena and adjacent garage was $100 million. The City acquired and cleared the land for the project at a cost of $12.8 million and contributed $35 million toward construction. The Suns contributed an additional $515,000 for land acquisition and were responsible for the balance of the construction costs (approximately $52 million). Construction began in November 1990 and America West Arena (currently Talking Stick Resort Arena) opened in June 1992.

A multi-phased renovation of City-owned multipurpose arena began in the spring of 2001 and was completed in early 2005. Exterior renovations included the addition of a 15,000 square feet climate controlled pavilion on the main entrance plaza, expansion of the north façade to accommodate street level restaurants along Jefferson Street and the construction of a pedestrian passageway from Jefferson Street to Jackson Street. The interior renovations consisted of concourse improvements, seating enhancements and additional restrooms. The second phase of renovations brought significant technology improvements including a new scoreboard and wraparound LED boards, as well as expansion of the Platinum Club, and other core building improvements, all of which ensure the Center's continued state of the art status. The renovations were completed at a total cost of approximately $57 million funded jointly by the City and the Suns.

In 2019, the Phoenix City Council authorized the City to amend its agreement with the Suns to facilitate the renovation of City-owned multipurpose arena. The arena renovation is being funded by the City and the Suns, with the City contributing $150 million and the Suns contributing $80 million plus any cost overruns. Major building systems including electrical, mechanical, plumbing and technology infrastructure are being updated or replaced. Additional upgrades underway include improvements to social spaces, suite renovations, retail space improvements, and modernization of locker rooms. The renovations commenced in 2019 and completed in 2021. The new agreement will commit the Suns to stay in the arena until at least 2037.

Major League Baseball owners awarded a Phoenix-based ownership group a major league baseball franchise in March 1995. The team, the Arizona Diamondbacks, began play in March 1998. A $354 million, 48,500-seat, natural grass baseball stadium was constructed at the southwest corner of Jefferson Street and Seventh Street in downtown Phoenix through a public/private partnership. Public participation was authorized in early 1994, when the Maricopa County Stadium District approved the expenditure of $238 million for the development of the stadium. The balance of the construction costs were financed by the team ownership group.

In 2009, the City completed construction on the Civic Space Park. The 2.77-acre park in the heart of downtown Phoenix, bounded by First and Central Avenues and Van Buren and Fillmore Streets, offers residents, workers, students and visitors a unique urban design. The park contains sustainable features such as solar panel shade structures, which generate power for the park's lighting and electrical needs and pervious concrete and pavers to reduce heat reflection and allow rainfall to seep through to the ground. The park also includes interactive water and light features, green spaces and a 100-foot aerial art sculpture. The historic 1926 A.E. England Building is located inside Civic Space Park and hosts an auditorium as well as office, meeting and retail space.

In 2011 the Community and Economic Development and Phoenix Convention Center Department entered into a 20 year public private partnership with the Legends Entertainment District. The district, which utilizes digital signage to stimulate activity within downtown, is generally bounded on the north and south sides of Jefferson Street from First Avenue to Seventh Street and includes sites such as Chase Field, City-owned multipurpose arena, the Phoenix Convention Center South Building and the Phoenix Convention Center East Garage.

In 2011, the City's Community and Economic Development Department acquired a site on Central Avenue across from the Phoenix Art Museum for the construction of the Arizona Opera Center. In March 2013, the 28,000 square-foot performing arts facility opened that includes performance and rehearsal space, administrative offices, and educational and public meeting facilities. The City contributed $3.2 million of general obligation bonds towards the $5.2 million facility. The Arizona Opera Center building is owned by the City and operated by Arizona Opera.

In 2015, the City facilitated the creation of an entertainment district in downtown Phoenix (the "*Entertainment District*"). The Entertainment District encompasses about one-square mile of downtown Phoenix and is intended to foster economic development by bringing more businesses to the area. Previously, potential businesses were prohibited from applying for a liquor license if they were within 300 feet of a church or school, per Arizona State law. The Phoenix City Council now has the option to consider an exemption for liquor licenses within the Entertainment District. The creation of the Entertainment District serves as a development tool that supports the growth of a vibrant downtown with a mix of businesses and nightlife.

Commercial Development

In the 1970s, Arizona's three major commercial banks (at that time The Valley National Bank of Arizona, First Interstate Bank, and The Arizona Bank) located their high-rise headquarters buildings in the downtown area. In addition, the Citibank building (now Compass Bancshares), consisting of 113,000 square feet of space situated on the northwest corner of Van Buren Street and First Avenue, was opened on August 1, 1989.

The 1970s also saw the development of two downtown high-rise hotels. The Hyatt and Renaissance (formerly the Wyndham) properties combine to provide 1,242 hotel rooms in downtown Phoenix. As an outgrowth of the many downtown development and redevelopment projects during the 1990s and 2000s, there was a rapid increase in hotel room demand from business, leisure and convention travelers visiting the area. To meet this demand, the City constructed a new 1,000-room hotel on the northwest corner of Third Street and Van Buren Street. Adjacent to the Arizona Center and several office and entertainment venues, the hotel contains approximately 10,000 square feet of retail space, including a coffee shop, lounge, restaurant, and fitness facilities; a 30,000 square-foot ballroom; and additional meeting space. Starwood Hotels and Resorts was selected as the hotel's operator under the company's Sheraton flag. Design of the hotel began in early 2005 and construction began in March 2006. The Sheraton Grand Phoenix Hotel opened September 2008 and supports the additional hotel demand generated by the expansion of the Phoenix Convention Center. The City sold the hotel to Marriott in 2018.

The Barron Collier Company and Opus West initiated a mixed-use downtown development project in 1998. The plans for Collier Center included three high-rise towers with 1.5 million square feet of office space, 200,000 square feet of retail shops and restaurants, and parking for 2,400 vehicles. The project is located on a 7.2-acre site bounded by Washington, Jefferson, First and Third Streets. Collier Center's Phase I, a $500 million, 23-story office tower, was completed in September 2000 and is the Arizona headquarters for Bank of America. The tower contains over 500,000 square feet of office space, 85,000 square feet of retail space and a 1,500-space underground parking garage.

In 2007, RED Development commenced construction on an approximately 5-acre, mixed-use development that blends urban living with work, shopping and entertainment and includes restaurants, a hotel, offices and outdoor event space. The CityScape project encompasses two blocks in downtown Phoenix and is one block from the City-owned multipurpose arena and within two blocks of Chase Field. The first phase of CityScape opened in March 2010 and includes 660,000 square feet of Class A office space, 200,000 square feet of retail, 1,300 parking spaces and redevelopment of Patriot's Square Park. Construction of the second phase commenced in February 2011 and included construction of the 242 room Hotel Palomar which was completed in June 2012. The final phase of the project, The Residences at CityScape, is comprised of 224 high-rise apartment units, constructed above the Hotel Palomar. The Residences at CityScape opened in the spring of 2014.

In 2010, the City entered into a development agreement with Hansji Hotels to develop the Luhrs City Center Marriott at the Northwest corner of Central Avenue and Madison Street. Construction on the hotel, which houses two brands, Residence Inn by Marriott and Courtyard by Marriott, began in late 2014. The two hotels share a lobby and other amenities, such as the fourth-floor pool. The 19-story Luhrs City Center Marriott offers 320 guest rooms and ground-floor retail space, while retaining the existing historic buildings on the same city block. The project incorporated the 10-story Luhrs Building, built in 1924, the 14-story Luhrs Tower, built in 1929, along with the one-story Luhrs Post Office Station & Arcade that connects the two high-rises. Construction was completed in April 2017 and resulted in $85 million in capital investment.

In 2017, RED Development in partnership with Streetlights commenced construction of a dense, vibrant, urban development in the heart of downtown, with a capital investment of nearly $160 million. Full build-out of the project includes approximately 300 multi-family, for rent, high-rise residential units in one tower with 150,000 square feet of creative, open, office space attractive to technology and innovative tenants and 50,000 square feet of commercial space including an urban Fry's grocery store in the other tower, plus 1,000 above and below grade structured parking stalls and streetscape improvements. The Fry's Grocery store opened in October 2019, and the remainder of the project was completed in late 2020.

In 2018, a 210-room, 11-story Hampton Inn hotel opened in downtown Phoenix. This $44 million hotel is well positioned to serve both the Phoenix Convention Center and the Arizona State University downtown campus.

In 2018, True North Holdings entered into a development agreement to construct the $151 million Ro2 development featuring 305,000 square-foot of office space and 77,000 square-foot of commercial retail space on City-owned land on 2nd Street north of Roosevelt. In the fall of 2018, True North closed escrow on the first phase of the development, acquiring the historic Knipe House. The historic house has been renovated and opened with a restaurant use in late 2021. In the fall of 2019, True North closed escrow on the second phase of the development, acquiring the Knipe House grounds. Completion of the full project is anticipated in 2023.

In 2019, the 147-room, 7-story Cambria Hotel opened in the Roosevelt Row Arts District. The $26 million hotel brings a new hotel and dining option to the area.

In 2020, LaPour Partners opened the new 199-room hotel AC Marriott at the Arizona Center. The 13-story hotel is walking distance from many downtown venues including the Phoenix Convention Center, Footprint Arena, Chase Field, Symphony Hall and the Herberger Theater.

In 2021, Mortenson Construction completed the 238-room, eight story Hyatt Place hotel in downtown Phoenix. The development located adjacent to Phoenix City Hall, represents a $60 million investment in downtown and is an easy walk to venues such as the Orpheum Theatre and the Arizona Federal Theatre.

Biotechnology

In 2002, the City and the State of Arizona, in partnership with the County's three State universities, various foundations and the private sector, formalized two proposals to the International Genomics Consortium (*"IGC"*) and the Translational Genomics Research Institute (*"TGen"*) to locate their new headquarters in downtown Phoenix. The City agreed to construct a six-story, 170,000 square-foot research facility for IGC and TGen located at Fifth and Van Buren Streets. Construction began in late July 2003 with occupancy occurring in December 2004. In September 2017 TGen, now an affiliate of City of Hope, agreed to a 20-year Lease-to-Purchase transaction for the building that is home to its headquarters and several other long-term tenants.

In 2004, the Arizona Board of Regents, the University of Arizona ("*U of A*") and ASU (collectively, the Arizona Biomedical Collaborative) entered into a memorandum of understanding outlining a combined vision to expand the U of A's colleges of medicine and pharmacy in downtown Phoenix, perform complementary research and develop facilities at the Phoenix Biomedical Campus (*"PBC"*) located on Van Buren Street between Fifth and Seventh Streets. The U of A College of Medicine has renovated three historic former Phoenix Union High School buildings located on the PBC for the first phase of the medical school. The $27 million renovation project began in March 2005 and was completed in September 2006. The first Arizona Biomedical Collaborative building (*"ABC I"*) is a four-story, 85,000 square-foot building located just north of the historic Phoenix Union High School buildings along Fifth Street. Research within ABC I focuses on several areas including cancer, diabetes, neurological and cardiovascular diseases. The $30 million facility includes academic space for the ASU Department of Biomedical Informatics on floors one and two and wet lab space for the U of A College of Medicine on floors three and four. Construction began in September 2005 and was completed July 2007.

In 2012, the U of A Health Sciences Education Building (*"HSEB"*) opened and now houses the U of A College of Pharmacy and Northern Arizona University's Allied Healthcare Programs. This approximately $140 million, 260,000 square-foot six-story academic facility has provided space for the expansion of the U of A College of Medicine in downtown Phoenix. The U of A was also the recipient of a $15 million American Recovery and Reinvestment Act stimulus grant for the development of a below-grade research core. At build-out, the 30-acre PBC is expected to include more than six million square feet of research, academic and clinical development.

To help serve the growing PBC, construction began in the fall of 2014 on a 1,200-car parking structure at 5th and Fillmore Streets. The eight-level privately developed project will provide parking for the neighboring institutions in the Phoenix Biomedical Campus, as well as paid public parking. The $19.0 million facility opened in November 2015.

In 2015, the University of Arizona Cancer Center at Dignity Health St. Joseph's opened. The 220,000 square-foot, five-story, $100 million facility offers comprehensive cancer services, including infusion, radiation oncology, diagnostic imaging, endoscopic/interventional radiology, a women's center, specialized cancer clinics, patient wellness and support services, a prevention/executive health clinic, clinical lab space and other related support areas. The center is the only National Cancer Institute-designated Comprehensive Cancer Center located in Phoenix. This outpatient clinical facility hosts approximately 60,000 patient visits and 500,000 annual visitors.

In 2017, the U of A Biosciences Partnership Building (*"BSPB"*) opened. The 10-story, 245,000 square-foot building is connected to HSEB through a walkway. Research in BSPB will focus on flow cytometry, physics, materials science, nanotechnology, cancer drug therapies, molecular medicine, pediatric vaccines, building platforms for DNA and Biomarker Testing. At full occupancy, the facility will employ an estimated 360 healthcare professionals.

In 2019, construction began on the first phase of ASU's planned Health Solutions Campus at the PBC. ASU aims to develop its campus under a long-term agreement with the City for development rights for seven acres of land on the campus. The first phase of this development is the PBC Innovation Center, a $77 million, 225,000-square-foot building being constructed by Wexford Science and Technology. The PBC Innovation center celebrated it's ribbon cutting on March 30, 2021. The building ultimately opened in the fall of 2020 as a 7-story, 227,000 square-foot, lab-enabled building by Wexford Science+Technology renamed as 850 PBC. The building is designed to integrate research, entrepreneurial activity, and corporate engagement, the building offers opportunities for meaningful collaboration with the building tenants and community. In Fall 2021, discussions began about the second phase of ASU's Health Solutions Campus.

In order to meet the additional business needs of the growing biomedical sector, the City is looking beyond the 30-acre downtown PBC. The City is collaborating with the Arizona State Land Department, ASU and the Mayo Clinic to develop the 600-acre Arizona Biomedical Corridor in north Phoenix. The City is assisting ASU with infrastructure on their 24-acre Health Solutions Campus. Groundbreaking for the first building occurred in April 2019.

In January 2021, ASU's Health Futures Center opened and houses four ASU programs - the College of Health Solutions, Edson College of Nursing and Health Innovation, Ira A. Fulton Schools of Engineering and the J. Orin Edson Entrepreneurship and Innovation Institute, along with researchers from various ASU schools and colleges. The 150,000 square-foot three-story facility represents a $80+ million investment in the Arizona Biomedical Corridor.

In February 2021, The Mayo Clinic approved the construction of a $131 million 150,000 square-foot facility as part of its larger expansion plans. In 2018 Mayo launched its $748 million plan to add 1.6 million square feet of space, essentially doubling its capacity in the Arizona Biomedical Corridor. The expansion plan will result in almost 100 additional beds by 2023 and an additional 2,000 new jobs by 2029, including nearly 200 additional physicians.

Education

In 2004, ASU and the City entered into a partnership to develop the ASU Downtown Phoenix campus. Phoenix voters committed $223 million to the ASU Downtown Phoenix campus in the 2006 bond election. The campus is located in downtown Phoenix between Van Buren and Fillmore Streets on the north and south and First Avenue and Seventh Street on the west and east, respectively. Over 11,700 students were enrolled in degree programs at the ASU Downtown Phoenix campus during the fall 2021 semester. The anticipated economic impact of the ASU Downtown Phoenix campus is estimated to be $570 million, including the creation of 7,700 jobs. The City and ASU are working together to develop the State's workforce through education, generating academic and intellectual capital.

As part of the first phase of the ASU Downtown Phoenix campus, which opened in August 2006, ASU began to offer a wide range of undergraduate and graduate programs from the College of Public Programs and the University College. The second phase brought programs from the state-of-the-art Walter Cronkite School of Journalism and Mass Communications, KAET/Channel 8 and the College of Nursing & Healthcare Innovation to the ASU Downtown Phoenix campus.

As part of the second phase of the ASU Downtown Phoenix campus expansion, construction was completed on the 82,000 square-foot ASU College of Nursing and Healthcare Innovation II facility. The innovative design creates a sense of arrival for the northeast corner of the campus and downtown. With over a third of the materials utilized for this project containing recycled content, the new facility achieved the Leadership in Energy and Environmental Design (*"LEED"*) certified Gold status and has received 14 awards including Best Education Facility in America and the LEED Building of the Year. ASU invested $1.5 million in tenant improvements to finish the remaining fifth floor space of the ASU Nursing and Health Innovation II facility for executive offices, meeting space and staff workstations, which were completed in July 2013.

The second phase was completed with the addition of a student union and a student residence hall. The U.S. Post Office building at Central Avenue and Fillmore Street houses the student union for the ASU Downtown Phoenix campus. Retail postal services remain in the building, and a veranda was added along the south side of the building to be used for concerts, outdoor films and other activities. The conversion of the U.S. Post Office building was completed in March 2010. Taylor Place, a new student residence hall was constructed on the campus between First and Second Streets on Taylor Street. Taylor Place was completed in August 2009 and accommodates 1,294 beds. In early 2012, ASU began construction on the 18,870 square-foot Student Center at the Post Office located on the lower and first floors of the historic post office. Construction was completed in time for the 2013 spring semester.

In 2012, construction of the new ASU student recreation center began. The Sun Devil Fitness Complex is a five-story, 64,000 square-foot facility with state-of-the-art weight and fitness areas, three multi-purpose studios for group fitness and mind/body classes, a two-court gymnasium, a rooftop outdoor leisure pool and a multi-purpose area for student clubs to utilize. The $25 million facility is located on First Avenue north of Van Buren

Street, next to the YMCA. With classroom space for the Exercise and Wellness academic program on the second floor, the new facility adds to the existing YMCA services and serves both ASU students and YMCA members. The Sun Devil Fitness Complex opened to students and members in August 2013.

The ASU Sandra Day O'Connor College of Law relocated to downtown Phoenix from the Tempe main campus with the completion of the Beus Center for Law and Society building. The City of Phoenix invested $12 million in the project, located on a square block bounded by First, Second, Taylor and Polk Streets. Construction on the $129 million, 280,000 square-foot facility began in June 2014 and completed in August 2016.

In 2018, ASU committed to relocate the ASU Thunderbird School of Global Management (*"Thunderbird"*) from Glendale, Arizona to a new building on the square block also containing the ASU Sandra Day O'Connor College of Law. Thunderbird was moved to a temporary space at the Arizona Center before moving the graduate school to a currently under construction $60 million, 100,000 square-foot, four-story building at the corner of Second and Polk Streets is scheduled to be completed in 2021. The City has agreed to invest $13.5 million into the project.

In 2019, Creighton University, based in Omaha, Nebraska, began construction on a new health sciences campus at Park Central in midtown Phoenix. Creighton has estimated the total development cost to be $99 million Expected to open in 2021, the 180,000 square-foot Phoenix campus will serve nearly 900 students. It will include a four-year medical school and schools for nursing, occupational and physical therapy, pharmacy, physician assistants and an emergency medical services program. In conjunction with the new Creighton campus and other development at Park Central, a $30 million parking garage is being constructed by the Park Central Community Facilities District, formed for this purpose. The new ten-story parking garage will have a capacity of 2,001 spaces and was opened to the public in September 2020.

In 2019, ASU began construction of a 16-story student housing building designed for upper classmen and graduate students. The building features three-stories of classroom space and exhibition space on the ground-floor. In August 2021 the building, renamed Fusion on First, opened and welcomed over 500 students. The first three floors of the building feature classrooms and workspaces intended to create a hub that caters to design and art students, while the remaining thirteen floors provide apartment-style housing.

Neighborhood Revitalization and Downtown Housing

The City's downtown redevelopment efforts are complemented by Neighborhood Services Department (*"NSD"*) programs through which NSD works to preserve and improve the physical, social and economic health of Phoenix neighborhoods. NSD has created programs to assist neighborhoods citywide and aggressively works to revitalize targeted neighborhoods. City projects are complemented by neighborhood-based programs such as clean-ups, blight elimination and graffiti prevention that are often led by neighborhood stakeholders, including businesses, residents and schools.

Targeted neighborhood strategies are more comprehensive and concentrated in approach, involving redevelopment of blighted or under-used properties, proactive code enforcement, housing rehabilitation, rental rehabilitation infill housing development, infrastructure improvements, neighborhood capacity building and economic development. Targeted neighborhoods include Neighborhood Initiative Areas, Redevelopment Areas, and other City designated revitalization areas.

In order to make a meaningful impact towards the revitalization of distressed neighborhoods, NSD uses a strategic approach to address citywide needs and revitalization activities to enhance the physical environment and to improve neighborhoods. Federal programs that address blight elimination and neighborhood revitalization priorities including owner occupied housing rehabilitation and homeownership opportunities support the NSD strategies while enhancing the quality of life of Phoenix residents.

Beginning in the late 1990s, downtown Phoenix saw the development of several market rate projects for the first time in nearly a decade. From 1997 through 2003, nearly 1,300 housing units were built and available for occupancy in downtown. The units included apartments, lofts, condominiums and multi-family housing. Since 2004, residential housing projects have been developed in downtown Phoenix with several additional projects currently under construction. Over the past ten years, downtown Phoenix has gained over 3,300 market rate units and 1,200 affordable units. These new units have been developed as urban infill and adaptive reuse as well as low, mid and high-rise development projects.

In 2003, Artisan Homes, Inc. began building 105 ownership housing units on a 5.5 acre site bounded by Fifth and Seventh Streets and Roosevelt and Portland Streets. Artisan Village is an urban, mixed-use row house and townhouse residential project featuring ownership and unique live/work units with 3,000 square feet of street level retail opportunities, streetscapes, green belts, open spaces and 1,200 square feet dedicated for cultural use. The total project cost approximately $18 million and was completed in March 2006.

In 2004, the City entered into an agreement with Portland Place Partners to develop vacant land on Portland Street between Third Avenue and Central Avenue. Portland Place is an urban residential development that consists of 54 units in a six-story condominium tower and brownstones. Construction of Portland Place was completed in July 2007. The next phase of development, Portland on the Park, began construction in the spring of 2015 and was completed in the spring of 2017. This luxury condominium project sits adjacent to the City's Hance Park on Portland Ave, between 1st and 2nd Ave. The $54 million Portland on the Park project has added 170 condos to the historic Roosevelt neighborhood.

Art HAUS is a market rate residential project that completed construction in July 2016. The project includes twenty-five urban dwellings located in Midtown Phoenix consisting of simple yet bold forms organized around inter-connected semi-private resident courtyards. Dwellings consist of seven three-level townhomes, fifteen two-level lofts and three single-level flats ranging from 560 to 1,800 square feet. The project was constructed on the remnant parcel behind the Arizona Opera Center at Central Avenue and McDowell Road. The $5.5 million project is within walking distance of the Midtown Arts District.

Cloquet Metrowest, LLC completed a $17 million, five-story mixed-use development, named Union, in the summer of 2017. The Union includes 8,000 square feet of street-level restaurant/retail space, structured parking and 80 market-rate, multifamily residential units on a 0.9 acre site in the Historic Roosevelt neighborhood, at the southwest corner of Roosevelt Street and First Avenue.

In 2017, Alliance Residential completed the Broadstone Arts District project, a $49 million four-story, multi-family, rental residential infill project with 280 apartments. The project subsequently renamed Greenleaf Arts District is located at the northeast corner of McDowell Road and Alvarado Street. Since the completion of the Arts District project, Alliance Residential has completed construction on the 316 unit Broadstone Roosevelt complex at the northeast corner of 3rd and Roosevelt streets in 2019 and the 162 unit Portland Broadstone complex at the northeast corner of 3rd and Portland streets in 2021.

In 2019, CA Ventures completed construction on phase one of The Link PHX. The Link PHX is a 30-story high-rise residential rental project with ground floor commercial space. This is the first phase of a three-phase project that will ultimately generate $175 million of new investment in downtown Phoenix. Phase I contained 257 rental units at a capital cost of $67.6 million and was completed in late-2019. Phase II is currently under construction and will contain 234 rental units at a capital cost of $59.4 million. Phase II is expected to be completed in 2022.

In 2018, Akara Partners broke ground on a $45-million, 20-story high rise residential project featuring 299 rental units with 17,000 square feet of ground floor retail. The project was completed in May 2021.

In 2019, JMA Ventures, LLC started construction of the 278 Battery Apartments in the Warehouse District on the south end of downtown. The development represents a $43 million investment in downtown Phoenix and includes the adaptive reuse of two historic buildings. Construction completion is expected in 2022.

In 2019, PMG Properties Group began construction of Phase I of X Phoenix, a $92 million, 20 story high rise residential project featuring 320 rental units with 39,000 square feet of ground floor commercial and retail space. The total investment of this two-phase project is expected to total a $192 Million capital investment. Phase I was completed in early 2022.

In 2019, Trammel Crow broke ground on the first phase of High Street Fillmore, a $70 million, seven-story mid-rise residential project featuring 329 residential units and 10,000 square feet of ground floor commercial space. This is the first phase of a two-phase project that represents a total capital investment of $140 million. Phase I is expected to complete construction in 2022.

In 2020, Ascentris broke ground on Derby Roosevelt Row, a $36 million, 21-story high rise residential project featuring 222 residential units and 4,500 square feet of commercial space. The project was completed in spring 2022.

In 2020, Aspirant Development began construction on Aspire Fillmore, a $58 million, 17-story high rise residential project featuring 249 residential units with 1,600 square feet of commercial space. The project was completed in spring 2022.

In 2020, Hines Development began construction on The Adeline, a $135 million, 25-story high-rise residential project featuring 379 residential units and 4,500 square feet of ground floor commercial space. Construction was completed in fall 2021.

In 2021, Hubbard Street Development began construction on Skye on 6th, a $87 million, 26 story multi-family development. The building will include 309 rental units and approximately 7,000 square feet of commercial space. Construction is anticipated to be complete in 2023.

In late 2021, The North American Development Group begin construction on the 28-story, multifamily residential Palm Court Tower. The development, which will include approximately 354 units represents a $107 million investment in downtown. Construction is anticipated to be complete in 2024.

Government Facilities

A 601,000 square-foot Phoenix City Hall was built on Washington Street between Second and Third Avenues, immediately north of the existing Calvin C. Goode Municipal Building. The project, completed in 1994, includes a 1,500-space parking structure that contains 43,000 square feet of office and retail space and is located between Washington and Jefferson Streets and Third and Fourth Avenues.

The Burton Barr Central Library celebrated its grand opening in May 1995. The five-story, 284,000 square-foot library accommodates more than 1 million volumes and has seating for up to 800 patrons. The facility was designed to meet the needs of library patrons well into the 21st century.

Construction of the Phoenix Municipal Court Valdemar A. Cordova Building, a nine-story, 375,000 square-foot City criminal justice facility, was completed in the fall of 1999. The building is located on the northwest corner of Washington Street and Third Avenue, directly west of Phoenix City Hall. The project cost $79 million. It is estimated that between 3,000 and 4,000 customers per day visit this facility, making it the largest volume court in the State.

The Federal government completed construction of a 550,000 square-foot federal courthouse in September 2000. The Sandra Day O'Connor U.S. Courthouse is located on two blocks bounded by Jefferson and Washington Streets and Fourth and Sixth Avenues in downtown Phoenix. The project cost approximately $110 million and includes courtrooms and related office space.

The County constructed a new courthouse in downtown Phoenix at First Avenue and Madison Street. The new 16-story courthouse provides 683,000 square feet of space, including 32 criminal courtrooms. Construction of the $340 million courthouse was completed in February 2012.

Maricopa County began construction of a new Maricopa County Sheriff's Office (MCSO) Headquarters in June 2012. Completed in 2014, the five-story, $92.5 million facility is located on Fifth Avenue and Jefferson Street and houses MCSO administrative staff, and the 911 call center operations. The building contains approximately 128,000 square feet of space with 75 parking spaces below ground.

In 2017, Maricopa County began a $65-million remodel of the former Madison Street Jail located east of 3rd Avenue between Madison and Jackson Streets. The space will be the future home of the Maricopa County Attorney's Office, consolidating offices from around the county in downtown Phoenix. The construction was completed in December 2019.

In 2018, the Phoenix City Council authorized advancing $200 million to accelerate pavement maintenance projects. Between January 2019 and June 2023, the Street Transportation Department will undertake its largest and most comprehensive pavement maintenance program which entails accelerating pavement maintenance work on many of the City's major streets. During this period, more than 250 major-street miles will be repaved as part of the accelerated pavement maintenance program. This represents a 300 percent increase compared to the number of major-street miles the City traditionally paves each year. The accelerated program will be accomplished in conjunction with the City's pavement preservation program for local and collector streets. The acceleration of the City's pavement maintenance program will significantly improve the condition of City streets.

Downtown Streetscape

Construction on an $8.9 million streetscape project in downtown Phoenix was completed in February 1995. The project added pedestrian lighting, landscaping and street furniture to pedestrian-oriented streets in the downtown area. The improvements are concentrated along Adams Street between Second Avenue and Second Street, Monroe Street between Third Avenue and Seventh Street, Second Street from Van Buren to Jefferson Streets, and Third Street between Van Buren and Monroe Streets. Project boundaries were chosen to create a pedestrian link between Phoenix City Hall, the Orpheum Theater, City-owned multipurpose arena, the Arizona Center and the Heritage and Science Park.

In 2000, the City and the County reached an agreement wherein the County would be responsible for funding the streetscape build out of Jackson Street from First Avenue to Ninth Avenue and the City would be responsible for its maintenance. The $3.2 million project included a three-month community input process to identify the parameters of the street layout, landscape, sidewalk, lighting and design elements. Construction began March 2004 and was completed in November 2004.

In 2006, the City began construction of two streetscape projects on the ASU Downtown Phoenix campus. The projects, which included Taylor Mall and First Street, were completed in January 2009. Taylor Mall is a tree-lined, pedestrian-friendly sidewalk and street between the Civic Space Park and Arizona Center that contains public art, inviting benches, and sustainable water features. A traffic signal and crosswalk allows pedestrians to cross Central Avenue and light rail tracks to enter the Civic Space Park safely from Taylor Mall. In addition, the west side of First Street from Polk Street to McKinley Street has been improved with lighting, shade and landscaping.

In 2012, the City completed construction of a 2006 voter approved bond project which improved downtown streetscapes on First Street from Fillmore to McKinley Streets. The City received an award from the Arizona Community Tree Council for the First Street streetscape project for the beautification of the urban environment through the use of trees.

In 2015, the City completed construction on a streetscape project improvement on Roosevelt Street between Central Avenue and Fourth Street. The project was funded through a $750,000 Federal Transportation Enhancement Grant. The improvements include new sidewalks, bike lanes, street lights, shade trees, benches, public art and other amenities. A second phase of this project on Roosevelt Street, from Fourth Street to Seventh Street was completed in August 2016. Roosevelt Street was repaved from 1st Avenue to 7th Avenue, a project which included the addition of bike lanes.

In 2017, the Renaissance Hotel, which fronts Adams Street from Central Ave to 1st Street, began a $9.5 million capital improvement program that took recommendations from the Adams Street Activation Study. The improvements included relocating the valet area from Adams St. to 1st Street, structured shade elements along the south façade, drought tolerant landscaping and decorative street pavers. This investment transformed Adams Street into a more pedestrian friendly space and set a high standard for future development along Adams Street.

In 2019, the Hyatt Hotel, which fronts Adams Street from 1st Street to 2nd Street, began a $40 million capital improvement project to renovate the hotel and enhance the streetscape consistent with recommendations from a study done for Adams Street. Work was completed in early 2020.

Transit/Light Rail

Central Station, the City's downtown transit center located on the northwest corner of Central Avenue and Van Buren Street was constructed in 1997. The 2.7-acre site includes a 4,000 square-foot passenger services building for ticket sales, security, and restrooms; a 16,000 square-foot passenger plaza that includes passenger information, seating and shade; and bus loading and circulation areas for 6 bus routes, Dial-a-Ride and DASH (Downtown Area Shuttle), as well as east and westbound light rail services. The total cost of the project was approximately $9.3 million, with the Federal Transit Administration funding 80% and the City funding 20% of the project. Central Station received a $3.7 million renovation, completed in July 2011, to modernize the facility, improve security, and incorporate sustainable elements. The transit center improvements were one of five major transit capital projects funded by the American Recovery and Reinvestment Act. The other four projects include a $1.4 million expansion of the 40th Street and Pecos Road park-and-ride that was completed in June 2010, the construction of a new $3.4 million park-and-ride at the southwest corner of Interstate 17 and Happy Valley Road that was completed in January 2011, the construction of a new $2.7 million park-and-ride at the southwest corner of 27th Avenue and Baseline Road that was completed in February 2012 and a $4.0 million project to make Americans with Disabilities Act related improvements to 400 bus stops in Phoenix that was completed in October 2012.

On March 14, 2000, City of Phoenix voters approved a 0.4% sales tax increase to be levied for a period of twenty years to provide funding for a light rail system as well as mass transit, including expanded bus service and other transportation improvements (the "*Transit Sales Tax*"). Construction of an approximately $1.4 billion, 20-mile light rail system connecting north central Phoenix (19th Avenue and Bethany Home Road) with Sky Harbor International Airport (via the PHX Sky Train®), Tempe and Mesa (Main Street and Sycamore Road) began in the fall of 2004 and opened for operations in December 2008. The total cost of the project was funded with Federal grant funds, Transit Sales Taxes and other local funding sources.

The City has also made major renovations to two of its bus transit centers. Renovations to the Sunnyslope Transit Center and the Paradise Valley Mall Transit Center were completed in June 2007 and June 2009, respectively. The renovations provided much needed improvements to the facilities, including security upgrades. The City recently developed a new park-and-ride facility along the Baseline Road corridor at 24th Street, which opened in April 2015. In addition, the City upgraded and expanded the Desert Sky Mall Transit Center to serve residents in West Phoenix. This much needed facility, which provides shade, security, covered parking and public art opened to the public in December 2015. The new Desert Sky Mall Transit Center cost $8.2 million for land, design and construction.

The City has also made substantial improvements to its bus operating and maintenance facilities. These facilities are the backbone of the transit system, as they provide fueling, cleaning, and maintenance for the City's bus fleet, as well as administrative space for the bus operations contract service providers. In November 2007, a new $50 million West Transit Facility was completed and opened for operations. This facility provides additional capacity to operate and maintain buses for the Phoenix transit system. The facility was designed to accommodate 250 buses and replace a rented facility, which could only accommodate 75 buses. The additional capacity will help address future expansion of the Phoenix bus system with the passage of Prop 104.

The city of Mesa received local and regional approval in August 2010 to move forward with the Central Mesa Extension, which extended the system 3.1 miles from Sycamore Drive and Main Street to Mesa Drive and Main Street. Construction on the Central Mesa Extension began in May 2012, with service beginning in August 2015. The Federal Transit Administration funded 64% of the Central Mesa Extension construction costs and the Maricopa County Transportation Excise Tax funded the remaining 36% of the construction costs. The Gilbert Road Extension was completed in late spring 2019 and extends the light rail on Main Street from Mesa Drive to Gilbert Road in Mesa. The city of Tempe began construction in 2017 on the Tempe Streetcar. Tempe Streetcar is the first modern streetcar line in the Valley and will connect riders to the light rail system, neighborhoods, major business centers, and regional events. Streetcar vehicles are smaller than light rail vehicles and operate individually, not linked together in trains. Streetcar stops are similar to bus stops and occur more frequently than light rail stations. The Tempe Streetcar is scheduled to be completed in summer/fall of 2022.

In May 2012, the Phoenix City Council approved the Capitol / I-10 West Locally Preferred Alignment (*"LPA"*). Following the passage of Transportation 2050, Phoenix City Council approved phasing the Capitol / I-10 West project. Phase I will extend between the current light rail line in downtown Phoenix to the State Capitol Complex and will open in 2024. Phase II will extend to the 79th Avenue Park-and-Ride and is expected to open in 2030. Subsequent to approval of the Capitol/I-10 West LPA, staff has continued to study options for the convergence of LRT corridors within downtown Phoenix. In conjunction with analysis for the South Central LRT Extension, a reconfiguration of the merging of the existing light rail system, the future Capitol / I-10 West LRT Extension, and South Central LRT Extension was recommended by staff to create a downtown transit hub to enhance the connectivity for transit passengers along with other multimodal improvements. These recommendations were approved by the City Council on September 26, 2017. The approval of the downtown LRT transit hub prompted a re-examination of the original Capitol / I-10 West Phase I LPA. Currently staff is engaging the public to determine what route, mode, and timing would better serve the transportation needs for the Governmental Mall and the west valley community. City Council approved the project in November of 2021. The total cost of the project will be funded with Federal grant funds, Transit Sales Taxes and other local funding sources.

Improvement plans for the bus operating and maintenance facilities also includes renovations to the two existing facilities, the North Transit Facility and the South Transit Facility. Upgrades to these facilities include improvements to life safety, security, building code upgrades, roofing replacements, HVAC equipment replacement, and fueling system upgrades. The North Transit Facility renovation was completed in November 2013, while work at the South Transit Facility began in the summer of 2015 and was completed in the fall of 2019, with a total cost of $28 million for design and construction.

In August 2014, a 34-person group, the Citizens Committee on the Future of Phoenix Transportation, was created to address the 2020 expiration of the Transit Sales Tax and to review the public transit and street transportation needs of the City. After six months of meetings and over 100 public engagement events, the committee forwarded their recommendations to the City Council, whom approved the plan in March 2015 and placed Prop 104 on the ballot. On August 25, 2015, voters approved a new comprehensive transportation plan and funding tax proposal that increased the existing Transit Sales Tax rate dedicated for transportation. The dedicated Transit Sales Tax rate was increased from the previous 0.4% to 0.7% and became effective January 1, 2016, with a sunset date of December 31, 2050. The increased Transit Sales Tax will continue to fund expanded local bus and Dial-A-Ride service, bus rapid transit service, neighborhood circulators and the operation of the light rail system. The increased Transit Sales Tax funding will also provide for expanded bus and light rail service hours and routes, high capacity transit corridors, and infrastructure improvements to bus stops, maintenance facilities and transit centers. In addition, the increased Transit Sales Tax will provide for street improvements including pavement maintenance, new bicycle lanes, sidewalk installation and traffic signal enhancements.

In 2019, City Council authorized an agreement for the Northwest Light Rail Extension Phase II project with Valley Metro Rail (*"VMR"*). The Northwest Light Rail Extension Phase II is a 1.6-mile light rail project extending from the current end-of-line at 19th Avenue and Dunlap, west to 25th Avenue, then northward to Mountain View Road, to a terminus west of Interstate 17 adjacent to the Metrocenter Mall. The project will include three new stations, two park-and-ride lots (one end-of-line, one co-located with Rose Mofford Park), and a relocated and expanded Metrocenter transit center. The $173 million (City's share) project, scheduled to open in 2024, will include an elevated structure over Interstate 17 and will terminate just west of the freeway. The Northwest Extension Phase II design has advanced to 90%. Construction started the summer of 2020. The total cost of the project will be funded with Federal grant funds, Transit Sales Taxes and other local funding sources.

In 2019, City Council authorized an agreement for the South Central Extension/Downtown Hub project with VMR. The South Central Extension/Downtown Hub is a 5.5-mile light rail project extending south from Jefferson Street to Baseline Road along Central Avenue and includes the creation of a rail transfer hub in downtown Phoenix. The project will include nine new light rail stations and two park-and-rides — one located at the existing Ed Pastor Transit Center at Central Avenue and Broadway Road, and an end-of-line facility at the northwest corner of Central Avenue and Baseline Road. On April 15, 2019, the Federal Transit Administration (*"FTA"*) granted the project approval to enter the engineering phase of the Capital Investment Grant New Starts program. The U.S. Department of Transportation awarded $638 million to help fund the South Central/ Downtown Hub Light Rail expansion in January 2021. The Full Funding Grant Agreement from the FTA represents the federal government's role in funding and helping manage the project. The extension project will receive $530 million from the FTA's Capitol Investment Grants Program and $108 million from the Federal Highway Administration. The project includes track improvements along McKinley Street, 5th Street, and 3rd Avenue in downtown Phoenix, expansion of the existing Operations and Maintenance Center, purchase of 17 light rail vehicles, and construction of two park-and-ride lots. October 14, 2019 marked the official start of construction in the Downtown Hub of the project. The first order of construction being the relocation of underground utilities. Due to the limited right of way and close proximity of structures within the hub, this work is scheduled to take approximately 18 to 24 months. Work being done this year will take place along McKinley between 1st Avenue and Central Avenue, and 5th Street between Washington Street and Jefferson Street. The $428 million (City's share) project will be funded with Federal grant funds, Transit Sales Taxes and other local funding sources. On January 6, 2021, The FTA signed and executed a full funding grant agreement in the amount of $530 million to secure their share of funding committed through the Capital Investment Grant program.

Phoenix Sky Harbor Center

The creation of Phoenix Sky Harbor Center was approved by the City Council in 1984, and in 1985, $19,150,000 in City bonds were issued for the development of 550 City-owned acres into a high quality business office, technological and industrial center. Located immediately west of Phoenix Sky Harbor International Airport, Phoenix Sky Harbor Center is generally bordered by I-17 to the south, 16th Street to the west, the Southern Pacific Railroad to the north and 24th Street to the east. Phoenix Sky Harbor Center is bisected by I-10, which provides convenient transportation access to the site and to Phoenix Sky Harbor International Airport.

The initial acquisition and infrastructure development phase of Phoenix Sky Harbor Center was completed in 1993. Among the earliest occupants were Honeywell, Sky Chefs Inc., Miller Brands of Phoenix and Arrow Electronics. These initial tenants built distribution space, office buildings, warehouses and manufacturing facilities totaling over 1.16 million square feet. The office park has since added Bank of America's credit card operations center, and Bank One (now JPMorgan Chase) regional processing center. Other sizeable tenants at Phoenix Sky Harbor Center include First Group America dba Greyhound Lines, Charlie Case dba Community Tire, Century Link, Grand Stable & Carriage Co. LLC, LTJ Skyline, the City of Phoenix, Horseheads Industrial Capital II, LLC, 801 S. 16th Industrial, LLC, Honeywell International Inc., and Watson Properties.

In 1993, the City received approval for the relocation and expansion of Foreign Trade Zone ("*FTZ*") No. 75 to a 375-acre site at Sky Harbor Center. The FTZ was established to allow companies who import large amounts of foreign products to defer paying duties on these products until they are shipped to retail outlets. The FTZ boundaries were modified to include air cargo operations at the Airport.

In 2001, the City Council approved the concept of a consolidated rental car center ("*RCC*") for Phoenix Sky Harbor International Airport. On June 1, 2002, the City initiated a daily Customer Facility Charge ("*CFC*") collected by the rental car companies on all rentals to be used to fund the construction, operation and maintenance of the RCC. The RCC is located on approximately 141 acres within Sky Harbor Center and opened on January 19, 2006. The development includes a customer service building, car service facility, a 5,651 space parking garage, bus fleet, bus maintenance facility, and associated site improvements, infrastructure, roadways, landscaping and signage. The project was funded with CFC revenues and bond funds, and cost approximately $285 million.

Phoenix Sky Harbor International Airport

In 1990, construction was completed on Terminal 4 at Phoenix Sky Harbor International Airport at a cost of $276 million. The original facility included 4 domestic concourses housing 44 gates, one international concourse with 4 gates, and a 3,400-space parking facility. In July 1994, the City Council approved expansion of Terminal 4 to add ten domestic gates to the international concourse. Construction of the new facilities was completed in February 1996. In September 1995, America West Airlines (now American Airlines) announced plans to expand its Phoenix operations over the next several years. In March 1998, the City Council approved an airport capital expansion program funded primarily by passenger facility charges and airport revenue bonds. Approved and completed projects included rebuilding runways in concrete, construction of two new airport fire stations, a new Terminal 4 concourse to provide more capacity for American Airlines and additional parking facilities at Terminal 4. The airport is currently constructing the final concourse at Terminal 4, which Southwest Airlines has already committed to utilize. The new concourse will add eight gates, and is expected to be completed in mid-2022.

Terminal 3, which opened in 1979, originally contained approximately 639,000 square feet and ten gates. The Terminal 3 Modernization Project, which began construction in 2014, with the purpose of removing Terminal 2 from service, providing for passenger growth in Terminal 3, increasing passenger flow efficiencies and increasing concession revenue. The $580 million modernization project was executed in three independent phases that allowed the project to be completed as demand required and finances allowed. Airlines in Terminal 2 were moved into the expanded Terminal 3 facilities. The Airport completed the final phase of the project in the spring of 2020. Terminal 3 now contains approximately 710,000 square feet and 25 gates.

PHX Sky Train® is an automated people mover designed to carry over 35 million riders annually through seven stations at Sky Harbor along an elevated guideway spanning approximately five miles. The PHX Sky Train® provides a new front door to the Airport, offering a seamless connection with the light rail transit station at 44th Street and Washington. Stage 1 of the PHX Sky Train® connects Phoenix's light rail system, Sky Harbor's east economy parking garages and Terminal 4 and began service on April 8, 2013. Stage 1a (the Terminal 3 Line Extension) began service on December 8, 2014 and runs from Terminal 4 to Terminal 3 with a walkway connection to Terminal 2. The two stages were completed more than $45 million under the combined budget of $884 million. Construction of the final extension of the PHX Sky Train®, which will extend service from Terminal 3 to the Rental Car Center, commenced construction in February 2018. The train extension project has a budget of $745 million and is scheduled to open for service in mid-2022.

On June 11, 2019, the Phoenix City Council approved the Airport's Comprehensive Asset Management Plan (the *"CAMP"*), which is a 20-year blueprint for Airport investments. The CAMP is projected to cost $5.7 billion during the 20-year period. Early in calendar year 2020, commercial airports across the United States, including Phoenix Sky Harbor International Airport, saw passenger traffic numbers reduced dramatically as the global economy began to face impacts of the COVID-19 pandemic. The Airport responded to the pandemic-driven reduction in revenue by deferring these CAMP projects until the pandemic ends and the projects become viable. With new federal funding becoming available for capital development through the Bipartisan Infrastructure Law ("*BIL*"), the Airport is obtaining environmental approvals and developing designs on a new crossfield taxiway (Taxiway U) and an additional concourse on the north side of Terminal 3 (T3 N1). These, and other smaller airfield projects are expected to be competitive for discretionary grants under the BIL program.

Property Tax Supported Bond Program

In order to help meet the City's future capital financing needs, a comprehensive property tax supported general obligation bond program was initiated in the summer of 2005. A citizens bond committee consisting of approximately 700 private citizens was appointed by the Mayor and City Council to review the City's capital requirements and recommend a total bond program to the voters. This is the traditional approach used by the City for bond elections since 1950. The program culminated in a special bond election on March 14, 2006 when the voters approved all seven propositions totaling $878.5 million in new general obligation bond authorizations. The propositions and the amount of bonds authorized are shown in the following table. There is currently $152.3 million of authorized bonds that have not yet been issued.

2006 Bond Program	Amount Authorized
Police, Fire and Homeland Security	$177,000,000
Education Facilities	198,700,000
Library and Youth, Senior and Cultural Facilities	133,800,000
Parks, Open Space and Recreational Facilities	120,500,000
Streets, Storm Sewers and Flood Protection	147,400,000
Affordable Housing and Neighborhood Revitalization	85,000,000
Computer Technology	16,100,000
Total	$878,500,000

PHOENIX CITY GOVERNMENT

Phoenix operates under a Council-Manager form of government as provided by its Charter which was adopted in 1913. The City Council consists of a Mayor and eight Council members, elected by the people on a non-partisan ballot. At a special election held on October 3, 1989, Phoenix voters passed Proposition 105 which amended the City Charter to provide for four year staggered terms and a limit of two such terms for the Mayor and Council members. On November 6, 2001, Phoenix voters passed Proposition 101 which amended the City Charter to allow Council members to serve up to three consecutive four-year terms, with no limit on the number of terms that could be served over a lifetime. On August 28, 2018, Phoenix voters passed Proposition 411 which amended the City Charter by changing City Council elections from the fall of odd-numbered years to November of even-numbered years to coincide with county and statewide elections. The initial implementation of Proposition 411 will extend current Council members' terms by a year, so the next elections can occur in even-numbered years. The Mayor is elected at-large, while Council members are elected by voters in each of eight separate districts they represent. The Mayor and each Council member have equal voting power.

The Council is responsible for policy making. It appoints advisory boards, commissions and committees and also appoints Municipal Court Judges and the City Manager.

The City Manager is responsible for executing Council policies and administering City operations. Reporting to the City Manager is an Assistant City Manager, a Special Assistant, the Budget and Research Director, the Chief Financial Officer, the City Auditor and the City Attorney.

The City government is responsible for furnishing basic municipal services. Primary services delivered by the City's 39 departments/functions, 19 initiatives/projects and 14,858 employees include police, Municipal Court, fire protection, parks, recreation, libraries, sanitation, water, sewer, transportation (including streets and public transit), airports, building safety, public works, neighborhood improvement and housing, community and economic development and convention and cultural services. These services were provided in fiscal year 2020-21 through an adopted operating budget of $5,020.4 million. Of this, the general purpose funds budget totaled $1,425.6 million, which was for general municipal services and excluded enterprise activities such as water, sewer, refuse and airports and special revenue funds such as grants, secondary property taxes, Arizona Highway User Revenues, impact fees and voter-approved dedicated sales taxes.

Elected Officials

KATE GALLEGO, MAYOR

Mayor Gallego began her first term as Mayor in March 2019. Prior to being elected Mayor, Ms. Gallego served on the City Council representing District 8 for nearly five years before resigning in August 2018 to run for Mayor. Ms. Gallego has been an active member of the community and held several volunteer positions including Chair of the Environmental Quality Commission, Chair of the Solar Energy Subcommittee, Vice Chair of MyPlanPHX.com, and as a member of the Central City Village Planning Commission. Additionally, Ms. Gallego is a member of the Board of Directors of the Arizona Latino Arts and Culture Center and serves on the Arizona Commission on Service and Volunteerism. Ms. Gallego has a bachelor's degree in environmental studies from Harvard University and holds a Master of Business Administration in Entrepreneurial Management from the Wharton School of Business at the University of Pennsylvania.

LAURA PASTOR, VICE MAYOR, DISTRICT 4

Councilmember Pastor was elected as vice mayor for the second time in January 2022. She began her second consecutive term on the City Council in January 2018. Ms. Pastor is Director of Achieving a College Education Program at South Mountain Community College and was a classroom elementary teacher for four years. Previously, Ms. Pastor was with the Department of Employment and Rehabilitation Services at the Arizona Department of

Economic Security and was Special Assistant to the Arizona Director of Insurance. Ms. Pastor is a member of the Phoenix Union High School District Board and serves on the O'Connor House Speak Out Against Domestic Violence and Mi Familia Vota advisory boards. She is a former member of the Hispanic Advisory Board of Maricopa Community Colleges, Maricopa Transportation Advisory Board, the Homeless Task Force, and Phoenix Day. Ms. Pastor has a bachelor's degree in education from Arizona State University and a Master of Public Administration from City University of New York.

ANN O'BRIEN, COUNCILMEMBER, DISTRICT 1

Councilmember Ann O'Brien began her first term in April 2021. Prior to being elected to the Phoenix City Council, Ms. O'Brien worked in project management for the Arizona Department of Child Support Enforcement and as a business broker for a local company. Ms. O'Brien is an Arizona native who has done extensive volunteer service work within the community. She currently serves as the President of the Deer Valley Unified School District Governing Board, President of the Arizona School Board Association and is the appointed chairperson of the 2020 Legislative Committee. Ms. Obrien holds a bachelor's degree from Arizona State University.

JIM WARING, COUNCILMEMBER, DISTRICT 2

Councilmember Waring began his second consecutive full term on the City Council in January 2018. Mr. Waring has been an active member of the community for many years and has volunteered on many City and charitable organizations, including the Paradise Valley Village Planning Committee, Phoenix Planning Commission and Neighborhood Block Watch Committee. For his contributions, he has earned awards from the Arizona Federation of Taxpayers (Champion of the Taxpayer), National Federation of Independent Business (Guardian of Small Business), and the Arizona Chamber of Commerce (Senator of the Year). In addition, he was recognized for his work fighting domestic violence by the Arizona Coalition Against Domestic Violence (Legislator of the Year twice) and the Men's Anti Violence Network (Man of the Year). Councilmember Waring was awarded the Arizona Veterans Hall of Fame Copper Shield Award and the National Guard Association of the United States Medal of Merit. Mr. Waring was an Arizona State Senator for seven years and has served on the staffs at Arizona State University, the Arizona Board of Regents and Northern Arizona University. Mr. Waring received his PhD in Public Administration from Arizona State University's School of Public Affairs and his undergraduate degree from Northern Illinois University.

DEBRA STARK, COUNCILMEMBER, DISTRICT 3

Councilmember Stark began her first term on the City Council in March 2017 to fill the District 3 position left vacant upon the resignation of Bill Gates. Ms. Stark has spent her entire career in local government working for the City of Phoenix, the County, and the City of Peoria. At the City of Phoenix, Ms. Stark was the Planning and Development Director from 2005 to 2012. She is currently the President of the Arizona Chapter of the American Planning Association and serves as a Board Member for the Arizona Council of the Urban Land Institute and Southwest Center for HIV/AIDS. Ms. Starks holds a bachelor's degree in sociology from Western Kentucky University and a master's degree in planning from Arizona State University.

BETTY GUARDADO, COUNCILMEMBER, DISTRICT 5

Councilmember Betty Guardado began her first term on the City Council in June 2019. Ms. Guardado has been an active member of the community and has served as the director of union organizing in Phoenix for UNITE HERE Local 11, where she has conducted campaigns and negotiated contracts for thousands of hotel and food-service workers around Maricopa County. Currently, she is a vice president of Local 11. Ms. Guardado has been instrumental in leading successful independent voter turnout campaigns to elect several Phoenix City Council members to develop young leaders, and to empower working-class families.

SAL DICICCIO, COUNCILMEMBER, DISTRICT 6

Councilmember DiCiccio began his third consecutive full term on the City Council in January 2018. Mr. DiCiccio previously served on the City Council from 1994 to 2000. Mr. DiCiccio currently works with state, tribal, county and municipal governments as well as national business entities to develop business opportunities in Arizona. Mr. DiCiccio has served on several boards and committees including the Arizona Municipal Tax Code Commission, the State Land Conservation Task Force, the Arizona Growing Smarter Working Advisory Committee, the Maricopa County Planning Commission and the Arizona FARE Committee. Mr. DiCiccio was also a member of the Fiesta Bowl Committee and the Board of Directors for the Arizona Center for the Blind. Mr. DiCiccio is a member of the South East Valley Regional Association of Realtors and the National Association of Realtors. Mr. DiCiccio is a small business professional and holds a bachelor's degree in business from Arizona State University.

YASSAMIN ANSARI, COUNCILMEMBER, DISTRICT 7

An Arizona native, Councilmember Ansari began her first term on the City Council in April 2021. Prior to being elected to the Phoenix City Council, Ms. Ansari served as a senior climate advisor to former United Nations Secretary and helped to deliver the historic Paris Climate Agreement. She has also worked on Mission 2020, a global climate campaign, and served as the Deputy Director of Policy for the Global Climate Action Summit. Ms. Ansari holds a bachelor's degree from Stanford University and a master's degree from the University of Cambridge.

CARLOS GARCIA, COUNCILMEMBER, DISTRICT 8

Councilmember Carlos Garcia served as Vice Mayor for one year. Prior to being elected to the Phoenix City Council, Mr. Garcia spent 16 years advocating social justice in Arizona and across the country. Mr. Garcia serves on the U.S. Human Rights Network Board and co-founded Puente Human Rights Movement, an immigrant rights organization, as well as One Arizona, a non-profit coalition focused on civic engagement. Mr. Garcia is also a co-founder and board member of Mijente, a national political home for Latinx and Chicanx.

Administrative Staff

JEFF BARTON
City Manager

Jeff Barton was appointed City Manager in October 2021 after serving as Assistant City Manager since February 2021. Mr. Barton's career with the City of Phoenix started in 1999 as an Internal Auditor in the City Auditor Department. Over the years he held a variety of roles that focused on the City's sound financial stewardship, including multiple auditing positions, Management Assistant, Deputy Budget and Research Director, Budget and Research Director, and most recently as Deputy City Manager. Mr. Barton holds a bachelor's degree in Political Science from Morehouse College and a Master of Public Administration from Shippensburg University of Pennsylvania.

LORI BAYS
Assistant City Manager

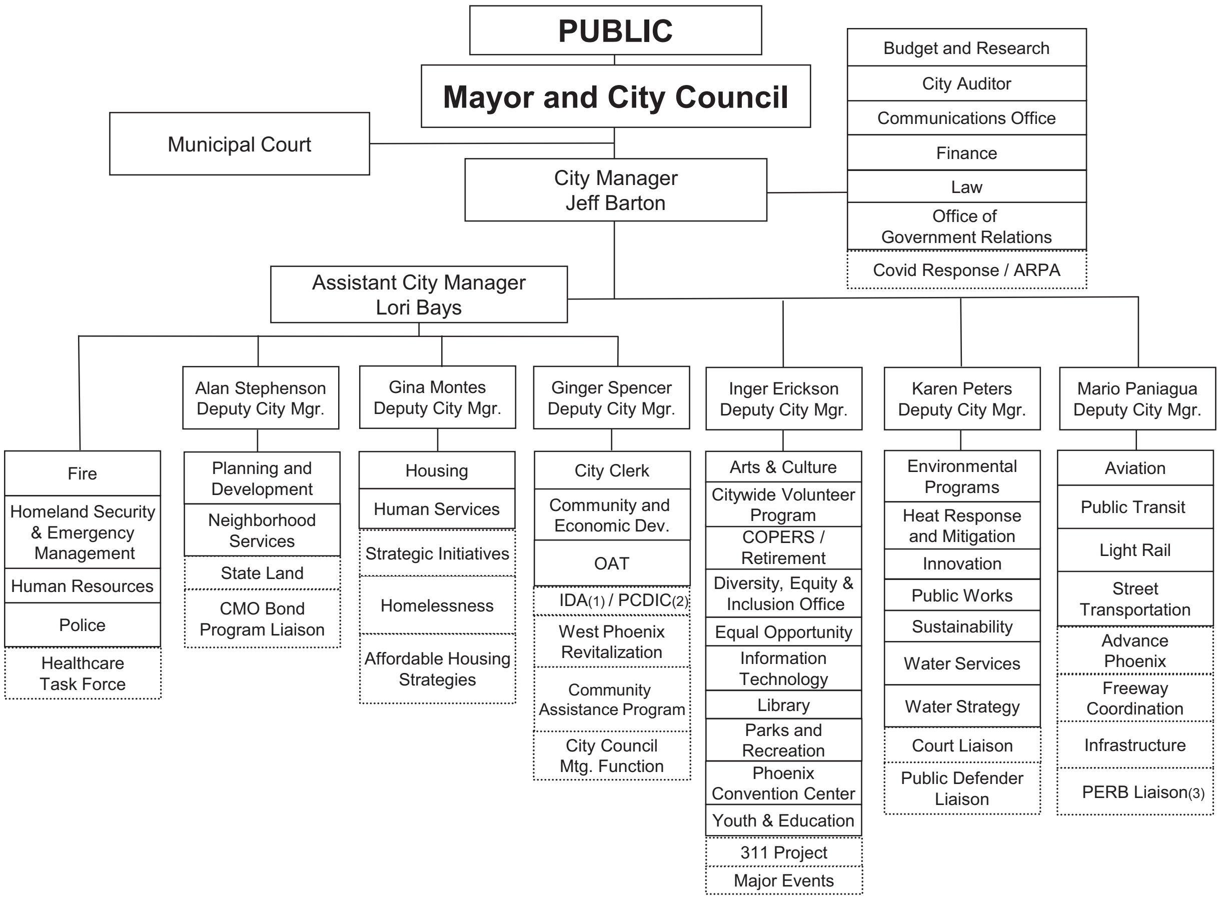
Lori Bays was appointed Assistant City Manager in October 2021. Ms. Bays joined the City in 2017 as a Chief Human Resources Officer where she has managed human resources strategy and operations for the City's workforce of 14,000 employees. In this role, Ms. Bays has led efforts to develop a Total Compensation and Rewards Strategy for the City, designed and implemented the PHXRespect initiative, as well as served on the leadership team for the Racial Equity Dialogue Series. Prior to working for the City, she was the Chief Administrative Officer for Salt Lake County, which has a population of more than one million residents. Ms. Bays holds a Master's degree in Clinical Psychology and a bachelor's degree in Psychology.

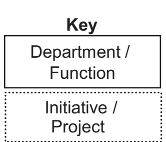
CRIS MEYER
City Attorney

Mr. Meyer was named City Attorney in December 2018 after serving as Chief Assistant City Attorney. Mr. Meyer has more than 25 years of experience in City administration, management and municipal law in the areas of elections and initiative, referendum and recall petitions, campaign finance, public records, open meeting law and public meetings, ethics, conflicts of interest, annexation, regulatory licensing, and municipal administration. Mr. Meyer is a member of the State Bar of Arizona and the State Bar of Illinois. He received his bachelor's degree in Psychology from Wheaton College in Illinois and his law degree from the University of Illinois College of Law.

KATHLEEN GITKIN
Chief Financial Officer

Ms. Gitkin was appointed Chief Financial Officer in July 2021. She began her career with the City in 2004 with the Finance Department, working as an Accountant II in the Utilities Accounting Division and an Accountant III, Accountant IV and Investment and Debt Manager in the Treasury and Debt Management Division. She became Deputy Finance Director/City Treasurer in November 2014 and was promoted to Assistant Finance Director in July 2020. Throughout her career she has managed financial planning, city controller functions, real estate, risk management, banking and cashiering, investments and debt issuances to fund capital expenditures. Ms. Gitkin has a bachelor's degree in Accountancy from New Mexico State University and a Master of Business Administration from University of Phoenix.





1 - Phoenix Industrial Development Authority.

2 - Phoenix Community Development and Investment Corporation.

3 - Phoenix Employee Relations Board.

Effective: February, 28, 2022

Awards

The City of Phoenix and its employees have been recognized professionally for numerous awards including the following accomplishments:

- **Certificate of Achievement for Excellence in Financial Reporting**

This award (formerly the Certificate of Conformance in Financial Reporting) recognizes the completeness, accuracy and understandability of the City's Annual Comprehensive Financial Reports. Awarded to the City of Phoenix by the Government Finance Officers Association each year since 1976, and to the City of Phoenix Aviation Department each year since 2016, the first year of the Aviation Annual Comprehensive Financial Report.

- **Employees' Retirement Plan Certificate of Achievement for Excellence in Financial Reporting**

Awarded to the City of Phoenix by the Government Finance Officers Association for its component unit financial report each year since 1985. The Certificate of Achievement is the highest form of recognition in the area of public employee retirement system accounting and financial reporting.

- **Distinguished Budget Presentation Award**

Awarded to the City of Phoenix Budget and Research Department each year since 1990 by the Government Finance Officers Association for the completeness and understandability of its budget document.

- **2018 Illuminating Engineering Society Award of Excellence Winner**

The Illuminating Engineering Society (*"IES"*) and Smith Group recognized Phoenix Sky Harbor International Airport for its Terminal 3 Modernization Project. The 2018 Illuminating Engineering Society Awards celebrates design excellence worldwide and selected Phoenix Sky Harbor as an Award of Excellence Winner. This award was provided to the airport due to an exceptional contribution to the art and science of light.

- **2017 Arizona Forward — Governor's Award for Arizona's Future**

Arizona Forward awarded its prestigious Governor's Award for Arizona's Future to the City of Phoenix for its landmark 2017 agreement with the Gila River Indian Community to preserve endangered Colorado River water in Lake Mead. In all, Phoenix received nine awards at Arizona Forward's 37th Annual Environmental Excellence Awards, including four Crescordia Awards, the highest honor in each category. Mayor Greg Stanton and the Phoenix City Council unanimously approved the Colorado River Conservation Agreement in June 2017 in partnership with the Gila River Indian Community, the U.S. Bureau of Reclamation and the Walton Family Foundation. Under the agreement, Phoenix works with the Tribe to preserve 13 billion gallons of its annual portion of Colorado River water in Lake Mead, which helps preserve water levels in the dangerously over-allocated reservoir.

- **2017 Nation's Highest Performing City**

The City of Phoenix has been named the nation's highest performing city by Governing Magazine and Living Cities through the first-ever national "Equipt to Innovate" survey. Equipt to Innovate is a new initiative launched by Governing and Living Cities. It is an integrated, collaborative framework of seven essential elements that define high-performance government and empower innovation. It is also an invitation for cities to work together, learn from each other and help drive better outcomes for their communities. The seven Equipt elements are: Dynamically Planned; Broadly Partnered; Resident-Involved; Race-Informed; Smartly Resourced; Employee-Engaged; and Data-Driven. Cities from across the country participated in the inaugural 2016 Equipt survey, assessing their capacity and competence in these seven key areas.

- **ICMA Program Excellence Awards**

  – **2019 ICMA Certificate of Distinction in Performance Management**

The International City/County Management Association (*"ICMA"*) has recognized the City of Phoenix for its data-driven management and reporting efforts with a Certificate of Distinction for 2019. Certificates of

Distinction are awarded to those who provide comparative and benchmarking information to the public, use performance data in strategic planning and operational decision-making, and share their knowledge with other local governments through presentations, site visits, and other networking activities. Phoenix is among 19 jurisdictions receiving the Certificate of Distinction and one of 63 recognized overall. This is the 18th year the City's performance management efforts have been recognized by ICMA.

  - **2017 Community Partnership Award**

The City of Phoenix was awarded the Community Partnership Award for the Phoenix/Tucson water exchange program. This award recognizes innovative programs or processes between and/or among a local government and other governmental entities, private sector businesses, individuals, or nonprofit agencies to improve the quality of life for residents or provide more efficient and effective services. The exchange agreement between Phoenix and Tucson takes advantage of the unique infrastructure of each city's water system. Tucson's system relies on wells, Phoenix relies on surface water, and a canal connects the two cities.

- **2017 Water Resource Utility of the Future Today Award**

The City of Phoenix Water Services Department was honored as a 'Utility of the Future Today' for the department's forward-thinking initiatives. The recognition program is administered by four water sector organizations — the National Association of Clean Water Agencies *("NACWA")*, the Water Environment Federation *("WEF")*, the Water Environment & Reuse Foundation *("WE&RF")* and WateReuse — with input from the U.S. Environmental Protection Agency *("EPA")*. The Phoenix Water Department was one of just 25 water utilities in the country to receive this recognition. The Utility of the Future Today recognition celebrates the achievements of forward-thinking, innovative water utilities that are providing resilient value-added service to communities. The recognition focuses specifically on community engagement, watershed stewardship and recovery of resources such as water, energy and nutrients.

- **2017 AAAE Airport Innovation Award**

The Airport Innovation Accelerator – established by the American Association of Airport Executives *("AAAE")* as a hub for innovation to drive creative approaches and build airports of the future – has selected Phoenix Sky Harbor International Airport to receive the second annual Airport Innovation Award for its creative work to improve the passenger experience and deploy cutting-edge technologies. The Airport Innovation Award was established by the Airport Innovation Accelerator to honor Innovative developments that are a model for airports around the country. Phoenix secured the award for a portfolio of creative innovation to enhance the passenger experience and make airport operations more efficient. The award was presented to Phoenix officials at the third Annual Airport Innovation Forum in Seattle.

- **Outstanding Achievement in Innovation**

  - **2017 Outstanding Achievement in Innovation**

The Alliance for Innovation awarded the City of Phoenix an Outstanding Achievement in Innovation Award for PHXteens Program. Developed to help teenagers better connect with the community and to realize their full potential, the PHXteens program launched in September 2016 and is facilitated out of eight community and recreation centers located throughout the city. During its inaugural year, 233 teens registered for the program. Additionally, teens participated in 31 cultural and 24 recreational field trips, 70 teen council meetings, 28 workshops, and 2,439 volunteer hours.

  - **2016 Outstanding Achievement in Innovation**

FitPHX is the recipient of the Alliance for Innovation's Outstanding Achievement in Local Government Innovation Award. FitPHX is a citywide initiative with the goal of improving health and wellness in the region and making Phoenix area one of the healthiest in the nation. The initiative has created innovative collaboration between government, private sector, non-profits and universities to develop programming that gives citizens tools and education to be healthier. In 2015, FitPHX provided services to nearly 14,000 participants and raise $350,000 to support its programming.

– **2013 Outstanding Achievement in Innovation**

The Alliance for Innovation awarded the City of Phoenix an Outstanding Achievement in Innovation Award for its organizational review, which resulted in a leaner work force and more efficient delivery of services. The goals of the organizational review were to eliminate layers of supervision, broaden the span of control, streamline services, identify efficiencies and reduce the size of government. Through these goals, the City was able to improve services to residents by providing for faster decision making and enhanced organizational flexibility and communications, leading to the smallest City government in 40 years, as measured by employees per capita.

– **2012 Outstanding Achievement in Innovation**

The Alliance for Innovation awarded the City of Phoenix an Outstanding Achievement in Innovation Award for the Innovation and Efficiency Task Force. Created in January 2010, the task force is comprised of City staff and public members who explore, develop and implement innovative processes that result in a more efficient delivery of City services and maximize the use of limited taxpayer dollars.

– **2016 President's "E" Award for Export Service**

The City of Phoenix was a 2016 winner of the President's "E" Award for Export Service. The President's "E" Award was initiated in 1962 by President John F. Kennedy to recognize excellence by companies and municipalities for contributions to U.S. exporting. Phoenix is only the fifth city to earn the honor in 54 years. It is typically reserved for companies and private sector entities. The City earned the award by demonstrating a sustained commitment to export expansion with significant and broad-based support to grow exports from Phoenix, which is responsible for more than half of the exports from the State of Arizona. The support included the launch of the City's export boot camp initiative, which teaches local small- and medium-sized businesses how to trade abroad.

- **Association of Metropolitan Water Agencies Award (AMWA)**

– **2019 Sustainable Water Utility Management**

Phoenix Water was one of the fifteen systems that received the Sustainable Water Utility Management Award for achieving a balance of innovative and successful efforts in areas of economic, social and environmental endeavors. Some of the successes that separated Phoenix Water from other municipal utilities include the acquisition of water resources to meet demand 100 years into the future; reduced energy consumption through the adoption of electronic processes such as automated meter reading; and 140 million gallons of wastewater recycled, daily. In all, 19 utilities received awards for demonstrating excellence in various areas of utility management.

– **2016 Platinum Award for Utility Excellence**

The City of Phoenix Water Services Department was honored for utility excellence by the Association of Metropolitan Water Agencies *("AMWA")* at its 2016 Executive Management Conference. The City's Water Department was one of ten water utilities in the country to receive the Platinum Award for Utility Excellence. The Platinum Award recognizes outstanding achievement in implementing the nationally recognized Attributes of Effective Utility Management.

- **2015 Mayors' Climate Protection Awards**

Awarded to the City by the U.S. Conference of Mayors, the annual Mayors' Climate Protection award recognizes mayors for innovative programs that increase energy efficiency and reduce greenhouse gas emissions. The City earned the award for the Energize Phoenix Program, a large-scale, three-year building energy efficiency program, which catalyzed $56 million in energy upgrades along a ten-square-mile urban corridor of Phoenix surrounding the newly-constructed Metro light rail. Phoenix partnered with Arizona State University and APS, Arizona's largest electricity provider, to leverage $25 million in program funding from the U.S. Department of Energy and $31 million in utility funding to transform the downtown core into a green corridor. It focused on a diverse mix of single- and multi-family residential buildings and small commercial buildings offering significant rebates and financing for energy efficient upgrades.

- **2015 Sister Cities Best Overall Sister City Program Award**

In July 2015, the Phoenix Sister Cities Commission received the Sister Cities International Best Overall Sister City Program in the U.S. for cities with a population of 500,000 or more award, its highest honor. This is the eight time in the past 21 years that Phoenix has won this award. Phoenix Sister Cities highlights include a new and improved Youth Ambassador Exchange Program; a significant increase in arts and culture projects including the second annual WorldFEST celebration promoting its 10 sister cities; the Vincenzo Bellini Opera project with Catania, Italy; a police training program for Hermosillo, Mexico; and economic development projects with Chengdu, China; Catania, Italy; and Calgary, Canada as well as trade missions with Calgary and Catania.

- **National Association of Clean Water Agencies (NACWA) Awards**

  - **2020 NACWA Platinum and Silver Peak Performance Awards**

The NACWA recognized the City of Phoenix Water Services Department for continued environmental and operational excellence. The Peak Performance Award is presented to utilities for continuously providing outstanding clean water. Phoenix Water received both Platinum Award and Silver Awards. Platinum Awards recognize 100% compliance with permits over a consecutive five-year period. Silver Award are presented to facilities with less than 5 permit violations for the entire calendar year.

  - **2015 NACWA Platinum Peak Performance Award**

The National Association of Clean Water Agencies *("NACWA")* honored the City of Phoenix Water Services Department with the Platinum Award for seven consecutive years of perfect National Pollutant Discharge Elimination System permit compliance. NACWA is a nationally recognized leader in water quality, environmental policy and ecosystem protection issues. The City treats wastewater from 2.5 million people in Phoenix, Glendale, Mesa, Scottsdale and Tempe.

  - **2012 NACWA Gold Peak Performance Award**

The NACWA honored the City of Phoenix Water Services Department with the Gold Award for consistently meeting all National Pollutant Discharge Elimination System permit limits during the calendar year. The City's 23rd Avenue Wastewater Treatment Plant and 91st Avenue Multi-Cities Wastewater Treatment Plant were presented the award to recognize 100 percent compliance with regulatory discharge limits.

- **2014 World Airport Award (WAA)**

SkyTrax World Airport Awards *("WAA")* recognized Phoenix Sky Harbor International Airport as the 7th best airport in the world serving 40-50 million passengers. WAA is the leading global award for the world's best airports, as voted by travelers from over 160 countries and 410 airports worldwide, in the largest airport customer satisfaction survey. The ranking was determined by airline customers and evaluates traveler experiences across key performance indicators: check-in, arrivals, transfers, shopping, security, immigration processing and departure.

- **2014 Top Ten Digital Cities Award**

In November 2014, the City of Phoenix was named a Top Ten City in the Center for Digital Government's 2014 Digital Cities Survey. The award honors cities with best practices in public sector information and communications technology.

- **National Association of Housing and Redevelopment Officials (NAHRO) Award**

  - **2014 NAHRO Award**

In August 2014, the City's Neighborhood Services Department *("NSD")* received the Award of Merit for designing the Neighborhood Stabilization Program as an innovative, multi-faceted delivery approach to revitalize communities affected by the foreclosure crisis. With funding from the U.S. Department of Housing and Urban Development, accomplishments of the program include 395 homes rehabilitated to energy efficiency building standards, 191 homebuyers receiving down-payment assistance, 102 demolition projects completed using green methods and strategies, and a rescued subdivision featuring 14 newly constructed, solar-powered, single-family homes Gold certified to the National Green Building Standard.

- **2014 NBC-LEO City Cultural Diversity Award**

  In March 2014, the City of Phoenix was recognized by the National Black Caucus of Local Elected Officials *("NBC-LEO")* of the National League of Cities for its "Phoenix Against Domestic Violence - A Roadmap to Excellence" Program. The Roadmap to Excellence Program is a five-year strategic plan to end domestic violence in the City. More than 50 community partners, including private and nonprofit organizations, collaborated to create a plan that includes a community and media campaign focusing on five strategies: community awareness, coordinated service delivery, systems reform, "Phoenix as a Model," and community partnerships.

- **2013 Sunny Award**

  Awarded to the City of Phoenix by Sunshine Review, a national nonprofit organization dedicated to government transparency. The award honors the most transparent government websites in the nation. This is the fourth time the City has won the award.

- **2013 NGWA Outstanding Groundwater Protection Award**

  The National Ground Water Association *("NGWA")* annually awards the Groundwater Protection Award to the organization that exhibits outstanding science, engineering, or innovation in the area of protecting groundwater. The City of Phoenix Water Services Department received the award for incorporating innovative technologies in the aquifer restoration program. Phoenix was the first city in the country to use the technology, which has reduced annual operations and maintenance costs by over $110,000.

- **2013 Technology "Best of the Web" Award**

  The City of Phoenix Information Technology Services Department received a "Best of the Web" award from the Multi-State Information Sharing and Analysis Center for the City's Information Security and Privacy website.

- **2013 National Institute of Senior Centers (NISC)**

  A Program of Excellence Award was received by the City of Phoenix Human Services Department for its FitPHX Senior Champions Passport Program in the Nutrition, Fitness and Health Promotion category. The program is offered at the City's fifteen senior centers.

- **2012 NBC-LEO City Cultural Diversity Award**

  In March 2012, the City of Phoenix was recognized by the National Black Caucus of Local Elected Officials *("NBC-LEO")* of the National League of Cities for the City Manager's Community Engagement and Outreach Task Force. The task force was established in 2010 as a community-based, long-term effort to enhance the relationship between the Phoenix Police Department and the community.

ECONOMY & DEMOGRAPHICS [1]

Overview

When Arizona earned statehood in 1912, it had a resident population of less than 300,000 people. Now the sixth largest state in terms of area, the estimated 2021 population (based on the 2020 decennial census) is approximately 7.3 million people. The majority of the population resides in urban areas. Over 4.9 million people lived within the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (the "*Phoenix MSA*") in 2021.

At the beginning of the 20th century, the Arizona economy relied heavily on copper, cattle, cotton, climate, and citrus. Today, the local economy is far more diversified. It includes many significant value-added sectors such as aerospace and defense, financial services, and the semi-conductor industry.

Approximately 68% of the state's total population in 2021 resided in the Phoenix MSA. In terms of land area, the Phoenix MSA is often described as a sprawling metropolitan area with a low-density population. The city of Phoenix, both the state capital and largest city in the Phoenix MSA, is generally flat and surrounded by scattered, low mountain ranges. The subtropical desert climate is conducive to a variety of outdoor recreation activities during all twelve months. Both the topography and climate attract many visitors and out-of-state tourists, further bolstering the economy.

The Phoenix MSA accounted for 74.8% of total state employment in 2021. Professional and business services was the largest source of employment in the MSA (17.0%). Other major sources included education and health care (16.0%), retail and wholesale trade (14.8%), government (9.6%), and financial activities (9.3%).

The compound annual growth for total nonfarm industries in the Phoenix MSA from 2011 to 2021 was higher than both the state's and the nation's compound annual growth for total nonfarm industries. Between 2011 and 2021, the compound annual growth rate for employment in goods producing industries was 3.3% in the Phoenix MSA, a higher growth rate than the state's 3.0% and the nation's 1.2%. For service providing industries, the compound annual growth rate in the Phoenix MSA was 2.4%—a higher growth rate than the state's 1.9%, and the nation's 1.0%.

In 2020, the Phoenix MSA was the 29th largest U.S. exporter by merchandise export value based on origin of movement zip code data collected by the International Trade Administration. In total, the Phoenix MSA exported more than $11.1 billion in goods that year—a 26.8% increase over 2019.

Local economists forecast the Greater Phoenix population will increase by 1.8% year-on-year in 2022. They also forecast a 3.9% increase in wage and salary employment, and a 5.0% increase in personal income. [2]

Due to the timing of the release of decennial census insights, the City of Phoenix data presented in this report is primarily for 2019. Updates based on the 2020 decennial census for the City are expected later this year.

Key Phoenix MSA Statistics:

- 10th most populous MSA in the nation in 2021 with a population of 4,946,145
- Civilian labor force of almost 2.6 million in 2021.
- Unemployment rate of 5.1% in 2021.
- High compound annual growth rates in multiple industries including 5.8% in transportation, warehousing, and utilities, 5.4% in construction, 4.1% in financial activities, and 3.3% in education and health services, 2011 through 2021.
- Accounted for 75.1% of annual statewide Gross Domestic Product (GDP) in 2020, and real GDP per capita of $49,449 (in 2012 chained dollars).

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(1) The economic information contained herein has been prepared for the City of Phoenix by the L. William Seidman Research Institute, W.P. Carey School of Business, Arizona State University, in March, 2022.

(2) Source: Greater Phoenix Blue Chip 2022 Q1 forecast, available at: http://seidmaninstitute.com/greater-phoenix-blue-chip/

- 29th largest U.S. exporter by merchandise export value ($11.1 billion in 2020).
- Mexico ($2.1 billion), Canada ($1.0 billion), and China ($0.7 billion) were the top foreign markets for goods exports in 2020.
- Provisional total of 51,923 housing permits in 2021.
- Approximately 68% of housing permits in 2021 were for single residential units.
- Positively trending retail market, with net absorption just under pre-pandemic levels, and average asking rents $17.02 per square feet (net-net-net) in 2021.
- Very active industrial real estate market records with record year-end net absorption (21,363,840 square feet) and new supply (14,115,722 square feet) in 2021.

Key City of Phoenix Statistics:

- Population of 1,608,138 in 2020 according to the decennial census.
- Accounts for 22.5% the state's population and 33.2% of the population of the Phoenix MSA in 2020, based on the 2020 decennial census.
- Gender balance, with most residents either Caucasian (42.5%) or Hispanic/Latino (42.6%).
- Approximately 30% of residents between the ages of 25 and 44 in 2019, with the median age of all residents being 33.8 years.
- 842,129 residents ages 16 and older were members of the civilian labor force in 2019.
- 34.5% of working residents held jobs in management, business, science and the arts in 2019.
- An additional 43.5% of jobs held in service, sales and office occupations in 2019.
- Median household income of $57,459 in 2019 dollars.
- 91.1% of housing units occupied in 2019.
- On average, 2.93 people per unit in owner-occupied hosing, and 2.76 people average household size in renter-occupied housing.

Population

The Phoenix MSA encompasses 14,565 square miles, containing both Maricopa County (9,199 square miles) and Pinal County (5,365 square miles). Phoenix is the principal city of the Phoenix MSA, measuring 517.7 sq. miles and with 1.61 million residents in 2020, according to the decennial census. Within the Phoenix MSA, eight cities have populations in excess of 125,000 according to the 2020 decennial census. These are: Mesa (504,258), Chandler (275,987), Gilbert (267,918), Glendale (248,325), Scottsdale (241,361), Peoria (190,985), Tempe (180,587), and Surprise (143,148). Three other cities have populations in excess of 75,000 within the Phoenix MSA as of July 1, 2020. These are: Goodyear (95,294) Buckeye (91,502), and Avondale (89,334). The U.S. Census Bureau ranked Phoenix the 10th most populous MSA as of July 1, 2021 at 4,946,145 residents.

The following table compares the population of the Phoenix MSA with 21 peer MSAs. The peer MSAs consist of every western metro of more than one million people, plus other Sun Belt metros of more than 2 million people. The population estimates for 2010-2019 are based on the 2010 decennial census. The population estimates for 2020 and 2021 are based on the 2020 decennial census. As a result, any attempt to calculate percentage changes in population growth are not reliable. The Census Bureau will revise the annual estimates for 2010 through 2019 in late 2022. The Phoenix MSA ranked 6th in total population in 2021 among the 22 MSAs listed in the table.

In recent years, the Phoenix MSA has been home to the majority of the Arizona population. Furthermore, population growth for the Phoenix MSA outpaces population growth for the state as a whole. In 1990 the Phoenix MSA accounted for 61.1% of the State of Arizona's total population. In 2000, it accounted for 63.4% of the State of Arizona's total population. In 2010, the Phoenix MSA accounted for 65.4% of the State of Arizona's total population. In 2021, it accounted for 68.0% of the State of Arizona's total population. The Tucson MSA (Pima County) was home to 14.5% of the state's residents in 2021. Five other metro areas combined (Flagstaff, Lake Havasu City-Kingman, Prescott, Sierra Vista-Douglas, and Yuma) accounted for 12.9% of the state's population, with the remaining 4.7% living in nonmetropolitan areas in 2021.

It is important to note that in 1994, the U.S. Office of Management and Budget (OMB) redefined the Phoenix MSA to include both Maricopa and Pinal counties. The rate of population growth in the Phoenix MSA has continued to outpace the rate of population growth in the State of Arizona.

Population
Metropolitan Statistical Areas [(1)]
(in thousands)

	As of July 1							Percent Growth
	2010	2012	2014	2016	2018	2020	2021	2010-21
Phoenix-Mesa-Scottsdale, AZ	4,204.30	4,330.50	4,490.40	4,675.30	4,851.80	4,867.90	4,946.10	17.6%
Atlanta-Sandy Springs-Roswell, GA	5,302.70	5,445.50	5,595.20	5,791.90	5,951.40	6,101.10	6,144.10	15.9
Austin-Round Rock, TX	1,727.50	1,834.90	1,943.00	2,062.80	2,166.80	2,299.10	2,352.40	36.2
Charlotte-Concord-Gastonia, NC-SC	2,250.20	2,319.30	2,401.70	2,501.80	2,596.20	2,669.70	2,701.00	20.0
Dallas-Fort Worth-Arlington, TX	6,392.10	6,644.50	6,889.60	7,195.50	7,457.60	7,662.30	7,759.60	21.4
Denver-Aurora-Lakewood, CO	2,554.60	2,650.90	2,755.20	2,858.50	2,934.00	2,969.30	2,972.60	16.4
Houston-The Woodlands-Sugar Land, TX	5,947.20	6,183.10	6,499.40	6,806.30	6,974.90	7,137.70	7,206.80	21.2
Las Vegas-Henderson-Paradise, NV	1,952.60	1,989.60	2,053.90	2,140.20	2,229.00	2,273.40	2,292.50	17.4
Los Angeles-Long Beach-Anaheim, CA	12,838.00	13,010.10	13,160.00	13,259.10	13,237.10	13,173.30	12,997.40	1.2
Miami-Fort Lauderdale-West Palm Beach, FL	5,583.50	5,746.10	5,894.40	6,055.10	6,140.60	6,126.40	6,091.70	9.1
Orlando-Kissimmee-Sanford, FL	2,139.20	2,226.10	2,325.30	2,457.40	2,576.30	2,677.70	2,691.90	25.8
Portland-Vancouver-Hillsboro, OR-WA	2,232.30	2,289.20	2,345.40	2,428.60	2,475.20	2,516.20	2,511.60	12.5
Riverside-San Bernardino-Ontario, CA	4,242.40	4,333.90	4,413.60	4,509.00	4,608.80	4,605.50	4,653.10	9.7
Sacramento-Roseville-Arden-Arcade, CA	2,153.60	2,190.30	2,235.60	2,292.00	2,343.30	2,399.40	2,411.40	12.0
Salt Lake City, UT	1,091.50	1,124.00	1,151.80	1,185.40	1,218.90	1,259.50	1,263.10	15.7
San Antonio-New Braunfels, TX	2,153.00	2,237.10	2,329.00	2,426.10	2,512.50	2,566.70	2,601.80	20.8
San Diego-Carlsbad, CA	3,103.30	3,175.10	3,249.30	3,305.50	3,332.50	3,297.30	3,286.10	5.9
San Francisco-Oakland-Hayward, CA	4,343.90	4,455.90	4,585.30	4,688.00	4,725.60	4,739.60	4,623.30	6.4
San Jose-Sunnyvale-Santa Clara, CA	1,841.50	1,894.30	1,949.20	1,987.40	1,993.40	1,995.10	1,952.20	6.0
Seattle-Tacoma-Bellevue, WA	3,449.40	3,559.70	3,676.80	3,819.80	3,937.50	4,024.70	4,011.60	16.3
Tampa-St. Petersburg-Clearwater, FL	2,788.40	2,844.30	2,928.60	3,051.60	3,158.70	3,183.40	3,219.50	15.5
Tucson, AZ	981.6	993.2	1,004.50	1,017.10	1,037.70	1,045.60	1,052.00	7.2

Source: U.S. Census Bureau

(1) Estimates for 2020 and 2021 are tied to the 2020 census. Estimates for 2010 through 2019 are tied to the 2010 census and therefore are not comparable. Revised 2010-to-2019 estimates will not be released until late 2022.

Based on July 1, 2019 estimates, the U.S. Census Bureau ranks the City of Phoenix as the 5th most populous city in the United States. Phoenix has held the same ranking since 2016. City estimates for 2020 and 2021 will be tied to the 2020 decennial census. They are expected to be released in full in May 2022. The U.S. Department of Commerce Census Bureau estimates that the City of Phoenix population in 2020 is 1,608,139 based on the 2020 decennial census. That's an 11.2% increase on the 2010 decennial census estimate for 2010.

Ten Most Populous U.S. Cities, July 1, 2019

Rank	City	State	Population
1	New York	New York	8,336,817
2	Los Angeles	California	3,979,576
3	Chicago	Illinois	2,693,976
4	Houston	Texas	2,320,268
5	Phoenix	Arizona	1,680,992
6	Philadelphia	Pennsylvania	1,584,064
7	San Antonio	Texas	1,547,253
8	San Diego	California	1,423,851
9	Dallas	Texas	1,343,573
10	San Jose	California	1,021,795

Source: U.S. Census Bureau 2020 Decennial Census

City of Phoenix Population
As a Percent of The Phoenix MSA and The State (1)

Year	City of Phoenix	Maricopa and Pinal Population (Combined)	Percentage of State of Arizona Population
2020 (2)	1,608,139	33.2%	22.5%
2019	1,680,992	34.0	23.1
2018	1,654,675	34.1	23.1
2017	1,633,560	34.3	23.2
2016	1,612,199	34.5	23.2
2015	1,583,690	34.6	23.2
2014	1,555,445	34.7	23.1
2013	1,526,491	34.7	23.0
2012	1,499,274	34.6	22.9
2011	1,469,796	34.6	22.7
2010	1,449,038	34.5	22.6

(1) The 2010-2019 estimates are based on the 2010 Census and reflect changes to the April 1, 2010 population due to the Count Question Resolution program and geographic program revisions.

(2) The 2020 estimate is based on the 2020 decennial census and is not directly comparable with 2010-2019 estimates.

Source: U.S. Census Bureau

Employment

When Arizona was granted statehood in 1912 it primarily depended on extraction-based operations such as copper, cattle, cotton, climate, and citrus. However, rapid population growth post World War II attributed to a diversification of the state's economy into higher value-added sectors such as advanced manufacturing, aerospace and defense, bioscience, and financial services.

Between 1990 and 2008, Arizona's civilian labor force saw growth of more than 80%. On average, approximately 95.7% of Arizona's civilian labor force was employed each year between 1990 and 2008. Civilian labor force employment in Phoenix MSA increased from 2011 through 2021. In 2021, a total of 2,447,590 people in the civilian labor force in the Phoenix MSA were employed. This was a 4.8% increase in Phoenix MSA employment compared to the previous year, representing 71.3% of the state's total employment in 2021.

Civilian Labor Force Employment:
Phoenix MSA, State of Arizona, and the U.S.
(Not seasonally adjusted)

Year	Phoenix MSA Employment	State of Arizona Employment (1) (2)	U.S. Employment
2021	2,447,590	3,346,319	152,580,667
2020	2,335,941	3,191,100	147,794,750
2019	2,382,993	3,265,925	157,538,083
2018	2,299,818	3,168,469	155,761,000
2017	2,218,169	3,079,700	153,337,417
2016	2,146,700	3,075,851	151,435,833
2015	2,076,931	2,990,545	148,833,417
2014	2,002,699	2,906,193	146,305,333
2013	1,939,092	2,825,341	143,929,333
2012	1,909,477	2,799,634	142,469,083
2011	1,877,942	2,763,761	139,869,250
2010	1,879,385	2,777,404	139,063,917

(1) The 2013-2017 data reflects revised population controls and model re-estimation.
(2) The 2017-2021 data was revised in March 2022.

Source: U.S. Bureau of Labor Statistics

The following table compares the labor force of the Phoenix MSA with 21 peer MSAs. The peer MSAs consist of every western metro of more than one million people, plus other Sun Belt metros of more than 2 million people. Five of the peer MSAs had a total labor force higher than the Phoenix MSA in 2021. These are Los Angeles-Long Beach-Anaheim (CA); Dallas-Fort Worth-Arlington (TX); Houston-The Woodlands-Sugar Land (TX); Atlanta-Sandy Springs-Roswell (GA); and Miami-Fort Lauderdale-W. Palm Beach (FL).

Comparison of the Phoenix MSA'S Total Labor Force
Status with 21 Peer MSAs
(Not seasonally adjusted)

MSA	2011	2013	2015	2017	2019	2021
Phoenix-Mesa-Scottsdale, AZ	2,054.40	2,079.10	2,191.50	2,318.20	2,488.60	2,578.60
Atlanta-Sandy Springs-Roswell, GA	2,754.70	2,786.30	2,814.30	3,063.80	3,104.80	3,116.00
Austin-Round Rock, TX	960.1	1,017.40	1,073.50	1,158.60	1,239.20	1,289.50
Charlotte-Concord-Gastonia, NC-SC	1,159.80	1,187.80	1,239.50	1,309.30	1,368.90	1,370.20
Dallas-Fort Worth-Arlington, TX	3,372.90	3,467.30	3,583.80	3,806.00	3,974.40	4,080.40
Denver-Aurora-Lakewood, CO	1,428.20	1,463.40	1,506.00	1,587.40	1,666.40	1,710.90
Houston-The Woodlands-Sugar Land, TX	3,040.00	3,176.10	3,259.30	3,333.60	3,427.30	3,424.60
Las Vegas-Henderson-Paradise, NV	986.3	998.1	1,027.30	1,067.10	1,150.10	1,123.60
Los Angeles-Long Beach-Anaheim, CA	6,485.50	6,515.30	6,558.10	6,695.70	6,736.00	6,628.60
Miami-Fort Lauderdale-W. Palm Beach, FL	2,857.10	2,915.10	2,980.90	3,091.50	3,148.30	3,119.80
Orlando-Kissimmee-Sanford, FL	1,140.10	1,176.30	1,225.50	1,299.10	1,361.00	1,317.70
Portland-Vancouver-Hillsboro, OR-WA	1,213.00	1,187.60	1,230.10	1,298.60	1,328.10	1,349.40
Riverside-San Bernardino-Ontario, CA	1,864.60	1,886.60	1,952.80	2,014.30	2,070.70	2,096.50
Sacramento-Roseville-Arden-Arcade, CA	1,043.60	1,042.80	1,053.00	1,074.70	1,098.80	1,094.40
Salt Lake City, UT	569.8	589.8	611.9	646.1	668.6	687
San Antonio-New Braunfels, TX	1,038.40	1,070.60	1,106.40	1,168.50	1,202.30	1,226.60
San Diego-Carlsbad, CA	1,521.70	1,537.60	1,548.80	1,571.90	1,580.10	1,537.90
San Francisco-Oakland-Hayward, CA	2,340.20	2,404.30	2,477.90	2,545.30	2,575.20	2,463.30
San Jose-Sunnyvale-Santa Clara, CA	966.1	997	1,042.00	1,068.60	1,080.50	1,052.70
Seattle-Tacoma-Bellevue, WA	1,872.60	1,909.10	1,981.40	2,075.00	2,169.00	2,192.50
Tampa-St. Petersburg-Clearwater, FL	1,390.10	1,416.50	1,447.10	1,504.90	1,555.30	1,624.80
Tucson, AZ	469.3	462.3	467.8	477.1	497.4	498.9

Source: U.S. Bureau of Labor Statistics

In 2021, the top source of total non-farm employment, expressed as a percentage of total employment in the Phoenix MSA, was professional and business services (16.8%). Professional and business services include professional, scientific and technical services, the management of companies and enterprises, administrative, and waste management services. Other notable sources of employment were education and health services (15.6%), retail and wholesale trade (14.9%), government (10.8%), leisure and hospitality (9.8%), and financial activities (9.7%). The industries listed in the following table are referred to as "supersectors" by the U.S. Bureau of Labor Statistics.

2021 Wage & Salary Employment:
Phoenix MSA, Arizona, and U.S.

Industry	Total Employed (in thousands)			Percent of Employed		
	Phoenix MSA	State of Arizona	U.S.	Phoenix MSA	State of Arizona	U.S.
Mining & Logging	2.	12.0	566	0.1%	0.4%	0.4%
Construction	138.8	177.6	7,413	6.3	6.0	5.5
Manufacturing	137.4	180.6	12,346	6.2	6.1	9.2
Total Goods Producing	278.2	370.2	20,325	12.6	12.5	15.1
Retail & Wholesale Trade	329.3	439.3	21,075	14.9	14.9	15.6
Transportation, Warehousing, Utilities	111.6	143.3	6,633	5.0	4.8	4.9
Information	39.9	47.5	2,831	1.8	1.6	2.1
Financial Activities	215.9	245.8	8,777	9.8	8.3	6.5
Professional & Business Services	370.9	445.0	9,882	16.7	15.0	7.3
Education & Health Services	343.8	464.4	23,673	15.6	15.8	17.6
Leisure and Hospitality	213.6	304.3	14,100	9.7	10.3	10.5
Other Services	68.1	91.2	5,456	3.1	3.1	4.0
Government	239.0	406.6	22,004	10.8	13.7	16.3
Total Services Providing	1,932.1	2,587.40	114,431	87.4	87.5	84.9
Total Nonfarm	2,210.3	2,957.6	134,756	100.0%	100.0%	100.0%

Source: U.S. Bureau of Labor Statistics

Comparing industries, the Phoenix MSA's employment within goods-producing sectors (i.e., mining, manufacturing, and construction) was on a par with the State of Arizona as a share of total employment, but lower than the nation in 2021. Approximately 87.4% of the employment within the Phoenix MSA in 2021 was in service providing industries. Government accounted for 239,100 of the 1.93 million services employment in the Phoenix MSA.

The following table presents the number of annual employees by industry in the Phoenix MSA, 2011 through 2021. Also included is a table comparing the Phoenix MSA compound annual growth rate by industry to the State of Arizona and the U.S. The highest compound annual growth rates in the Phoenix MSA occurred in transportation, warehousing, and utilities (6.1%), construction (5.1%), and financial activities (3.6%). There were also compound annual growth rates of 3.0% or more in education and health services (3.5%) and professional and business services (3.0%).

Non-Farm Wage and Salary Employment
Phoenix MSA
(annual employees in thousands)

	2011	2013	2015	2017	2019	2021
Mining & Logging	3.2	3.6	3.3	3.3	3.5	2.7
Construction	83.0	93.4	99.0	113.8	133.1	138.8
Manufacturing	113.4	117.9	120.5	121.2	133.7	137.4
Retail & Wholesale Trade	283.7	287.0	300.8	311.0	317.8	329.3
Transportation, Warehousing, Utilities	63.8	67.2	74.4	81.8	92.6	111.6
Information	29.6	34.5	37.1	37.7	40.6	39.9
Financial Activities	145.1	158.2	167.6	186.8	200.6	215.9
Professional & Business Services	275.9	300.5	322.6	342.6	371.9	370.9
Education & Health Services	249.5	263.0	284.4	311.1	339.1	343.8
Leisure and Hospitality	177.7	191.6	208.2	223.4	233.3	213.6
Other Services	63.8	63.7	63.6	66.7	70.3	68.1
Government	228.7	231.2	233.6	238.0	243.9	239.0
Total non-farm	1,717.4	1,811.8	1,915.1	2,037.4	2,180.4	2,211.0

Source: U.S. Bureau of Labor Statistics

Non-Farm Wage and Salary Employment
Phoenix MSA
(2011 to 2021 compound annual growth rate)

	Phoenix MSA	State of Arizona	U.S.
Mining & Logging	-1.7%	0.3%	-3.3%
Construction	5.4	4.9	3.0
Manufacturing	1.9	1.8	0.5
Retail & Wholesale Trade	1.5	1.3	0.5
Transportation, Warehousing, Utilities	5.8	5.4	3.2
Information	3.0	2.1	0.6
Financial Activities	4.1	3.7	1.3
Professional & Business Services	2.9	2.5	2.5
Education & Health Services	3.3	2.7	1.5
Leisure and Hospitality	1.9	1.6	0.5
Other Services	0.7	0.4	0.2
Government	0.4	0.0	0.0
Total Nonfarm	2.6%	2.1%	1.0%

Source: U.S. Bureau of Labor Statistics

The compound annual growth for total nonfarm industries in the Phoenix MSA from 2011 to 2021 was higher than both the state's and the nation's compound annual growth for total nonfarm industries. In fact, compound annual growth in the Phoenix MSA was higher than the state's compound annual growth in all categories examined except mining and logging. Compound annual growth in the Phoenix MSA was also higher than the nation's compound annual growth in all categories examined. Between 2011 and 2021, the compound annual growth rate for employment in goods producing industries was 3.5% in the Phoenix MSA, a higher growth rate than the state's 3.1% and the nation's 1.2%. For service providing industries, the compound annual growth rate in the Phoenix MSA was 2.4% - a higher growth rate than the state's 1.9%, and the nation's 1.0%.

The table below shows that the Phoenix MSA's total Non-farm job growth in percent terms was higher than the growth rates for the State of Arizona and the nation from 2012 through 2019, and in 2021. The table also shows that the Phoenix MSA's total non-farm negative growth rate in percent terms in 2020 was lower than the equivalent losses for the State of Arizona and the nation.

Comparison of Total Annual Job Growth Rates

Year	Phoenix MSA	State of Arizona	U.S.
2021	4.2%	3.6%	2.8%
2020	-2.7	-3.0	-5.8
2019	3.4	3.0	1.3
2018	3.4	2.9	1.6
2017	3.0	2.5	1.6
2016	3.4	2.7	1.8
2015	3.4	2.6	2.1
2014	2.3	2.0	1.9
2013	2.9	2.3	1.6
2012	2.5	2.1	1.7

Source: U.S. Bureau of Labor Statistics

Unemployment

The following table summarizes the proportion of the civilian labor force unemployed each year in the Phoenix MSA since 2012. The unemployment rate in the Phoenix MSA declined steadily between 2012 and 2018 but increased slightly in 2019. In 2020, the Phoenix MSA unemployment rate increased significantly due to the global pandemic. The current unemployment rate in Phoenix MSA is 4.9%. That's higher than the unemployment rate in the state but lower than the nation.

Civilian Labor Force Unemployment: Phoenix MSA, State of Arizona, and the U.S. (not seasonally adjusted)

Year	Phoenix MSA Unemployment Number	Phoenix MSA Unemployment Rate	State of Arizona Unemployment Rate	U.S. Unemployment Rate
2021	131,005	5.1%	4.9%	5.4%
2020	186,761	7.4	7.9	8.1
2019	105,651	4.3	4.9	3.7
2018	100,754	4.2	4.8	3.9
2017	99,981	4.3	5.0	4.4
2016	106,455	4.7	5.5	4.9
2015	114,606	5.2	6.1	5.3
2014	125,660	5.9	6.8	6.2
2013	140,008	6.7	7.8	7.4
2012	151,992	7.4	8.3	8.1

Source: U.S. Bureau of Labor Statistics

The following table compares the unemployment rate in the Phoenix MSA with 21 peer MSAs. The peer MSAs consist of every western metro of more than one million people, plus other Sun Belt metros of more than 2 million people. There are 13 MSAs with higher unemployment rates than Phoenix MSA in 2021 among the 22 examined.

Comparison of the Phoenix MSA'S Labor Force
And Unemployment Status with 21 peer MSAs
(not seasonally adjusted)

	Unemployment Rate (percent of labor force)					
MSA	2011	2013	2015	2017	2019	2021
Phoenix-Mesa-Scottsdale, AZ	8.6%	6.7%	5.2%	4.3%	4.3%	5.1%
Atlanta-Sandy Springs-Roswell, GA	9.8	7.7	5.8	4.6	3.4	3.5
Austin-Round Rock, TX	6.8	5.2	3.4	3.2	2.7	4.3
Charlotte-Concord-Gastonia, NC-SC	10.6	7.6	5.4	4.3	3.5	4.3
Dallas-Fort Worth-Arlington, TX	7.8	6.2	4.1	3.7	3.3	5.3
Denver-Aurora-Lakewood, CO	8.6	6.5	3.6	2.5	2.6	5.7
Houston-The Woodlands-Sugar Land, TX	8.1	6.1	4.6	5.1	3.8	6.6
Las Vegas-Henderson-Paradise, NV	13.5	10.0	6.9	5.2	4.1	8.3
Los Angeles-Long Beach-Anaheim, CA	11.5	9.0	6.2	4.5	4.1	8.7
Miami-Fort Lauderdale-West Palm Beach, FL	9.7	7.4	5.6	4.3	3.0	5.3
Orlando-Kissimmee-Sanford, FL	10.0	7.3	5.2	3.9	3.2	5.1
Portland-Vancouver-Hillsboro, OR-WA	8.8	7.0	5.1	3.8	3.5	4.9
Riverside-San Bernardino-Ontario, CA	13.3	10.0	6.6	5.1	4.1	7.2
Sacramento-Roseville-Arden-Arcade, CA	12.0	8.8	5.9	4.6	3.7	6.2
Salt Lake City, UT	7.0	4.1	3.4	3.0	2.5	2.5
San Antonio-New Braunfels, TX	7.4	5.8	3.8	3.5	3.1	5.3
San Diego-Carlsbad, CA	10.5	7.9	5.2	4.0	3.3	6.3
San Francisco-Oakland-Hayward, CA	9.3	6.5	4.3	3.4	2.7	5.4
San Jose-Sunnyvale-Santa Clara, CA	9.6	6.7	4.3	3.3	2.6	4.6
Seattle-Tacoma-Bellevue, WA	8.2	5.3	4.6	4.0	3.2	5.0
Tampa-St. Petersburg-Clearwater, FL	9.9	7.2	5.3	4.1	3.4	4.3
Tucson, AZ	8.4	6.8	5.5	4.6	4.6	5.6

Source: U.S. Bureau of Labor Statistics

The following table estimates the top 50 major employers in the Phoenix MSA in 2020**.**

Phoenix MSA Top 50 Employers, 2020

Employer	Employees	Sector
State of Arizona	27,483	Government
Banner Health	27,393	Health
Walmart	21,829	Retail
Fry's Food Stores	15,679	Retail
Maricopa County	13,441	Government
Wells Fargo	13,365	Finance & Insurance
City of Phoenix	11,569	Government
Amazon	11,440	Retail
Arizona State University	11,355	Education
Intel Corporation	11,345	Manufacturing
JPMorgan Chase Bank National Association	10,178	Finance & Insurance
HonorHealth	10,018	Health
Bank of America	9,320	Finance & Insurance
American Express	9,213	Finance & Insurance
State Farm Insurance	8,952	Finance & Insurance
Mesa Unified School District 4	8,656	Education
Dignity Health	8,606	Health
Honeywell	8,256	Manufacturing
U.S. Postal Service	8,006	Government[1]
McDonalds	7,800	Accommodation & Food Services
United States Department of the Air Force	7,779	Government
Home Depot	7,597	Retail
Safeway Stores Inc.	7,004	Retail
U-Haul	6,625	Management of Companies & Enterprises
Mayo Clinic	6,195	Health
CVS Pharmacy Inc.	5,922	Retail
Maricopa County Community College District	5,675	Education
APS/Pinnacle West Capital Corporation	5,419	Utilities
SRP	5,418	Utilities
Walgreen Co	5,344	Retail
Chandler Unified School District 80	5,239	Education
Phoenix Children's Hospital	5,028	Health
Starbucks	4,823	Accommodation & Food Services
Target Stores Inc.	4,817	Retail
UnitedHealth Group	4,763	Health
Gilbert Unified School District 41	4,650	Education
Abrazo Healthcare	4,384	Health
USAA	4,353	Finance & Insurance
Costco Wholesale	4,114	Retail
Peoria Unified School District 11	4,065	Education
Deer Valley Unified School District 97	4,055	Education
The Boeing Company	4,042	Aerospace & Defense
Paradise Valley Unified School District 69	3,985	Education
Grand Canyon University	3,840	Education
City of Mesa	3,799	Government
Sprouts Farmers' Market	3,746	Retail
United Parcel Service (UPS)	3,559	Transportation & Warehousing
Circle K	3,554	Retail
FedEx	3,506	Transportation & Warehousing
Charles Schwab	3,499	Finance & Insurance

Source: Maricopa Association of Governments, (2021). 2020 Employer Database.

Gross Domestic Product

Gross Domestic Product, or GDP, is the monetary value of all finished goods and services produced in the U.S. on an annual or quarterly basis. GDP includes all public and private sector purchases, government expenditures, investments, and the difference between exports and imports. This metric is often used by economists to describe the health of the U.S. economy. Between 2001 and 2008, the Phoenix MSA was a major contributor to the state's GDP, accounting for more than 75% of the value. In 2009 and 2010, the Phoenix MSA's annual contribution to state GDP fell to approximately 74%. Since 2011, the annual GDP of the Phoenix MSA (in current dollars) has increased steadily (apart from in 2017). In 2020, the GDP of the Phoenix MSA was 75.2% of the State of Arizona's GDP. This is the first time the Phoenix MSA has accounted for 75% of the state's GDP since 2008.

Phoenix MSA'S
Annual Contribution to GDP
In the State of Arizona

	GDP (millions of current dollars)		
Year	**Phoenix MSA**	**State of Arizona**	**Phoenix MSA Percent Contribution to State**
2020	$281,005	$373,719	75.2%
2019	276,914	369,988	74.8
2018	259,286	349,908	74.1
2017	243,103	330,416	73.6
2016	230,743	313,081	73.7
2015	219,957	299,393	73.5
2014	209,291	287,667	72.8
2013	201,281	278,952	72.2
2012	195,823	271,440	72.1
2011	185,789	260,916	71.2

Source: U.S. Bureau of Economic Analysis

Between 2001 and 2007, private industries were the top contributor to total GDP. Private industries contributed on average 90.3% of the Phoenix MSA's total GDP, while the average annual government contribution was 9.7%. When the recession began in 2008, the GDP contribution of the Phoenix MSA's private industries fell, hitting 88.5% in 2010. The following table estimates the percent contribution (in current or nominal dollars) of different Phoenix MSA industry sectors to GDP in the State of Arizona. In 2020, private industries in total contributed 90.4% of GDP in the Phoenix MSA. That is the same percentage contribution as 2018, but 0.3 percentage points lower than 2019. Finance, insurance, real estate, rental, and leasing accounted for 24.8% of the Phoenix MSA's total GDP in 2020. Professional and business services accounted for 12.6% of total GDP that same year. Education and health care accounted for 9.6% of total GDP in 2020—the third highest contribution in the Phoenix MSA, with the same contribution as government.

Phoenix MSA
GDP Contribution by Industry Sector

Industry Sector	GDP Contribution (in millions of dollars) 2011	2013	2015	2017	2019	2020
Private Industries -						
Agriculture, Forestry, Fishing, and Hunting	$713.0	$870.5	$783.1	$881.1	$868.5	$931.5
Mining, Quarrying, and Extraction	2,480.8	1,766.0	1,192.1	1,411.9	1,282.5	1,350.0
Utilities	3,436.1	3,561.4	3,879.6	4,310.8	4,804.9	5,352.4
Construction	6,993.0	8,054.9	9,113.3	11,781.4	15,232.6	16,115.8
Manufacturing	17,905.5	16,578.2	19,345.9	20,718.2	24,000.7	23,769.1
Wholesale Trade	13,304.0	14,417.2	14,949.6	16,321.2	17,620.5	18,068.4
Retail Trade	14,645.3	15,244.0	16,700.2	17,417.3	19,267.9	21,059.8
Transportation and Warehousing	5,619.9	5,984.0	7,131.9	7,863.9	9,687.0	7,597.8
Information	5,729.4	6,769.3	8,209.5	9,438.2	11,381.8	11,868.9
Finance, Insurance, Rental, Real Estate & Leasing	41,606.9	48,371.1	52,591.2	56,707.5	66,228.7	69,765.8
Professional &Business Services	22,921.0	25,233.5	28,057.7	31,386.2	35,635.9	35,504.1
Education & Health Care	18,215.9	19,283.5	21,075.6	24,019.3	27,222.3	27,115.1
Arts, Entertainment & Recreation, and Accommodation & Food Services	8,100.4	9,564.8	10,098.2	11,760.4	12,615.3	10,542.7
Other Services (excluding Government)	3,628.2	3,945.0	4,422.0	4,756.0	5,310.2	4,848.5
Total Private Industries	$165,299.4	$179,643.4	$197,549.9	$218,773.4	$251,158.8	$253,889.9
Government	20,489.7	21,637.4	22,406.8	24,330.0	25,755.6	27,114.9
Total All Industries	$185,789.1	$201,280.8	$219,956.7	$243,103.4	$276,914.4	$281,004.8

Source: U.S. Bureau of Economic Analysis

The following table compares the Phoenix MSA's real GDP with 21 peer MSAs, expressed in 2012 dollars.[(1)] The table suggests that the Phoenix MSA's average annual real GDP from 2011 through 2020 was $214.2 billion in chained 2012 dollars. In 2020, the Phoenix MSA ranked 9th among the 22 MSAs examined in this report, while the neighboring Tucson, AZ MSA ranked last in the group. However, the primary measure of economic performance internationally is per capita GDP. The second GDP table therefore compares the real GDP per capita contributions of the Phoenix MSA with the 21 peer MSAs.

The average annual real GDP per capita contribution in the Phoenix MSA in 2010 was $44,016. For the most recent year available (2020), real GDP per capita in the Phoenix MSA was $49,449, expressed in chained 2012 dollars. The Phoenix MSA ranks 16th among the MSAs examined when considering real GDP per capita in 2020. The 2010 and 2020 per capita rates use the decennial census population figures for their respective years. A compound annual growth rate for real GDP per capita in the Phoenix MSA from 2011 through 2020 is not available as the Census Bureau has not updated the 2011-2019 population estimates. The latter update is not due until late 2022.

(1) These are chained dollars, which is a method of adjusting real dollar amounts for inflation over time, to enable comparisons from different years. The U.S. Department of Commerce introduced the chained-dollar measure in 1996. The chained dollars in this table reflect dollar figures computed with 2012 as the base year.

Regional price parities measure the differences in price levels across states and metropolitan areas for a given year and are expressed as a percentage of the overall national price level. They allow for comparisons of buying power across the 50 states and the District of Columbia, or from one metro area to another, for a given year. If an additional adjustment is made for regional price parity, the Phoenix MSA ranks 15th among the MSAs examined at $48,216 for real GDP per capita in 2020 (in chained 2012 dollars).

Real GDP
Phoenix MSA and 21 Peer MSA's

	Real GDP (millions of chained 2012 dollars)					
	2011	2013	2015	2017	2019	2020
Phoenix-Mesa-Scottsdale, AZ	$189,684	$197,408	$207,171	$222,088	$241,912	$240,714
Atlanta-Sandy Springs-Roswell, GA	287,933	299,097	327,440	357,528	386,542	369,864
Austin-Round Rock, TX	97,421	105,495	120,013	132,421	147,054	148,884
Charlotte-Concord-Gastonia, NC-SC	123,247	129,316	138,394	149,813	155,484	153,402
Dallas-Fort Worth-Arlington, TX	365,601	388,536	422,048	451,717	487,605	477,023
Denver-Aurora-Lakewood, CO	150,563	161,007	176,211	185,622	202,452	196,695
Houston-The Woodlands-Sugar Land, TX	392,977	424,880	455,910	456,020	469,349	455,302
Las Vegas-Henderson-Paradise, NV	91,092	91,080	97,006	102,295	112,479	100,852
Los Angeles-Long Beach-Anaheim, CA	759,139	784,821	835,964	882,494	934,771	880,234
Miami-Fort Lauderdale-West Palm Beach, FL	260,331	268,003	288,628	309,345	326,364	311,362
Orlando-Kissimmee-Sanford, FL	97,781	102,766	112,244	121,841	130,960	123,298
Portland-Vancouver-Hillsboro, OR-WA	117,932	120,207	130,843	142,494	153,301	148,456
Riverside-San Bernardino-Ontario, CA	131,676	135,932	145,728	153,475	164,450	160,485
Sacramento-Roseville-Arden-Arcade, CA	102,507	106,019	112,728	118,101	126,814	122,939
Salt Lake City, UT	67,537	70,185	74,487	80,370	88,522	88,191
San Antonio-New Braunfels, TX	90,113	96,611	107,313	109,685	118,329	116,342
San Diego-Carlsbad, CA	176,547	184,863	195,600	203,933	214,035	207,748
San Francisco-Oakland-Hayward, CA	337,525	377,150	422,319	483,697	535,917	525,831
San Jose-Sunnyvale-Santa Clara, CA	186,416	211,714	248,011	285,010	327,926	342,172
Seattle-Tacoma-Bellevue, WA	256,700	279,660	303,614	335,584	378,326	378,146
Tampa-St. Petersburg-Clearwater, FL	119,579	123,613	130,999	138,196	147,718	145,500
Tucson, AZ	35,862	36,231	36,113	38,534	40,180	38,479

Source: U.S. Bureau of Economic Analysis

Real GDP Per Capita:
The Phoenix MSA And 21 Peer MSAs

	Real GDP per Capita (Chained 2012 dollars)					
	2011	**2013**	**2015**	**2017**	**2019**	**2020**
Phoenix-Mesa-Scottsdale, AZ	$44,600	$ 44,834	$ 45,248	$ 46,669	$ 48,889	$ 49,449
Atlanta-Sandy Springs-Roswell, GA	53,654	54,277	57,587	60,882	64,206	60,622
Austin-Round Rock, TX	54,714	56,016	59,943	62,596	66,030	64,757
Charlotte-Concord-Gastonia, NC-SC	54,026	54,826	56,536	58,742	58,965	57,461
Dallas-Fort Worth-Arlington, TX	56,155	57,528	59,928	61,566	64,386	62,256
Denver-Aurora-Lakewood, CO	57,844	59,621	62,644	64,189	68,229	66,243
Houston-The Woodlands-Sugar Land, TX	64,888	67,141	68,334	66,089	66,422	63,788
Las Vegas-Henderson-Paradise, NV	46,430	45,152	46,266	46,889	49,622	44,362
Los Angeles-Long Beach-Anaheim, CA	58,731	59,922	63,165	66,463	70,737	66,820
Miami-Fort Lauderdale-West Palm Beach, FL	45,928	46,027	48,353	50,562	52,925	50,823
Orlando-Kissimmee-Sanford, FL	44,935	45,268	46,993	48,392	50,212	46,047
Portland-Vancouver-Hillsboro, OR-WA	52,117	52,015	54,938	58,047	61,507	58,999
Riverside-San Bernardino-Ontario, CA	30,659	31,109	32,665	33,613	35,361	34,846
Sacramento-Roseville-Arden-Arcade, CA	47,174	47,961	49,811	50,915	53,650	51,238
Salt Lake City, UT	61,020	61,564	63,942	66,741	71,811	70,019
San Antonio-New Braunfels, TX	41,074	42,373	45,104	44,369	46,386	45,328
San Diego-Carlsbad, CA	56,276	57,594	59,619	61,403	64,114	63,006
San Francisco-Oakland-Hayward, CA	76,785	83,447	90,862	102,643	113,259	110,943
San Jose-Sunnyvale-Santa Clara, CA	99,793	110,058	125,607	143,029	164,732	171,506
Seattle-Tacoma-Bellevue, WA	73,261	77,418	81,188	86,366	95,060	93,956
Tampa-St. Petersburg-Clearwater, FL	42,505	42,913	43,902	44,480	46,237	45,706
Tucson, AZ	36,284	36,335	35,788	37,543	38,366	36,801

Source: U.S. Bureau of Economic Analysis

Income

Exclusively focused on money, per capita income is derived by dividing the total aggregate income by the total population. In the table below, per capita income in 2019 dollars in the Phoenix MSA was $34,074. The Phoenix MSA ranked 15th out of the 22 peer MSAs on this measure.

Income Peer Metropolitan Statistical Areas

	Per Capita Income (2019 dollars)
Phoenix-Mesa-Scottsdale, AZ	$34,074
Atlanta-Sandy Springs-Roswell, GA	37,331
Austin-Round Rock, TX	41,957
Charlotte-Concord-Gastonia, NC-SC	36,374
Dallas-Fort Worth-Arlington, TX	36,274
Denver-Aurora-Lakewood, CO	44,806
Houston-The Woodlands-Sugar Land, TX	35,190
Las Vegas-Henderson-Paradise, NV	32,511
Los Angeles-Long Beach-Anaheim, CA	37,764
Miami-Fort Lauderdale-West Palm Beach, FL	33,917
Orlando-Kissimmee-Sanford, FL	31,186
Portland-Vancouver-Hillsboro, OR-WA	40,526
Riverside-San Bernardino-Ontario, CA	28,763
Sacramento-Roseville-Arden-Arcade, CA	37,974
Salt Lake City, UT	34,445
San Antonio-New Braunfels, TX	29,802
San Diego-Carlsbad, CA	40,389
San Francisco-Oakland-Hayward, CA	60,223
San Jose-Sunnyvale-Santa Clara, CA	61,400
Seattle-Tacoma-Bellevue, WA	49,184
Tampa-St. Petersburg-Clearwater, FL	33,116
Tucson, AZ	31,004

Source: American Community Survey 2019 (One-year Estimate)

The next table shows total personal income and per capita personal income in current dollars for the Phoenix MSA for 2010 through 2020. The Bureau of Economic Analysis defines personal income as "…the income received by, or on behalf of, all persons from all sources: from participation as laborers in production, from owning a home or unincorporated business, from the ownership of financial assets, and from government and business in the form of transfer receipts".[(1)]

By including income from global, as well as domestic sources, personal income is a measurement far wider in scope than the American Community Survey's concept of per capita income shown in the previous table. Per capita personal income is derived by calculating the total personal income divided by total population. The 2020 per capita personal income estimate in the Phoenix MSA is $53,896. Per capita estimates for 2011-2019 are subject to revision by the Census Bureau when the population estimates are revised.

Total Personal and Per Capita Personal Income
the Phoenix MSA

Year	Total Personal Income (in millions of dollars)	Per Capita Personal Income (in current dollars)	Per Capita Personal Income Annual Percent Change
2020	$262,363	$53,896	12.1%
2019	238,193	48,137	4.3
2018	223,865	46,165	4.6
2017	209,940	44,117	3.7
2016	198,859	42,552	2.5
2015	190,054	41,510	3.8
2014	179,480	39,982	4.1
2013	169,064	38,396	1.0
2012	164,668	38,032	3.7
2011	155,942	36,666	4.2

Source: U.S. Bureau of Economic Analysis

(1) Bureau of Economic Analysis. Local Area Personal Income: 2017 news release, November 15, 2018. Available at: https://www.bea.gov/newsreleases/regional/lapi/lapi_newsrelease.htm

Exports

In 2020 the Phoenix MSA was the 29th largest U.S. exporter by merchandise export value based on origin of movement zip code data collected by the International Trade Administration. In total, the Phoenix MSA exported more than $11.1 billion in goods that year. This was a 26.8% decrease over 2018, primarily due to the global pandemic.

The top export sectors by value of goods were computer and electronic products ($3.8 billion), transportation equipment ($2.1 billion), machinery ($0.9 billion), chemicals ($0.7 billion) and electrical ($0.7 billion). Mexico was the top export partner, accounting for $2.1 billion of the Phoenix MSA's total goods exports in 2020. Canada was second, accounting for $1.0 billion of the Phoenix MSA's total goods exports. China was third, accounting for $0.7 billon of the Phoenix MSA's total goods exports.

Phoenix MSA
Annual Exports

Year	Value (millions of dollars)	Annual Growth Rate
2020	$11,073,932,794	-26.8%
2019	15,136,633,149	11.2
2018	13,614,869,197	3.0
2017	13,223,063,245	3.0
2016	12,838,188,632	-7.1
2015	13,821,528,121	8.3
2014	12,764,439,477	11.3
2013	11,473,532,187	5.9
2012	10,834,262,990	-0.7
2011	10,914,400,733	16.8

Source: International Trade Administration

Real Estate Market

The Phoenix real estate market has significantly improved since the 2008-2009 recession, when an overabundance of single-family residential buildings followed by a high foreclosure rate and a decline in population growth up to 2011 significantly wounded the Phoenix MSA. At the height of the recession the region had over 60,000 properties that were in some stage of foreclosure. In December 2019, there were 3,349 distressed (foreclosed and pending) residential properties in the region. Maricopa Association of Governments currently suggests that distressed properties today are at levels that are considered normal for a region this size.(1)

The 2021 provisional total number of permits issued in the Phoenix MSA increased 7.7% compared to 2020. Permits issued in the state increased 9.0% between the two years. An estimated 67.8% of the provisional permitting total in the Phoenix MSA in 2021, and 71.3% of the provisional permitting total in the State of Arizona in 2021 was for single units. Permitting always occurs before housing starts. However, a stronger indicator of economic conditions is housing completions.

The city of Phoenix has an estimated total of 639,594 housing units in 2021—an increase of 8,842 housing units compared to 2020.

(1) https://azmag.gov/Programs/Maps-and-Data/Population-Housing/Distressed-Residential-Property

An estimated 91.1% of housing units were occupied in the city of Phoenix in 2019. 54.4% of the occupied housing units in the City of Phoenix in 2019 were owner occupied, and 45.6% renter occupied. The average household size was 2.93 for owner-occupied units, and 2.76 for renter-occupied units. The median dollar value of an owner-occupied home in the City of Phoenix was $235,400 in 2019. The gross median rent for an occupied unit in 2019 was $1,053 per month.(1)

New Privately Owned Housing Units Authorized Phoenix MSA and Arizona

	1 Unit		2 Units		3 or 4 Units		5+ Units		Total	
Year	MSA	AZ	MSA	AZ	MSA	AZ	MSA	AZ	MSA	AZ
2021	35,188	46,862	1,010	1,322	292	329	15,433	17,253	51,923	65,766
2020	31,658	42,277	680	1,040	208	311	15,673	16,714	48,219	60,342
2019	25,026	33,981	664	876	174	202	10,009	11,521	35,873	46,580
2018	23,526	32,127	466	646	203	264	7,148	8,627	31,343	41,664
2017	20,471	28,072	302	432	212	273	8,327	10,695	29,312	39,472
2016	18,433	24,853	410	484	161	168	9,579	10,073	28,583	35,578
2015	16,621	22,311	168	222	186	225	5,427	6,152	22,402	28,910
2014	11,557	16,841	156	230	125	137	8,503	9,789	20,341	26,997
2013	12,959	18,386	128	214	201	213	5,449	6,396	18,737	25,209
2012	11,931	16,189	176	244	161	210	3,699	5,083	15,967	21,726

Source: U.S. Census Bureau

Source: Maricopa Association of Governments

(1) U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates. Occupancy and median dollar values data for 2020 are currently unavailable.

Population and Housing Units (2)
City of Phoenix

Year	Population (3)	Change in Population	Housing	Change in Housing Units (4)
2021	1,630,195	16,717(3)	639,594	8,842
2020	1,608,139	-9,205	630,752	5,347
2019	1,617,344	19,606	625,407	6,355
2018	1,597,738	18,485	619,052	5,589
2017	1,579,253	19,233	613,463	4,060
2016	1,560,020	24,005	609,403	6,070
2015	1,536,015	29,576	603,333	2,744
2014	1,506,439	20,688	600,589	3,913
2013	1,485,751	19,528	596,676	2,486
2012	1,466,223	14,257	594,190	2,063

(2) The population and housing unit figures reflect the change to the 2010 decennial census that resulted from the census count question resolution program, which added 463 housing units and 1,496 residents to the previously published figures. Estimates for years between the 2012 and 2020 censuses are not revised to match the 2020 results.

(3) Maricopa Association of Governments uses a different methodology and different data to estimate population.

(4) The change in the number of housing units is equal to the number of housing completions plus the number of units annexed less the number of units demolished.

Value of Building Permits
City of Phoenix
($ in thousands)

Year	Residential	Commercial	Industrial	Other	Total
2021	$1,496,932	$1,256,911	$527,677	$4,658,188	$7,939,708
2020	1,379,302	1,481,012	234,211	3,169,478	6,264,003
2019	1,217,854	1,583,252	207,162	2,049,625	5,057,893
2018	1,125,341	1,158,984	334,010	1,818,854	4,437,189
2017	945,802	1,081,797	211,361	1,747,075	3,986,035
2016	862,071	1,062,657	225,377	1,588,603	3,738,708
2015	824,633	1,130,212	133,785	1,464,853	3,553,483
2014	635,000	1,040,100	206,052	1,270,957	3,152,109
2013	578,547	374,888	208,293	1,348,127	2,509,855
2012	780,212	641,175	134,309	1,559,364	3,115,060

Source: Raw data provided by City of Phoenix Planning and Development Department

New Housing Starts (1)

Year	City of Phoenix
2021(2)	11,492
2020	11,647
2019	9,898
2018	7,262
2017	6,832
2016	6,972
2015	4,611
2014	5,138
2013	3,131
2012	4,434

(1) Reflects housing permits authorized, by units, including single-family, multi-family and mobile homes.
(2) Data through December 2021

Source: U.S. Census Bureau

According to CB Richard Ellis, the metro Phoenix retail market positively trended through 2021, with net absorption just under pre-pandemic levels, and lease rates dropping to increase the affordability of retail space. The retail market vacancy rate stood at 6.7% at the end of the fourth calendar quarter of 2021. At year end, there was 522,000 square feet of retail space under construction. The average asking rents were $17.02 per square feet net-net-net.(3)

(3) CBRE Phoenix Retail Market Report, Phoenix Office, Q4 2021

Retail Real Estate Market
Phoenix MSA

Year	Vacancy Rate	Year to Date Net Absorption (square feet)	Change in Inventory (square feet)
2021	6.70%	997,019	n/a(1)
2020	8.00	-13,286	n/a(1)
2019	8.00	1,200,000	387,828
2018	8.40	1,181,675	997,933
2017	8.10	1,601,498	580,776
2016	8.90	1,321,833	1,204,766
2015	9.10	1,150,192	164,859
2014	9.60	1,487,313	-49,225
2013	10.20	1,579,202	-325,959
2012	11.00	1,879,005	184,392

Source: CB Richard Ellis

Office Real Estate Market
Phoenix MSA

Year	Vacancy Rate	Year to Date Net Absorption (square feet)	Change in Inventory (square feet)
2021	19.80%	-1,148,892	983,582
2020	17.45	-1,051,047	2,014,465
2019	14.11	3,210,676	3,310,846
2018	15.20	2,473,034	803,403
2017	16.40	2,839,559	1,912,217
2016	17.40	3,219,853	1,045,155
2015	19.30	3,779,039	3,763,828
2014	21.10	1,969,716	1,107,906
2013	22.40	1,712,366	-35,566
2012	23.90	2,020,529	973,282

Source: CB Richard Ellis

(1) Data not available as of May 18, 2022.

Industrial/Commercial Real Estate Market
Phoenix MSA

The metro Phoenix office market had a negative net absorption of 1,148,892 square feet for the year, the lowest on record. Most of these losses occurred in the central business district (982,065 square feet) and East Phoenix (483,086 square feet). Northeast Phoenix and Camelback/Piestewa Peak offset some of the metro's losses with gains of 211,209 square feet and 116,030 square feet respectively. The current asking rate ($28.67 per square feet net-net-net) is 56 cents more than the fourth calendar quarter of 2020, but 19 cents less than the third calendar quarter of 2021.(1)

2021 was a very active year in the Phoenix industrial market. Year-end net absorption (21,363,840 square feet) and new supply (14,115,722 square feet) set new record highs, with users and developers migrating to Phoenix due to strong market fundamentals, a robust workforce, and affordable land. Year-over-year, asking rents are up 2.9% at $0.81 per square feet net-net-net.(2)

Year	Vacancy Rate	Year to Date Net Absorption (square feet)	Change in Inventory (square feet)
2021	3.70%	21,363,840	14,115,722
2020	6.00	13,143,535	13,204,294
2019	6.30	10,677,269	9,164,152
2018	6.50	9,781,257	8,966,852
2017	6.84	9,898,893	6,988,240
2016	8.00	9,497,677	5,136,644
2015	10.10	7,046,663	3,966,434
2014	11.00	6,214,680	6,791,313
2013	11.40	8,783,982	8,902,571
2012	10.90	7,405,168	3,358,724

Source: CB Richard Ellis

Outlook/Summary

The Greater Phoenix Blue Chip Economic Forecast expects the local economy in 2022 to continue to recover from some of the losses experienced during the global pandemic. Population is forecast to grow 1.8% compared to 2021, while current personal income is expected to increase 5.0%, and wage and salary employment is calculated to rise by 3.9%. Retail sales are also predicted to rise 6.2%.

The construction industry is often described as a measurement of economic health because it tends to gain strength during economic upswings. The Greater Phoenix Blue Chip Economic Forecast projects construction employment to increase 3.6% in 2022, year-on-year. Manufacturing employment is also expected to increase during 2022, with consensus suggesting a 3.0% increase in employment.(3)

(1) CBRE Phoenix Office Market View, Phoenix Office, Q4 2021
(2) CBRE Phoenix Industrial Market Report, Phoenix Office, Q4 2021
(3) Source: Greater Phoenix Blue Chip First Quarter 2022 Forecasts, www.seidmaninstitute.com/ wp-content/uploads/2022/02/GPBC-2022-Qtr-1.pdf.

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APPENDIX B

City of Phoenix, Arizona — Financial Data

VALUATIONS

2021-22 Fiscal Year

Limited Net Assessed Valuation	$ 14,800,877,416(1)
Total Property Tax Levy	313,719,398
Full Cash Value	215,741,892,809(2)

(1) Limited net assessed valuation represents the amount used in determining primary and secondary property tax levies.

(2) Full cash value represents total market value of taxable property and is calculated by the Maricopa County Assessor's Office and the Arizona Department of Revenue, Division of Property and Special Taxes.

Source: Arizona Department of Revenue and Maricopa County Assessor's Office

The City's preliminary fiscal year 2022-23 Limited Net Assessed Valuation is $15,490,531,934, a 4.7% increase from fiscal year 2021-22. The City's Preliminary Full Cash Value for fiscal year 2022-23 is $232,423,574,149, a 7.7% increase from fiscal year 2021-22. The City's Preliminary Full Cash Net Assessed Valuation for fiscal year 2022-23 is $23,045,115,140, a 5.8% increase from fiscal year 2021-22. These valuations are from the Maricopa County Assessor's Office and are subject to change until approved by the Maricopa County Board of Supervisors no later than August 2022. Based on these valuations, the total property tax rate per $100 of assessed value for fiscal year 2022-23 will be $2.12, pending approval by the City Council in July 2022. The property tax information in Appendix B contains data for fiscal year 2021-22.

Arizona Property Tax System

County Assessor		**State Legislature**				**City of Phoenix**		**County Treasurer**
Calculates		*Establishes*				*Sets Rates (per $100 of value)*		*Bills, Collects, & Distributes*
Limited Property Value	x	Assessment Ratio	=	Limited Net Assessed Valuation	x	Primary & Secondary Tax Rate	=	Total Property Tax Levy

Arizona's property tax system was substantially revised by 1980 amendments to the Arizona Constitution and implementing legislation. Two separate tax systems were created: a Primary system for taxes levied to pay current operation and maintenance expenses; and a Secondary system for taxes levied to pay principal and interest on bonded indebtedness, special district assessments and tax overrides, as well as for the determination of the maximum permissible bonded indebtedness. There are specific provisions under each system governing determination of the full cash value of property, the limited property value, the basis of assessment and the maximum annual tax levies on certain types of property and by certain taxing authorities.

In 2012, voters approved Proposition 117, also known as the Property Tax Assessed Valuation Amendment, amending the Arizona Constitution by eliminating the use of secondary net assessed valuations (now referred to as full cash net assessed valuations) to calculate secondary property tax levies and capping the annual increase in limited property values used to calculate primary net assessed valuations. Beginning in fiscal year 2015-16, the amendment lowered the cap on the annual increase to limited property value from 10% to no greater than 5% above the previous year, plus new construction. The limited property value is used to calculate primary net assessed valuations, which will be used to determine both the primary and secondary levies and as a result, the terms "limited net assessed valuations" and "primary net assessed valuations" are sometimes used interchangeably. The amendment does not change the methodology used by county assessors to calculate limited net assessed valuations, and property owners may still appeal valuations to their county assessor. The amendment does not impose limits on the rate at which primary and secondary property taxes may be assessed and does not materially adversely affect the City's ability to levy and collect property tax revenues.

The basis of assessment for all property classifications is shown in the following table. Prior to legislative changes in 2012, the percentage assessment factor for each property classification was applied to the limited property value and full cash value of each property to determine primary and secondary net assessed valuations for tax levy purposes. Beginning in fiscal year 2015-16, the percentage assessment factor for each property classification is applied to the limited property value of each property to determine limited net assessed valuations, which are used to determine both the primary and secondary tax levies.

Basis of Property Assessments (1)

Tax Year	Class 1 Mining, Utility, Commercial and Industrial(2)(3)(5)	Class 2 Vacant Land and Agricultural(3)(5)	Class 3 Primary Residential (Owner Occupied)	Class 4 Non-Primary Residential (includes Leased and Rented)	Class 5 Private Railroad Car Companies and Airline Flight Property(4)
2021	18.0%	15.0%	10.0%	10.0%	15.0%
2020	18.0	15.0	10.0	10.0	15.0
2019	18.0	15.0	10.0	10.0	15.0
2018	18.0	15.0	10.0	10.0	14.0
2017	18.0	15.0	10.0	10.0	15.0
2016	18.0	15.0	10.0	10.0	14.0
2015	18.5	16.0	10.0	10.0	15.0
2014	19.0	16.0	10.0	10.0	16.0
2013	19.5	16.0	10.0	10.0	15.0
2012	20.0	16.0	10.0	10.0	15.0

(1) Additional classes of property exist, but do not amount to a significant portion of total valuation for the City of Phoenix. These classes consist of historic property; aerospace manufacturing property in a reuse zone; property in a foreign trade zone; environmental technology property for the first twenty years from the date placed in service and leasehold or other possessory interest in certain public property.

(2) The assessment ratio for this property classification will decrease to 17.5% for tax year 2022, 17% for tax year 2023, 16.5% for tax year 2024, 16% for tax year 2025. Pursuant to Arizona Laws 2022, Fifty-Fifth Legislature, Second Session, Chapter 171 (Senate Bill 1093) (the "*SB1093 Legislation*"), Section 2, which was signed by the Governor of Arizona on April 22, 2022 and will take effect 90 days following adjournment of the current 2022 regular legislative session unless a referendum petition with the requisite number of valid signers is filed referring the SB1093 Legislation to Arizona voters, the assessment ratios for this property classification will decrease to 15.5% for tax year 2026 and 15% for each tax year thereafter.

(3) Legislation authorized by an amendment to the Constitution of Arizona by vote at the November 5, 1996 general election provided for a reduced assessment factor on commercial, industrial and agricultural personal property by granting exemptions. The exemption amount is adjusted annually for inflation by the Arizona Department of Revenue. The maximum exempt amounts for tax years 2020 and 2021 are $185,811 and $195,878, respectively. Any portion of the full cash value in excess of those amounts will be assessed at the applicable assessment factor.

(4) This percentage is determined annually pursuant to Arizona Revised Statutes Section 42-15005

(5) In addition, Arizona Laws 2022, Fifty-Fifth Legislature, Second Session, Chapter 103 (House Bill 2822) (the "*HB2822 Legislation*"), which was signed by the Governor of Arizona on March 30, 2022 and will take effect 90 days following adjournment of the current 2022 regular legislative session unless a referendum petition with the requisite number of valid signers is filed referring the HB2822 Legislation to Arizona voters, updates the method of assessment valuation of certain types of property within this class for personal property that is acquired or initially classified during or after tax year 2022 by changing the valuation factor to two and one-half percent (2.5%) rather than the depreciation schedule currently used for such valuation.

Under the Primary system, annual tax levies are limited based on the nature of the property being taxed, and the nature of the taxing authority. Taxes levied for Primary purposes on residential property only are limited to 1% of the limited property value of such property. In addition, taxes levied for Primary purposes on all types of property by counties, cities, towns and community college districts are limited to a maximum increase of 2% over the prior year's levy, plus any amount directly attributable to new construction and annexation and involuntary tort judgments. In November 2006, voters of the State passed Proposition 101 which adjusts the base for the maximum allowable Primary property tax levy limit to the actual 2005 property taxes levied. The 2% limitation does not apply to taxes levied for Primary purposes on behalf of local school districts, nor to the Secondary annual tax levies by any entity for bonded indebtedness and special district assessments.

Property Tax Procedures

The Arizona Legislature revised the property tax valuation system effective with the tax year beginning January 1, 1997. Under this system, a valuation date is established as of January 1 of the year preceding the tax year, or January 1, 1997 for tax year 1998. A new, simplified system for sending notices of valuation, correction of errors and filing of appeals for locally assessed property was implemented. To ease implementation, real property on the tax rolls in 1995 remained at the 1995 values for tax year 1996. In July 1996, the Arizona Legislature revised the property valuation and appeal processes of centrally valued properties to conform to the changes made for locally assessed property. To allow for the change to the new system, the legislation provided that for the 1998 tax year, centrally valued property remained at 1997 values.

The new valuation system was intended to improve upon prior law by simplifying and streamlining the appeals process and increasing the length of time for preparing the assessment roll while still taking into account any corrections made as a result of appeals.

Legislation passed in 1997 permits county assessors, upon meeting certain conditions, to assess residential, agricultural and vacant land at the same assessed valuation for up to three consecutive tax years. The Maricopa County Assessor began reassessing existing properties within these classes on a two-year cycle, with assessments for tax year 2000 the same as tax year 1999. As a result, existing properties within these classes were reassessed for tax years 2001, 2003 and 2005. Starting with tax year 2007, the Maricopa County Assessor began reassessing existing properties within these classes on an annual cycle.

Legislation passed in 2001 calls for each county assessor to complete the assessment roll by the December 20 preceding the beginning of the tax year. As under prior law, a tax lien attaches to the property on January 1 of the tax year (January 1, 2001 for tax year 2001) and the County Board of Supervisors sets the tax rates on the third Monday in August each year.

Additional legislation passed in 2001 established a joint legislative oversight committee to monitor the current property tax assessment and appeals systems. The committee meets periodically to review the administrative structure and procedures utilized for assessing taxes and handling appeals, and identify and suggest solutions to potential problems.

Delinquent Tax Procedures

The property taxes due to the City, along with State and other property taxes are billed by Maricopa County in September of the calendar tax year and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the treasurer of the county prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the treasurer of the county to deliver a Treasurer's Deed to the certificate holder as prescribed by law.

It should be noted that in the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code, the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly noninterest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the City. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on the property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy would be stayed pursuant to the Bankruptcy Code. While the stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of post bankruptcy petition tax collections becomes uncertain.

VALUATION HISTORY

Full Cash Value History

Fiscal Year	City of Phoenix	Maricopa County	State of Arizona
2021-22	$215,741,892,809	$663,161,039,191	$945,109,071,965
2020-21	198,012,408,578	607,928,072,929	875,031,115,207
2019-20	179,418,109,860	552,974,238,023	800,497,344,608
2018-19	164,275,190,973	508,477,424,166	739,955,361,749
2017-18	152,048,146,858	475,077,339,532	695,772,327,425
2016-17	140,141,257,980	443,207,234,847	656,511,478,502
2015-16	127,280,069,634	403,013,954,546	604,197,687,777
2014-15	106,487,248,298	339,536,632,619	526,147,191,080
2013-14	98,192,505,929	310,300,014,896	496,834,618,484
2012-13	103,538,836,913	321,960,273,828	518,109,307,694

Source: Arizona Department of Revenue, Division of Property and Special Taxes and Maricopa County Finance Department

Limited Net Assessed Valuation History

Fiscal Year	City of Phoenix	Maricopa County	State of Arizona
2021-22	$14,800,877,416	$48,724,126,672	$74,200,233,397
2020-21	13,923,185,918	45,704,969,813	69,914,521,042
2019-20	13,223,017,360	43,194,326,395	66,154,632,834
2018-19	12,399,776,105	40,423,232,423	62,328,357,186
2017-18	11,721,385,399	38,251,891,249	59,404,007,785
2016-17	10,982,150,871	36,135,494,474	56,573,588,295
2015-16	10,577,031,720	34,623,670,323	54,840,074,052
2014-15	10,298,185,184	33,519,795,354	53,549,091,433
2013-14	9,889,798,785	31,996,204,979	52,141,911,206
2012-13	10,803,375,535	34,263,842,276	55,852,336,047

Source: Arizona Department of Revenue, Division of Property and Special Taxes and Maricopa County Finance Department

Limited Net Assessed Valuation by Classification, City of Phoenix (1)

Fiscal Year	Commercial/ Utilities/ Industrial	Residential	Rural & Other	Total
2021-22	$5,971,431,974	$8,464,971,050	$364,474,392	$14,800,877,416
2020-21	5,650,658,475	7,965,352,886	307,174,557	13,923,185,918
2019-20	5,459,355,615	7,444,157,108	319,504,637	13,223,017,360
2018-19	5,159,913,759	6,938,818,656	301,043,690	12,399,776,105
2017-18	4,922,316,144	6,491,721,411	307,347,844	11,721,385,399
2016-17	4,642,739,507	6,062,572,209	276,839,155	10,982,150,871
2015-16	4,579,069,622	5,701,785,501	296,176,597	10,577,031,720
2014-15	4,700,793,219	5,788,310,977	329,529,990	10,818,634,186
2013-14	4,662,456,790	4,979,086,325	333,170,056	9,974,713,171
2012-13	5,254,483,552	5,228,248,100	367,012,004	10,849,743,656

(1) Fiscal years prior to 2016 used the Secondary Net Assessed Valuation.

Source: Maricopa County Finance Department

Beginning in fiscal year 2015-16 (tax year 2015), primary and secondary levies are based on a single valuation, the limited net assessed valuation. Although no longer the basis for calculating secondary property tax levies, full cash net assessed valuations (previously referred to as secondary net assessed valuations) are the basis for calculating the City's debt limitation. See page B-11 for more detail on the debt limitation. The table set forth below presents historical full cash net assessed valuations.

Full Cash Net Assessed Valuation History

Fiscal Year	City of Phoenix	Maricopa County	State of Arizona
2021-22	$21,780,880,732	$67,535,008,138	$97,282,221,465
2020-21	19,889,713,798	61,824,712,434	90,007,317,461
2019-20	18,193,680,624	56,588,192,576	82,730,928,616
2018-19	16,665,875,186	51,944,549,129	76,437,036,352
2017-18	15,366,353,843	48,351,864,363	71,673,967,461
2016-17	14,008,918,676	44,850,741,762	67,264,430,756
2015-16	12,783,575,022	41,124,639,380	62,635,586,917
2014-15	10,818,634,186	35,079,646,593	55,353,879,728
2013-14	9,974,713,171	32,229,006,810	52,598,341,678
2012-13	10,849,743,656	34,400,455,712	56,283,023,907

Source: State numbers are from Arizona Department of Revenue, Division of Property and Special Taxes and City of Phoenix and Maricopa County numbers are from Maricopa County Finance Department.

City of Phoenix, Arizona
Major Property Taxpayers
2021-22

Taxpayer	2021-22 Limited Net Assessed Valuation	As % of City Total Limited Net Assessed Valuation
Arizona Public Service Company	$ 509,708,593	3.44%
Southwest Gas Corporation	115,929,161	0.78
CenturyLink (Qwest Communications)	43,051,530	0.29
Host Kierland LP	36,605,542	0.25
Esplanade Owner LP	34,167,288	0.23
Host Camelback I LLC	31,032,546	0.21
Phoenix Plaza PT LLC	27,968,232	0.19
Target Corporation	24,591,449	0.17
United Services Automobile Association	23,841,118	0.16
Bre Iconic ABR Owner LLC	21,339,843	0.14
Biltmore Center Owner LLC	20,196,513	0.14
Epic Apollo LLC	19,650,184	0.13
Kierland Greenway LLC	17,216,194	0.12
Verizon Wireless	17,040,774	0.12
Viola Lordsmeer LP	15,893,253	0.11
Arizona Grand Resort LLC	15,832,964	0.11
AGP Arizona Center Owner LLC	15,552,901	0.11
Biltmore Shopping Center Partners	15,038,143	0.10
Safeway Inc	14,820,721	0.10
Aligned Data Centers Phoenix Propco LLC	14,803,396	0.10
Total	$1,034,280,345	6.99%

Source: Maricopa County Assessor's Office and the City of Phoenix Finance Department.

TAX DATA

The tax rates provided below reflect the total property tax rate levied by the City. For a description of the Primary system and Secondary system, see "APPENDIX B — City of Phoenix, Arizona — Financial Data — Arizona Property Tax System."

Fiscal Year	City's Primary Tax Rate Per $100 Assessed	City's Secondary Tax Rate Per $100 Assessed	City's Total Tax Rate Per $100 Assessed
2021-22	$1.31	$0.81	$2.12
2020-21	1.31	0.82	2.13
2019-20	1.31	0.82	2.13
2018-19	1.32	0.82	2.14
2017-18	1.34	0.82	2.16
2016-17	1.34	0.83	2.17
2015-16	1.34	0.48	1.82
2014-15	1.35	0.47	1.82
2013-14	1.47	0.35	1.82
2012-13	1.24	0.58	1.82

Maricopa County assesses and collects all City property taxes. Property taxes are payable in two installments. The first installment is due on the first business day of October and becomes delinquent on the first business day of November. The second installment is due on the first business day of March and becomes delinquent on the first business day of May. Interest at the rate of 16% per annum attaches on first and second installments following delinquent dates. The following table sets forth the City's tax levy and the tax collection record for fiscal year 2021-22 and for the past nine fiscal years. It should be noted that the total collection figures for each fiscal year reflect amounts collected on such year's levy and amounts collected during such year on prior years' levies, but do not include penalties for delinquent payments.

Fiscal Year	Tax Rate Per $100 Assessed	Tax Levy	Current Collection(1)		Total Collection(2)	
			Amount	% of Levy	Amount	% of Levy
2021-22	$2.12	$313,719,398	$304,788,851	97.15%	$308,458,724	98.32%
2020-21	2.13	296,508,167	292,524,970	98.7	297,345,416	100.3
2019-20	2.13	281,597,378	273,728,062	97.2	277,286,090	98.5
2018-19	2.14	265,404,808	260,407,895	98.1	263,688,880	99.4
2017-18	2.16	253,181,925	248,097,481	98.0	249,999,942	98.7
2016-17	2.17	238,312,673	234,999,427	98.6	237,091,724	99.5
2015-16	1.82	192,501,977	189,460,339	98.4	191,769,813	99.6
2014-15	1.82	189,851,743	185,764,231	97.8	187,935,914	99.0
2013-14	1.82	180,294,595	176,225,784	97.7	179,288,375	99.4
2012-13	1.82	196,890,508	191,304,200	97.2	194,585,764	98.8

(1) Reflects amounts collected on each year's levy through June 30, the end of the fiscal year, and the current fiscal year through May 2022.

(2) Reflects amounts collected on each year's levy and amounts collected during such year on prior years' levies.

Source: Maricopa County Treasurer's Office

Total Direct and Overlapping Tax Rates
Per $100 Assessed Valuation (1)
For Fiscal Year 2021-22

Overlapping Jurisdiction	Total Tax Rate Inside City of Phoenix
Inside Agua Fria Union High School District No. 216	
Inside Litchfield Elementary School District No. 79 (3)	$ 12.7506
Inside Glendale Union High School District No. 205	
Inside Washington Elementary School District No. 6 (3)	14.3019
Inside Phoenix Union High School District No. 210	
Inside Phoenix Elementary School District No. 1	15.3484
Inside Riverside Elementary School District No. 2	13.8036
Inside Isaac Elementary School District No. 5	18.4608
Inside Wilson Elementary School District No. 7	15.2247
Inside Osborn Elementary School District No. 8	14.9022
Inside Creighton Elementary School District No. 14	15.3726
Inside Murphy Elementary School District No. 21	14.8151
Inside Balsz Elementary School District No. 31	14.1714
Inside Madison Elementary School District No. 38	14.3779
Inside Laveen Elementary School District No. 59	17.8788
Inside Roosevelt Elementary School District No. 66	17.3446
Inside Alhambra Elementary School District No. 68	17.4359
Inside Cartwright Elementary School District No. 83 (3)	20.1925
Inside Tempe Union High School District No. 213	
Inside Tempe Elementary School District No. 3 (2)	12.7453
Inside Kyrene Elementary School District No. 28 (2)	11.9729
Inside Tolleson Union High School District No. 214	
Inside Tolleson Elementary School District No. 17 (3)	15.0676
Inside Fowler Elementary School District No. 45 (3)	14.0003
Inside Union Elementary School District No. 62 (3)	14.7006
Inside Littleton Elementary School District No. 65 (3)	16.1552
Inside Pendergast Elementary School District No. 92 (3)	16.5022
Inside Scottsdale Unified School District No. 48 (2)	9.3058
Inside Paradise Valley Unified School District No. 69 (3)	11.7615
Inside Cave Creek Unified School District No. 93	7.3710
Inside Deer Valley Unified School District No. 97 (3)	12.0142

(1) Included in the computation for each of the overlapping municipalities is the City of Phoenix tax rate of $2.1196, the Maricopa County tax rate of $1.3459, the Education Equalization District tax rate of $0.4263, the Maricopa County Flood Control District tax rate of $0.1792, the Central Arizona Water Conservation District tax rate of $0.1400, the Maricopa County Library District tax rate of $0.0556, the Volunteer Fire District Assistance tax rate of $0.0086, the Maricopa Special Health Care District tax rate of $0.2970 and the Maricopa County Community College District tax rate of $1.2257.

(2) Includes the East Valley Institute of Technology tax rate of $0.0500.

(3) Includes the West Maricopa Education Center tax rate of $0.1579.

Source: Maricopa County Finance Department and State of Arizona.

STATEMENT OF BONDED INDEBTEDNESS

Direct General Obligation Bonded Debt Outstanding(1)

Issue Date	Original Issuance	Purpose	Maturity Dates	Bonds Outstanding As of 7-1-22
03-01-04	$ 200,000,000	Various Improvements	7-1-10/28	$ 14,720,000
10-27-09	280,955,000	Various Improvements (Taxable)	7-1-20/34	237,495,000(2)
10-27-09	117,195,000	Refunding	7-1-11/23	3,615,000
06-12-12	16,640,000	Various Improvements (Taxable)	7-1-21/23	2,895,000
06-24-14	278,015,000	Refunding	7-1-19/27	189,670,000(3)
09-13-16	226,215,000	Refunding	7-1-18/27	206,415,000
06-21-17	68,305,000	Refunding	7-1-13/27	14,185,000
05-25-22	146,400,000	Refunding	7-1-23/34	146,400,000
Net Direct General Obligation Bonded Debt Outstanding				$815,395,000

City of Phoenix, Arizona
Schedule of Annual Debt Service Requirements
General Obligation Bonded Debt Outstanding

Fiscal Year	Principal	Interest	Total
2022-23	$ 95,990,000	$ 39,507,748	$ 135,497,748
2023-24	105,580,000	34,521,683	140,101,683
2024-25	119,605,000	29,690,785	149,295,785
2025-26	130,445,000	24,150,928	154,595,928
2026-27	134,270,000	17,989,869	152,259,869
2027-28	42,000,000	11,584,431	53,584,431
2028-29	28,340,000	9,726,833	38,066,833
2029-30	29,445,000	8,256,060	37,701,060
2030-31	30,590,000	6,728,194	37,318,194
2031-32	31,785,000	5,141,169	36,926,169
2032-33	33,025,000	3,492,429	36,517,429
2033-34	34,320,000	1,779,646	36,099,646
	$815,395,000	$192,569,775	$1,007,964,775

(1) Represents general obligation bonds outstanding as of July 1, 2022. There are no outstanding Enterprise funded general obligation bonds.

(2) On October 27, 2009, the City issued $280,955,000 par amount of Qualified Build America Bonds (Direct Pay). The City elected to receive subsidy payments, in the amount of 35% of each interest payment on the Qualified Build America Bonds, paid directly to the City by the United States of America. Effective October 1, 2013, the federal government implemented certain automatic budget cuts known as the sequester, which resulted in a reduction of the federal subsidy payments over the past several years. The reduction is 5.7% for the federal government's fiscal year ending September 30, 2022 (the "Sequester Reductions"). However, the City does not expect the Sequester Reductions to have a material adverse effect on its ability to make payments of interest on this issue.

(3) Represents bonds, a portion of which are expected to be cash defeased in fiscal year 2023.

Prior to the pandemic, the City Council appointed a Fiscal Capacity Committee to determine the City's capacity for implementing a new General Obligation Bond Program. One June 7, 2022, City

Council approved moving forward with a $500 million General Obligation Bond Program, as recommended by the Fiscal Capacity Committee. On June 1, 2022, the City Council appointed a citizen-based General Obligation Bond Committee to analyze and prioritize the City's unfunded capital needs. The General Obligation Bond Committee is tentatively scheduled to present project recommendations to City Council in December 2022. The proposed bond projects would then move forward to the November 2023 ballot to be approved by voters.

DEBT LIMITATION

Pursuant to Chapter 177, Laws of Arizona 2016, which became effective August 6, 2016, the City's debt limitation is based on the full cash net assessed valuation. The full cash net assessed valuation for 2022-23 is $23,045,115,140. Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks, open space preserves, playgrounds, recreational facilities, public safety, law enforcement, fire emergency, streets and transportation may not exceed 20% of a city's full cash net assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a city's full cash net assessed valuation. Unused borrowing capacity as of July 1, 2022 is shown below.

Water, Sewer, Light, Parks, Open Spaces, Playgrounds, Recreational Facilities, Public Safety, Law Enforcement, Fire Emergency, Streets and Transportation Purpose Bonds

20% Constitutional Limitation	$4,609,023,028
Less: Direct General Obligation Bonds Outstanding	738,570,000(1)
Debt Limit Reduction from Refunding(2)	47,631,872
Unused 20% Limitation Borrowing Capacity	$3,822,821,156

All Other General Obligation Bonds

6% Constitutional Limitation	$1,382,706,908
Less: Direct General Obligation Bonds Outstanding	76,825,000(1)
Debt Limit Reduction from Refunding(2)	14,779,763
Unused 6% Limitation Borrowing Capacity	$1,291,102,145

(1) Represents general obligation bonds outstanding as of July 1, 2022.

(2) Per A.R.S. Section 35-473.01.I, refunding bonds issued on or after August 6, 2016 may cause a reduction in available debt limits based on the nature of the refunded bonds (each, a "Debt Limit Reduction from Refunding"). If the principal amount of the refunded bonds is greater than the principal amount of the bonds that are refunding them and net premium is used to fund the escrow, then the difference in principal amounts will constitute a Debt Limit Reduction from Refunding.

NET DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT AND DEBT RATIOS

	As of July 1, 2022(1)
City of Phoenix	$ 815,395,000
Maricopa County Community College District	94,922,000
Maricopa County Special Health Care District	139,161,000
Various Elementary School Districts	652,455,000
Various High School Districts	557,404,000
Various Unified School Districts	357,948,000
Net Direct and Overlapping General Obligation Bonded Debt	$2,617,285,000

(1) The net direct debt of the City of Phoenix is as of July 1, 2022. The direct debt for the other districts is as of July 1, 2021, the latest available data.

Does not include the obligation of the Central Arizona Water Conservation District (CAWCD) to the United States of America, Department of the Interior for repayment of capital costs for construction of the Central Arizona Project (CAP), a major reclamation project constructed by the Department of the Interior to deliver Colorado River water to central and southern Arizona. The obligation is evidenced by a master repayment agreement between the CAWCD and the Department of the Interior. The CAWCD repayment obligation was reduced from over $2 billion to $1.65 billion as a result of a settlement between the United States and CAWCD over the amount of the repayment obligations and repayment terms. The settlement provided that 73% of the repayment obligation bear interest at the rate of 3.342% per annum on the unpaid balance, and 27% of the repayment obligation be non-interest bearing. The repayment will take place over a period of 50 years with the final payment in 2046. The repayment amount was offset through 2019 by revenue collected from power generation before calculating the net capital charge rate to the users, such as the City of Phoenix. As of 2020, there is no offset. The charge to the City of Phoenix averaged $1.8 million per year for years 2009 through 2014. The charge was $2.7 million in 2015, $2.8 million in 2016, 3.8 million in 2017, $5.5 million in 2018, $5.0 million in 2019, $8.6 million in 2020 and $9.1 million in 2021. The charge is estimated to be $8.4 million in 2022.

The CAWCD is a water conservation district having boundaries coterminous with the exterior boundaries of Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the District and to assist in repayment of the Central Arizona Project capital costs to the United States. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of Central Arizona Project water) and a tax levy against all taxable property in the District. Currently, the tax levy is limited by Arizona Revised Statutes to $0.14 per $100 of assessed valuation. There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract. The CAWCD has levied a tax of $0.14 per $100 of assessed valuation for the 2021-22 fiscal year.

Net Direct And Overlapping General Obligation Bonded Debt Ratios(1)

	Per Capita Debt (Pop. Est. 1,608,139) (2)	As Percent of City's 2021-22 Limited Net Assessed Valuation	As Percent of City's 2021-22 Full Cash Valuation
Direct General Obligation Bonded Debt Outstanding	$ 507.04	5.51%	0.38%
Net Direct and Overlapping General Obligation Bonded Debt Outstanding	1,627.52	17.68	1.21

(1) Represents net direct debt and overlapping general obligation bonds outstanding as of July 1, 2022.

(2) The City of Phoenix population is as of July 1, 2020, the most recently available figure from the U.S. 2020 decennial Census.

Overlapping General Obligation Bonded Debt, Limited Net Assessed Valuations and Tax Rates
As of July 1, 2021
(in thousands)

Overlapping Jurisdiction	2021-22 Limited Net Assessed Valuation	Net Bonded Debt	Approximate Applicable Percent	Net Overlapping Bonded Debt	2021-22 Tax Rate Per $100 Assessed
State of Arizona	$ 74,200,233	$ —	19.95%	$ —	$ —
Maricopa County	48,724,127	—	30.38	—	—
Maricopa County Community College District	48,724,127	312,450	30.38	94,922	—
Maricopa County Special Health Care District	48,837,617	459,125	30.31	139,161	—
Elementary School Districts:					
Phoenix S.D. No. 1	874,077	55,395	100.00	55,395	4.8329
Riverside S.D. No. 2	433,795	31,800	97.96	31,151	3.2881
Tempe S.D. No. 3	1,788,975	138,845	14.29	19,841	4.4508
Isaac S.D. No. 5	171,443	—	100.00	—	7.9453
Washington S.D. No. 6	1,492,786	96,320	97.39	93,806	4.5631
Wilson S.D. No. 7	127,943	3,465	100.00	3,465	4.7092
Osborn S.D. No. 8	510,095	50,375	99.94	50,345	4.3867
Creighton S.D. No. 14	510,322	47,520	87.09	41,385	4.8571
Tolleson S.D. No. 17	238,882	24,320	18.32	4,455	4.3783
Murphy S.D. No. 21	123,360	7,005	100.00	7,005	4.2996
Kyrene S.D. No. 28	2,412,625	174,185	39.86	69,430	3.6784
Balsz S.D. No. 31	365,559	28,715	94.04	27,004	3.6559
Madison S.D. No. 38	1,192,160	106,605	100.00	106,605	3.8624
Glendale S.D. No. 40	345,361	31,510	—	—	5.2406
Fowler S.D. No. 45	426,359	9,675	87.83	8,498	3.3110
Laveen S.D. No. 59	267,342	25,085	85.06	21,337	7.3633
Union S.D. No. 62	90,105	8,720	96.63	8,426	4.0113
Littleton S.D. No. 65	310,116	24,975	17.75	4,433	5.4659
Roosevelt S.D. No. 66	719,208	42,330	98.86	41,847	6.8291
Alhambra S.D. No. 68	351,989	26,700	81.25	21,694	6.9204
Litchfield S.D. No. 79	1,101,918	41,220	0.02	8	3.4950
Cartwright S.D. No. 83	297,864	19,355	100.00	19,355	9.5191
Pendergast S.D. No. 92	406,257	42,225	40.19	16,970	5.8129
High School Districts:					
Glendale Union No. 205	1,838,146	89,535	79.10	70,822	3.7830
Phoenix Union No. 210	5,945,159	394,405	96.45	380,404	4.7176
Tempe Union No. 213	4,201,600	78,170	28.98	22,654	2.4466
Tolleson Union No. 214	1,471,719	169,815	49.17	83,498	4.7335
Agua Fria Union No. 216	1,633,724	132,210	0.02	26	3.2998
Unified School Districts:					
Scottsdale No. 48	6,125,463	259,600	14.09	36,578	3.4579
Paradise Valley No. 69	4,015,026	297,852	69.66	207,484	5.8057
Cave Creek No. 93	2,315,163	29,745	13.62	4,051	1.5731
Deer Valley No. 97	3,071,462	198,940	55.21	109,835	6.0584
Total Overlapping General Obligation Bonded Debt				$ 1,801,890	

Source: Maricopa County Finance Department

Authorized and Unissued Bonds of Overlapping Jurisdictions
As of January 1, 2022

Jurisdictions	Authorized and Unissued Bonds
Balsz Elementary School District No. 31	$ 10,500,000
Cartwright Elementary School District No. 83	45,000,000
Deer Valley Unified School District No. 97	135,000,000
Fowler Elementary School District No. 45	3,005,000
Glendale Elementary School District No. 40	11,000,000
Glendale Union High School District No. 205	60,000,000
Kyrene Elementary School District No. 28	52,450,000
Laveen Elementary School District No. 59	19,470,000
Littleton Elementary School District No. 65	15,000,000
Madison Elementary School District No. 38	55,000,000
Maricopa County Community College District	3,000
Murphy Elementary School District No. 21	2,015,000
Paradise Valley Unified School District No. 69	139,635,000
Pendergast Elementary School District No. 92	54,495,000
Riverside Elementary School District No. 2	75,000,901
Roosevelt Elementary School District No. 66	60,000,000
Tempe Elementary School District No. 3	20,000,000
Tolleson Union High School District No. 214	125,000,000
Union Elementary School District No. 62	4,490,000

SUMMARY OF AUTHORIZED, ISSUED AND UNISSUED GENERAL OBLIGATION BONDS

Purpose	Original Authorization(1)	Bonds Issued	Remaining Authorization
GENERAL OBLIGATION BONDS:			
Affordable Housing and Neighborhood Revitalization	$ 81,000,000	$ 63,385,000	$ 17,615,000
Computer Technology	136,400,000	133,195,000	3,205,000
Education Facilities	198,700,000	190,610,000	8,090,000
Environmental Cleanup	37,600,000	32,515,000	5,085,000
Family, Senior and Youth Cultural Facilities	170,922,000	150,110,000	20,812,000
Fire Protection	136,205,000	121,900,000	14,305,000
Freeway Mitigation, Neighborhood Stabilization and Slum and Blight Elimination	29,285,000	28,285,000	1,000,000
Historic Preservation	12,000,000	11,205,000	795,000
Library Facilities	62,178,000	53,200,000	8,978,000
Neighborhood Protection and Senior Centers	74,000,000	71,645,000	2,355,000
Parks, Open Space and Recreational Facilities	192,500,000	174,865,000	17,635,000
Police Protection	186,095,000	159,585,000	26,510,000
Street Improvements	169,700,000	147,410,000	22,290,000
Storm Sewer Systems and Flood Protection	131,400,000	127,720,000	3,680,000
Total General Obligation Bonds	$1,617,985,000	$1,465,630,000	$152,355,000

(1) This is the original authorization of those 1988, 2001 and 2006 authorizations which still have a portion unissued.

OTHER LONG-TERM OBLIGATIONS

The City executed purchase and lease agreements with the City of Phoenix Civic Improvement Corporation (the "*Corporation*") for the construction of a new municipal building, a new Phoenix municipal courthouse building and a new city parking garage and to finance the acquisition of certain municipal facilities, consisting of real property and equipment.

Under the terms of these agreements, the City has agreed to make lease and purchase payments in amounts sufficient to pay principal and interest on bonds issued by the Corporation to finance the facilities, and has pledged its excise tax collections for these payments. The City's excise tax collections in 2016-17 totaled $887.2 million, in 2017-18 totaled $925.9 million, in 2018-19 totaled $977.0 million, in 2019-20 totaled $1,001.3 million and in 2020-21 totaled $1,112.3 million. Beginning in 2009-10 collections included a 2.0% transaction privilege (sales) tax rate on the sale of food for home consumption approved by the City Council on February 2, 2010. The tax became effective April 1, 2010, and was levied for five years. The revenues resulting from this tax totaled $51.6 million in 2012-13, $43.8 million in 2013-14 and $24.8 million in 2014-15. Effective January 1, 2014, the City Council reduced the tax rate on the sale of food for home consumption to 1.0% through the last 15 months of the tax, which expired as planned on March 31, 2015. Though currently expired, delinquent tax receipts of $0.5 million were received in 2015-16 and $0.01 million in 2016-17. These amounts do not include revenues from various transaction privilege (sales) tax rate increases approved by voters for specific uses and are not part of the pledge for lease and purchase payments on bonds of the Corporation. There are four such excluded voter approved tax rate increases.

On October 5, 1993, voters approved a 0.1% increase in the City's transaction privilege tax rate. The revenues produced by the increase must be used to add police officers and firefighters and to expand neighborhood programs designed to deter crime.

On September 7, 1999, voters approved a 0.1% increase in the City's transaction privilege tax rate to be levied for a 10-year period. The revenues produced by the increase will be used for the acquisition of desert preserve open space and the development and improvement of regional and neighborhood parks located within the City. On May 20, 2008, City of Phoenix voters approved a 30-year extension of the 0.1% tax for the acquisition of desert preserve open space and the development and improvement of regional and neighborhood parks in Phoenix. This extension will also expand the possible uses of these funds to include operational expenses such as salaries for park rangers and maintenance workers. Forty percent of the revenues produced by the extension will be used to acquire land for Phoenix's Sonoran Preserve. The remaining sixty percent will be used to finance improvements to parks throughout the City.

On March 14, 2000, City of Phoenix residents approved a 0.4% increase in the City's transaction privilege (sales) tax rate to be levied for a 20-year period dedicated to transit improvements (the "*Transit Sales Tax*"). Transit improvements include expanded local bus and Dial-A-Ride service, bus rapid transit service, neighborhood circulators, and the construction and operation of a light rail system. In addition, the tax will provide funding for 500 bus pull-outs, 100 miles of bike lanes and left-turn arrows at all major intersections. Voters approved the Transit Sales Tax providing an estimated $2.2 billion in funding through May 31, 2020.

On August 25, 2015, voters approved a new comprehensive transportation plan and funding tax proposal that increased the existing Transit Sales Tax dedicated for transportation. The dedicated Transit Sales Tax rate was increased from the previous 0.4% sales tax rate to 0.7% and became effective January 1, 2016, with a sunset date of December 31, 2050. The increased Transit Sales Tax will continue to fund expanded local bus and Dial-A-Ride service, bus rapid transit service, neighborhood circulators and the operation of the light rail system. The increased Transit Sales Tax will also provide for expanded bus and light rail service hours and routes, high capacity transit corridors, and infrastructure improvements to bus stops, maintenance facilities and transit centers. In addition, the increased Transit Sales Tax will provide for street improvements including pavement maintenance, new bicycle lanes, sidewalk installation and traffic signal enhancements.

On September 11, 2007, voters approved a 0.2% increase in the City's transaction privilege tax rate. Eighty percent of the revenues produced by the increase will be used by the Phoenix Police Department to recruit, hire, train and equip at least 500 police officers and police personnel; hire crime scene investigation (CSI) forensic teams; and to make service calls more efficient. Twenty percent of the revenues produced by the increase will be used by the Phoenix Fire Department to recruit, hire, train and equip at least 100 firefighters and fire personnel to improve fire protection services.

The City also entered into leases with the City of Phoenix Civic Improvement Corporation to finance the acquisition of certain municipal facilities, consisting of real property and equipment. The Corporation issued bonds for payment of the acquisition costs, and the City pledged its excise tax collections to make lease payments sufficient to pay principal and interest on the bonds. This pledge is on a parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations, although there are currently no junior lien excise tax obligations outstanding.

The City entered into lease and leaseback agreements with the City of Phoenix Civic Improvement Corporation for the purpose of acquiring and constructing a downtown multipurpose arena. The Corporation issued bonds for the payment of the City's portion of land acquisition and construction costs and the City pledged its excise tax collections to make lease payments sufficient to pay principal and interest on the bonds. This pledge is on a parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations.

The City entered into a leaseback agreement with the Phoenix Civic Plaza Building Corporation for the purpose of acquiring the site for and constructing and equipping a multi-level parking structure to serve the downtown area of the City. The Corporation issued bonds for the payment of acquisition and construction costs and the City pledged its excise tax collections to make lease payments sufficient to pay principal and interest on the bonds. This pledge is on a parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations. These bonds have been refunded through the City of Phoenix Civic Improvement Corporation.

The City entered into a leaseback agreement with the City of Phoenix Civic Improvement Corporation for the purpose of financing the acquisition of certain real property as well as the construction of certain improvements to the City's solid waste system. The Corporation issued bonds for the payment of acquisition and construction costs and the City pledged its excise tax collections to make lease payments sufficient to pay principal and interest on the bonds. This pledge is on a parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations. In keeping with the City's policy of maintaining the City's solid waste system as a self-supporting enterprise, solid waste revenues are used to pay the debt service on bonds issued by the Corporation for solid waste improvements.

The City entered into a loan agreement with the City of Phoenix Civic Improvement Corporation to finance a portion of the costs to construct, expand, modify and improve the Phoenix Convention Center. The Corporation issued bonds to fund a portion of the costs of the Phoenix Convention Center expansion project and the City pledged its excise tax collections to make loan payments sufficient to pay principal and interest on the bonds. This pledge is on a parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations.

On October 1, 2021, the City executed and delivered $60 million in subordinated excise tax obligations. The City intends to redeem those obligations on July 1, 2022 and conditional call notices have been issued to that effect.

As of July 1, 2022, the $350,000 of Senior Obligations outstanding will fully mature, but the senior lien priority remains available for future use.

City of Phoenix Civic Improvement Corporation
Subordinated Junior Lien Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-22
06-21-12	$ 17,510,000	Municipal Facilities Refunding	7-1-14/25	4.62%	$ 220,000
05-12-15	319,305,000	Municipal Facilities Refunding(1)	7-1-17/41	4.98	275,365,000
05-12-15	60,895,000	Municipal Facilities Refunding (Taxable)	7-1-16/35	3.34	36,925,000
06-01-17	116,835,000	Municipal Facilities	7-1-18/32	4.39	66,865,000
06-01-17	101,895,000	Municipal Facilities Refunding(2)	7-1-19/29	4.64	53,670,000
08-25-20	131,595,000	Municipal Facilities(3)	7-1-21/45	4.68	129,025,000
08-25-20	150,000,000	Municipal Facilities-Arena (Taxable)	7-1-21/45	2.36	140,675,000
08-25-20	116,685,000	Municipal Facilities Refunding (Taxable)	7-1-23/36	1.50	116,685,000
Total City of Phoenix Civic Improvement Corporation Subordinated Junior Lien Bonded Debt					$819,430,000

(1) Debt service requirements on $22,825,000 of these obligations are supported by solid waste revenues.

(2) Debt service requirements on $5,340,000 of these obligations are supported by solid waste revenues.

(3) Debt service requirements on $30,000,000 of these obligations are supported by solid waste revenues.

City of Phoenix Civic Improvement Corporation
Schedule of Total Annual Excise Tax Debt Service Requirements
Subordinated Junior Lien Debt Outstanding

Fiscal Year	Principal	Interest	Total
2022-23	$ 60,995,000	$ 31,140,731	$ 92,135,731
2023-24	61,825,000	29,006,918	90,831,918
2024-25	57,625,000	26,901,332	84,526,332
2025-26	59,495,000	24,773,192	84,268,192
2026-27	52,685,000	22,514,454	75,199,454
2027-28	49,455,000	20,618,295	70,073,295
2028-29	45,725,000	18,969,184	64,694,184
2029-30	36,240,000	17,466,973	53,706,973
2030-31	37,595,000	16,115,024	53,710,024
2031-32	38,405,000	14,679,365	53,084,365
2032-33	35,540,000	13,179,693	48,719,693
2033-34	34,375,000	11,735,497	46,110,497
2034-35	35,835,000	10,272,873	46,107,873
2035-36	34,305,000	8,739,300	43,044,300
2036-37	25,250,000	7,234,284	32,484,284
2037-38	26,335,000	6,148,926	32,483,926
2038-39	27,465,000	5,014,238	32,479,238
2039-40	28,655,000	3,827,969	32,482,969
2040-41	29,890,000	2,587,341	32,477,341
2041-42	9,965,000	1,280,406	11,245,406
2042-43	10,270,000	975,182	11,245,182
2043-44	10,585,000	660,286	11,245,286
2044-45	10,915,000	335,382	11,250,382
	$819,430,000	$294,176,845	$1,113,606,845

The City entered into a Revolving Credit Agreement dated June 4, 2020 (the "*Transportation Excise Tax Revolving Credit Agreement*") with Bank of America, N.A. (the "*Transportation Excise Tax Credit Agreement Provider*") which extended an initial loan of $200,000,000 to finance transportation improvements.

City of Phoenix
Transportation Excise Tax
Revolving Loan Outstanding

Loan Issue Date	Loan Amount	Purpose	Loans Outstanding As of 7-1-22
06-04-2020	$200,000,000	Transportation Improvements	$200,000,000

The Transportation Excise Revolving Credit Agreement remains in effect and provides for a three-year loan period, ending on June 2, 2023 (the "*Credit Commitment Period*"), during which the City may borrow, repay and re-borrow amounts, but not exceeding $200,000,000 outstanding in the aggregate at any one time (each a "Loan"). Loans made under the Transportation Excise Tax Revolving Credit Agreement will be payable solely from the Transit Sales Tax. For more information on the Transit Sales Tax see, "*Other Long-Term Obligations*". If the City elects to borrow additional amounts under the Transportation Excise Revolving Credit Agreement that are outstanding at the end of the Credit Commitment Period, the City can, subject to certain conditions, convert the borrowing to a three-year term loan payable in twelve equal quarterly principal installments ending on June 2, 2026.

Upon an event of default under the Revolving Credit Agreement, the Credit Agreement Provider may terminate its lending commitment but there is no provision for acceleration of current payment obligation.

The City entered into a loan agreement with the City of Phoenix Civic Improvement Corporation to finance a portion of the costs to construct, expand, modify and improve the Phoenix Convention Center to create additional rentable convention space (the "*Convention Center Project*"). The Corporation issued bonds (the "*State Distribution Bonds*") to fund a portion of the costs of the Convention Center Project. The source of revenue for the City's payment under the loan agreement is State distributions the City receives pursuant to legislation passed in 2003 authorizing up to fifty percent State funding for certain convention center developments in the State (the "*2003 Legislation*"). On April 6, 2011, the Governor of the State of Arizona signed into law Senate Bill (SB) 1616 revising the annual amount of State monies distributed to the City of Phoenix to pay debt service on the State Distribution Bonds. The revised schedule of State distributions will be sufficient to make loan payments when due and the City has agreed to make the loan payments required to pay debt service on the bonds when due from the State distributions. The first State distribution was received on August 1, 2009 and payments continue to be made on time.

The 2003 Legislation also requires the State Auditor General to conduct or contract for an annual economic and fiscal impact analysis of the Phoenix Convention Center expansion on State revenues beginning in its fifth year of operation after completion in January 2009. Under an amendment to the 2003 Legislation, beginning in 2014 and each year thereafter, if the Auditor General determines that the State has paid more in cumulative distributions than has been received in incremental revenue to the State general fund as a result of the Convention Center Project, the State can withhold State-Shared Sales Taxes from the next regularly scheduled distribution in an amount necessary to remedy the cumulative deficiency. The 2021 Economic and Fiscal Impact Analysis Update report released by the State Auditor General stated that from calendar year 2009 through calendar year 2020, the Phoenix Convention Center generated $30.7 million more in incremental revenue to the State general fund than had been paid out in cumulative distributions. Assuming moderate levels of event demand and inflationary growth of visitor spending, the report projects the Phoenix Convention Center would continue to have a net positive impact on the State general fund, but the City is unable to predict at this time whether the State may pay more in cumulative distributions than it receives in incremental revenue as a result of the Convention Center Project or to what extent State-Shared Revenues may be withheld or what defenses the City may have to such action. A debt service schedule for the State Distribution Bonds is set forth on the following page.

City of Phoenix Civic Improvement Corporation
State of Arizona Distribution Revenue Bonded Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-22
10-06-05	$275,362,351.75	Convention Center Expansion	7-1-12/44	4.72%	$248,145,547.95
Total State of Arizona Distribution Revenue Bonded Debt					$248,145,547.95

City of Phoenix Civic Improvement Corporation
Schedule of Annual Debt Service Requirements
State of Arizona Distribution Revenue Bonded Debt Outstanding

Fiscal Year	Principal	Interest	Compounded Interest	Total Debt Service
2022-23	$ 3,882,660.70	$ 19,529,400.00	$ 1,587,339.30	$ 24,999,400.00
2023-24	4,443,799.80	19,228,550.00	1,826,200.20	25,498,550.00
2024-25	5,027,387.85	18,883,700.00	2,087,612.15	25,998,700.00
2025-26	5,639,202.30	18,492,375.00	2,365,797.70	26,497,375.00
2026-27	6,287,082.70	18,052,100.00	2,657,917.30	26,997,100.00
2027-28	6,972,383.00	17,560,125.00	2,962,617.00	27,495,125.00
2028-29	7,697,628.90	17,013,700.00	3,287,371.10	27,998,700.00
2029-30	8,465,538.90	16,409,525.00	3,624,461.10	28,499,525.00
2030-31	9,274,258.40	15,744,575.00	3,980,741.60	28,999,575.00
2031-32	10,123,692.00	15,015,550.00	4,356,308.00	29,495,550.00
2032-33	11,032,587.00	14,219,150.00	4,747,413.00	29,999,150.00
2033-34	11,637,351.75	13,351,250.00	5,007,648.25	29,996,250.00
2034-35	12,267,767.20	12,435,775.00	5,292,232.80	29,995,775.00
2035-36	12,935,793.00	11,469,975.00	5,594,207.00	29,999,975.00
2036-37	13,634,005.65	10,450,825.00	5,910,994.35	29,995,825.00
2037-38	14,372,964.80	9,375,850.00	6,247,035.20	29,995,850.00
2038-39	15,164,105.20	8,241,750.00	6,590,894.80	29,996,750.00
2039-40	15,997,068.00	7,045,225.00	6,952,932.00	29,995,225.00
2040-41	16,878,823.60	5,782,975.00	7,336,176.40	29,997,975.00
2041-42	17,805,886.80	4,451,150.00	7,739,113.20	29,996,150.00
2042-43	18,785,228.00	3,046,175.00	8,164,772.00	29,996,175.00
2043-44	19,820,332.40	1,563,925.00	8,614,667.60	29,998,925.00
Total	$248,145,547.95	$277,363,625.00	$106,934,452.05	$632,443,625.00

The City entered into city purchase agreements with the City of Phoenix Civic Improvement Corporation for the purchase of certain improvements and expansion projects at the City's airports. The City of Phoenix Civic Improvement Corporation issued bonds for the improvements and expansion projects, and the City made a senior lien pledge of net airport revenues to make payments sufficient to pay principal of and interest on the bonds. Amounts due on the bonds and pursuant to the city purchase agreements are as follows:

City of Phoenix Civic Improvement Corporation
Senior Lien Airport Revenue Bonded Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-22
03-05-13	$196,600,000	Airport Improvements Refunding	7-1-14/32	4.99%	$125,455,000
11-21-17	190,930,000	Airport Improvements	7-1-18/47	5.00	176,045,000
11-21-17	173,440,000	Airport Improvements Refunding	7-1-21/38	5.00	162,340,000
11-28-18	226,180,000	Airport Improvements	7-1-19/48	4.87	213,505,000
Total Senior Lien Airport Revenue Bonded Debt					$677,345,000

City of Phoenix Civic Improvement Corporation
Schedule of Annual Debt Service Requirements
Senior Lien Airport Revenue Bonded Debt Outstanding

Fiscal Year	Principal	Interest	Total
2022-23	$ 24,455,000	$ 33,667,250	$ 58,122,250
2023-24	25,690,000	32,444,500	58,134,500
2024-25	26,970,000	31,160,000	58,130,000
2025-26	28,325,000	29,811,500	58,136,500
2026-27	29,735,000	28,395,250	58,130,250
2027-28	31,225,000	26,908,500	58,133,500
2028-29	32,780,000	25,347,250	58,127,250
2029-30	34,425,000	23,708,250	58,133,250
2030-31	36,145,000	21,987,000	58,132,000
2031-32	37,955,000	20,179,750	58,134,750
2032-33	23,600,000	18,282,000	41,882,000
2033-34	24,785,000	17,102,000	41,887,000
2034-35	26,025,000	15,862,750	41,887,750
2035-36	27,325,000	14,561,500	41,886,500
2036-37	28,685,000	13,195,250	41,880,250
2037-38	30,120,000	11,761,000	41,881,000
2038-39	16,650,000	10,255,000	26,905,000
2039-40	17,480,000	9,422,500	26,902,500
2040-41	18,355,000	8,548,500	26,903,500
2041-42	19,275,000	7,630,750	26,905,750
2042-43	20,240,000	6,667,000	26,907,000
2043-44	21,250,000	5,655,000	26,905,000
2044-45	22,280,000	4,622,500	26,902,500
2045-46	23,365,000	3,538,500	26,903,500
2046-47	24,505,000	2,400,250	26,905,250
2047-48	25,700,000	1,205,000	26,905,000
	$677,345,000	$424,318,750	$1,101,663,750

The City entered into a city purchase agreement with the City of Phoenix Civic Improvement Corporation for the purchase of certain improvements and expansion projects at the City's airports. The City of Phoenix Civic Improvement Corporation issued bonds for the improvements and expansion projects, and the City made a junior lien pledge of net airport revenues to make payments sufficient to pay principal of and interest on the bonds. Amounts due on the bonds and pursuant to the city purchase agreement are as follows:

City of Phoenix Civic Improvement Corporation
Junior Lien Airport Revenue Bonded Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-22
09-01-10	$ 21,345,000	Airport Improvements	7-1-40	6.60%	$ 21,345,000(1)(2)
12-15-15	95,785,000	Airport Improvements	7-1-16/45	4.87	84,515,000(3)
12-15-15	18,655,000	Airport Refunding	7-1-34	5.00	18,655,000(1)
12-21-17	474,725,000	Airport Refunding	7-1-21/40	4.67	442,590,000(1)
12-11-19	341,095,000	Airport Improvements	7-1-41/49	4.48	341,095,000(4)
12-11-19	392,005,000	Airport Improvements	7-1-20/49	4.63	388,895,000
12-11-19	29,435,000	Airport Refunding	7-1-23/25	2.29	29,435,000
Total Junior Lien Airport Revenue Bonded Debt					$1,326,440,000

(1) 100% of debt service due on or before July 1, 2026 on these bonds is also secured by an irrevocable commitment of net proceeds of a passenger facility charge imposed by the City and collected on behalf of the City by non-exempt passenger air carriers at Phoenix Sky Harbor International Airport. The passenger facility charge is currently imposed at the rate of $4.50 per qualifying enplaned passenger, and is required to be remitted to the City less any accrued interest and an $0.11 per passenger facility charge airline collection fee.

(2) Represents bonds issued as Recovery Zone Economic Development Bonds ("RZEDB") for purposes of the American Recovery and Reinvestment Act of 2009 and the Internal Revenue Code of 1986. Subject to the City's compliance with certain requirements of the Code, the City expects to receive semiannual cash subsidy payments rebating a portion of the interest on these bonds from the United States Treasury in an amount equal to 45% of the interest payable each respective interest payment date. Effective October 1, 2013, the federal government implemented certain automatic budget cuts known as the sequester, which resulted in a reduction of the federal subsidy payments over the past several years. The reduction is 5.7% for the federal government's fiscal year ending September 30, 2022 (the "Sequester Reductions"). The City does not expect the Sequester Reductions to have a material adverse effect on its ability to make payments of interest on this issue.

(3) 30% of debt service due on or before July 1, 2026 on these bonds is also secured by an irrevocable commitment of net proceeds of a passenger facility charge imposed by the City and collected on behalf of the City by non-exempt passenger air carriers at Phoenix Sky Harbor International Airport.

(4) 93% of debt service due on or before July 1, 2026 on these bonds is also secured by an irrevocable commitment of net proceeds of a passenger facility charge imposed by the City and collected on behalf of the City by non-exempt passenger air carriers at Phoenix Sky Harbor International Airport.

City of Phoenix Civic Improvement Corporation
Schedule of Annual Debt Service Requirements
Junior Lien Airport Revenue Bonded Debt Outstanding(1)

Fiscal Year	Principal	Interest	Total
2022-23	$ 36,215,000	$ 61,723,903	$ 97,938,903
2023-24	37,760,000	60,181,812	97,941,812
2024-25	39,380,000	58,563,587	97,943,587
2025-26	30,820,000	56,858,376	87,678,376
2026-27	32,355,000	55,317,377	87,672,377
2027-28	33,980,000	53,699,626	87,679,626
2028-29	35,675,000	52,000,626	87,675,626
2029-30	37,460,000	50,216,876	87,676,876
2030-31	39,325,000	48,343,877	87,668,877
2031-32	41,305,000	46,377,626	87,682,626
2032-33	43,365,000	44,312,376	87,677,376
2033-34	44,190,000	42,144,127	86,334,127
2034-35	47,640,000	40,113,970	87,753,970
2035-36	50,015,000	37,731,970	87,746,970
2036-37	52,500,000	35,249,670	87,749,670
2037-38	54,960,000	32,787,970	87,747,970
2038-39	57,185,000	30,567,170	87,752,170
2039-40	59,490,000	28,256,170	87,746,170
2040-41	52,655,000	25,170,950	77,825,950
2041-42	55,095,000	22,738,600	77,833,600
2042-43	57,630,000	20,194,250	77,824,250
2043-44	60,290,000	17,533,700	77,823,700
2044-45	63,070,000	14,751,250	77,821,250
2045-46	61,750,000	11,885,375	73,635,375
2046-47	64,525,000	9,107,925	73,632,925
2047-48	67,430,000	6,205,200	73,635,200
2048-49	70,465,000	3,171,137	73,636,137
	$1,326,440,000	$965,205,496	$2,291,645,496

(1) Includes debt service on $21,345,000 par amount of RZEDB. Debt service has not been reduced by the expected RZEDB subsidy payments.

The City entered into a city purchase agreement with the City of Phoenix Civic Improvement Corporation to design, acquire, construct, and equip certain facilities, infrastructure, site development, and equipment necessary for the operation of a consolidated rental car center at Phoenix Sky Harbor International Airport. The City of Phoenix Civic Improvement Corporation issued bonds to fund a portion of the costs of the rental car center and the City has made a first priority pledge of pledged revenues to be derived primarily from daily usage fees to be collected by rental car companies at the Airport.

City of Phoenix Civic Improvement Corporation
Rental Car Facility Charge Bonded Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-22
12-5-19	$244,245,000	Rental Car Facility	7-1-28/45	4.71%	$244,245,000
12-5-19	60,485,000	Rental Car Facility Refunding	7-1-20/28	2.49	42,920,000
Total Rental Car Facility Charge Bonded Debt					$287,165,000

City of Phoenix Civic Improvement Corporation
Schedule of Annual Debt Service Requirements
Rental Car Facility Charge Bonded Debt Outstanding

Fiscal Year	Principal	Interest	Total
2022-23	$ 7,825,000	$ 12,719,550	$ 20,544,550
2023-24	7,995,000	12,545,365	20,540,365
2024-25	8,185,000	12,359,401	20,544,401
2025-26	8,385,000	12,156,577	20,541,577
2026-27	8,605,000	11,938,735	20,543,735
2027-28	8,835,000	11,705,023	20,540,023
2028-29	9,235,000	11,305,700	20,540,700
2029-30	9,700,000	10,843,950	20,543,950
2030-31	10,185,000	10,358,950	20,543,950
2031-32	10,695,000	9,849,700	20,544,700
2032-33	11,230,000	9,314,950	20,544,950
2033-34	11,790,000	8,753,450	20,543,450
2034-35	12,380,000	8,163,950	20,543,950
2035-36	12,995,000	7,544,950	20,539,950
2036-37	13,645,000	6,895,200	20,540,200
2037-38	14,330,000	6,212,950	20,542,950
2038-39	15,045,000	5,496,450	20,541,450
2039-40	15,800,000	4,744,200	20,544,200
2040-41	16,515,000	4,028,950	20,543,950
2041-42	17,255,000	3,285,000	20,540,000
2042-43	18,030,000	2,511,450	20,541,450
2043-44	18,835,000	1,706,900	20,541,900
2044-45	19,670,000	870,150	20,540,150
	$287,165,000	$185,311,501	$472,476,501

The City entered into city purchase agreements with the City of Phoenix Civic Improvement Corporation for certain modifications and expansions at various water treatment plants throughout the City. The City of Phoenix Civic Improvement Corporation issued bonds for the water treatment plant modifications and expansions, and the City made a junior lien pledge of net operating revenues of the water system for the payment of principal and interest on the bonds. Amounts due on the bonds and pursuant to the city purchase agreements are as follows:

City of Phoenix Civic Improvement Corporation
Junior Lien Water System Revenue Bonded Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-22
08-01-01	$ 99,980,000	Water System Refunding	7-1-02/24	5.24%	$ 13,810,000
12-17-14	152,830,000	Water System Improvements	7-1-19/24	4.85	7,455,000
12-17-14	445,085,000	Water System Refunding	7-1-16/29	4.67	295,915,000
01-10-17	375,780,000	Water System Refunding	7-1-17/39	4.99	350,895,000
04-09-20	165,115,000	Water System Improvements	7-1-30/44	5.00	165,115,000
04-09-20	228,015,000	Water System Improvements	7-1-30/44	5.00	228,015,000
06-09-21	250,000,000	Water System Improvements	7-1-26/45	4.77	250,000,000
06-09-21	67,345,000	Water System Refunding	7-1-22/26	5.00	63,385,000
06-09-21	151,280,000	Water System Refunding	7-1-26/44	2.60	151,280,000
Total Junior Lien Water System Revenue Bonded Debt					$1,525,870,000

City of Phoenix Civic Improvement Corporation
Schedule of Annual Debt Service Requirements
Junior Lien Water System Revenue Bonded Debt Outstanding

Fiscal Year	Principal	Interest	Total
2022-23	$ 71,225,000	$ 70,958,874	$ 142,183,874
2023-24	74,830,000	67,364,024	142,194,024
2024-25	71,725,000	63,587,074	135,312,074
2025-26	85,840,000	60,000,824	145,840,824
2026-27	75,980,000	55,904,560	131,884,560
2027-28	79,530,000	52,353,393	131,883,393
2028-29	82,725,000	49,078,352	131,803,352
2029-30	46,075,000	45,655,560	91,730,560
2030-31	48,165,000	43,571,743	91,736,743
2031-32	50,350,000	41,380,386	91,730,386
2032-33	52,660,000	39,075,856	91,735,856
2033-34	55,080,000	36,652,895	91,732,895
2034-35	57,630,000	34,105,805	91,735,805
2035-36	60,300,000	31,428,130	91,728,130
2036-37	63,120,000	28,613,622	91,733,622
2037-38	66,070,000	25,656,130	91,726,130
2038-39	69,175,000	22,552,037	91,727,037
2039-40	72,435,000	19,293,715	91,728,715
2040-41	75,705,000	16,024,188	91,729,188
2041-42	79,135,000	12,598,085	91,733,085
2042-43	82,730,000	8,999,132	91,729,132
2043-44	86,670,000	5,063,003	91,733,003
2044-45	18,715,000	935,750	19,650,750
	$1,525,870,000	$830,853,138	$2,356,723,138

The City entered into a loan agreement with the Water Infrastructure Finance Authority of Arizona (WIFA) to finance certain improvements to the water distribution system and to install automated meters in certain areas of the City. WIFA loaned the City funds derived in whole or in part from the United States Environmental Protection Agency pursuant to the federal American Recovery and Reinvestment Act of 2009 (the "*Recovery Act*"). The City made a junior lien pledge of the net operating revenues of the water system for the payment of principal and interest on the loan. Amounts due on the loan pursuant to the loan agreement are as follows:

City of Phoenix
Junior Lien Water System Revenue Bonded Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Amount Outstanding As of 7-1-22
04-12-11	$2,093,435	Water System Improvements	7-1-16/24	2.97%	$ 501,344
09-14-11	1,496,737	Water System Improvements	7-1-24/29	2.97	1,496,737
Total Junior Lien Water System Revenue Bonded Debt					$1,998,081

City of Phoenix
Schedule of Annual Debt Service Requirements
Junior Lien Water System Revenue Bonded Debt Outstanding

Fiscal Year	Principal	Interest	Total
2022-23	$ 262,126	$ 59,303	$ 321,429
2023-24	269,906	51,523	321,429
2024-25	277,917	43,512	321,429
2025-26	286,165	35,264	321,429
2026-27	294,659	26,770	321,429
2027-28	303,404	18,025	321,429
2028-29	303,903	9,020	312,923
	$1,998,081	$243,417	$2,241,497

The City entered into a Revolving Credit Agreement dated April 28, 2022 (the "*Water Revolving Credit Agreement*") with JPMorgan Chase Bank, National Association (the "*Water Credit Agreement Provider*") for a three-year loan period ending on April 25, 2025, during which the City may borrow, repay and re-borrow amounts, but not exceeding $200,000,000 outstanding in the aggregate at any one time (each a "*Loan*"). Loans made under the Water Revolving Credit Agreement (such loans, together with any obligations on a parity therewith, the "*Junior Subordinate Lien Obligations*") are payable from Water System Designated Revenues pledged to the City of Phoenix Civic Improvement Corporation Junior Lien Water System Revenue Bonds ("*Junior Lien Obligations*") but are junior and subordinate to the Junior Lien Obligations. If any loans under the Water Revolving Credit Agreement are outstanding on April 25, 2025, the City can, subject to certain conditions, convert the borrowing to a three-year term loan payable in twelve equal quarterly principal installments ending on April 25, 2028.

City of Phoenix
Junior Subordinate Lien
Water Revolving Loan Outstanding

Issue Date	Loan Amount	Purpose	As of 7-1-22
04-28-2022	$200,000,000	Water System Improvements	$200,000,000

Upon an event of default under the Water Revolving Credit Agreement, JPMorgan Chase Bank, National Association may declare all amounts due (collectively, "*Payment Obligations*") immediately due and payable. Events of default include, but are not limited to, failure to pay amounts to the Water Credit Agreement Provider by the applicable grace period, failure to perform certain covenants such as issuance of obligations in violation of additional bonds test, sale of the City Water System property in violation of applicable covenants, acceleration of other obligations payable from Water System revenues on any lien in an amount of at least $5,000,000, certain litigation, bankruptcy and insolvency events related to the Water System and certain downgrades of Junior Lien Obligations. If Payment Obligations were to be accelerated, Water System Revenues would continue to be transferred to the extent available from the Revenue Fund to the Junior Lien Bond Fund on a monthly basis prior to payment of Payment Obligations.

The City entered into city purchase agreements with the City of Phoenix Civic Improvement Corporation for the purpose of acquiring and constructing additional wastewater treatment facilities at the 23rd Avenue Wastewater Treatment Plant and wastewater system improvements at various locations in the City. The City of Phoenix Civic Improvement Corporation issued bonds for acquiring and constructing additional facilities and various other improvements and the City made a senior lien pledge of net wastewater system operating revenues for the payment of principal and interest on the bonds. Amounts due on the bonds and pursuant to the city purchase agreements are as follows:

City of Phoenix Civic Improvement Corporation
Senior Lien Wastewater System Revenue Bonded Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-22
06-19-18	$84,295,000	Wastewater System Refunding	7-1-19/24	5.00%	$38,790,000
Total Senior Lien Wastewater System Revenue Bonded Debt					$38,790,000

City of Phoenix Civic Improvement Corporation
Schedule of Annual Debt Service Requirements
Senior Lien Wastewater System Revenue Bonded Debt Outstanding

Fiscal Year	Principal	Interest	Total
2022-23	$18,945,000	$1,939,500	$20,884,500
2023-24	19,845,000	992,250	20,837,250
	$38,790,000	$2,931,750	$41,721,750

The City entered into city purchase agreements with the City of Phoenix Civic Improvement Corporation for improvements to the City's wastewater system. The City of Phoenix Civic Improvement Corporation issued bonds for odor control facilities, process improvements and capacity expansions of the 91st Avenue WWTP, laboratory building improvements at the 23rd Avenue WWTP, purchase of land and construction of water reclamation facilities in the northern service area, new sewers and lift stations in growth areas and rehabilitation and replacement of sewers throughout the wastewater system. The City made a junior lien pledge of net operating revenues of the wastewater system for the payment of principal of and interest on the bonds. Amounts due on the bonds and pursuant to the city purchase agreements are as follows:

City of Phoenix Civic Improvement Corporation
Junior Lien Wastewater System Revenue Bonded Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-22
12-22-11	$118,290,000	Wastewater System Refunding	7-1-14/24	4.72%	$ 21,935,000
04-15-14	127,810,000	Wastewater System Refunding	7-1-15/29	4.84	73,155,000
11-16-16	225,325,000	Wastewater System Refunding	7-1-17/35	5.00	178,505,000
06-19-18	133,270,000	Wastewater System Revenue	7-1-25/43	4.64	133,270,000
Total Junior Lien Wastewater System Revenue Bonded Debt					$406,865,000

City of Phoenix Civic Improvement Corporation
Schedule of Annual Debt Service Requirements
Junior Lien Wastewater System Revenue Bonded Debt Outstanding

Fiscal Year	Principal	Interest	Total
2022-23	$ 29,445,000	$ 19,957,950	$ 49,402,950
2023-24	30,955,000	18,491,200	49,446,200
2024-25	25,155,000	16,955,950	42,110,950
2025-26	26,470,000	15,698,200	42,168,200
2026-27	27,850,000	14,374,700	42,224,700
2027-28	29,310,000	12,982,200	42,292,200
2028-29	30,835,000	11,516,700	42,351,700
2029-30	19,805,000	9,974,950	29,779,950
2030-31	20,865,000	8,984,700	29,849,700
2031-32	21,980,000	7,941,450	29,921,450
2032-33	23,160,000	6,842,450	30,002,450
2033-34	24,405,000	5,684,450	30,089,450
2034-35	25,715,000	4,464,200	30,179,200
2035-36	7,505,000	3,178,450	10,683,450
2036-37	7,885,000	2,803,200	10,688,200
2037-38	8,275,000	2,408,950	10,683,950
2038-39	8,690,000	1,995,200	10,685,200
2039-40	9,040,000	1,647,600	10,687,600
2040-41	9,365,000	1,321,200	10,686,200
2041-42	9,835,000	852,950	10,687,950
2042-43	10,320,000	361,200	10,681,200
	$406,865,000	$168,437,850	$575,302,850

The City entered into loan agreements with the Water Infrastructure Finance Authority of Arizona ("*WIFA*") to finance the replacement of the Broadway Road Interceptor, rehabilitate approximately 41,000 linear feet of small diameter sewer and construct relief sewers in the southwest portion of the City. WIFA loaned funds derived in whole or in part from the United States Environmental Protection Agency pursuant to the federal American Recovery and Reinvestment Act of 2009 (the "*Recovery Act*"). The City made a junior lien pledge of the net operating revenues of the wastewater system for the payment of principal and interest on the loans. Amounts due on the loans pursuant to the loan agreements are as follows:

City of Phoenix
Junior Lien Wastewater System Revenue Bonded Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Amount Outstanding As of 7-1-22
08-03-10	$6,286,996	Wastewater System Improvements	7-1-18/26	2.97%	$2,830,128
06-01-11	3,909,270	Wastewater System Improvements	7-1-26/29	2.97	3,909,270
Total Junior Lien Wastewater System Revenue Bonded Debt					$6,739,398

City of Phoenix
Schedule of Annual Debt Service Requirements
Junior Lien Wastewater System Revenue Bonded Debt Outstanding

Fiscal Year	Principal	Interest	Total
2022-23	$ 887,406	$200,025	$1,087,431
2023-24	913,744	173,687	1,087,431
2024-25	940,864	146,567	1,087,431
2025-26	968,790	118,642	1,087,432
2026-27	997,543	89,889	1,087,432
2027-28	1,027,150	60,282	1,087,432
2028-29	1,003,901	29,796	1,033,697
	$6,739,398	$818,888	$7,558,286

The City entered into a Revolving Credit Agreement dated April 28, 2022 (the "*Wastewater Revolving Credit Agreement*") with JPMorgan Chase Bank, National Association (the "*Wastewater Credit Agreement Provider*") for a three-year loan period ending on April 25, 2025, during which the City may borrow, repay and re-borrow amounts, but not exceeding $200,000,000 outstanding in the aggregate at any one time (each a "*Loan*"). Loans made under the Wastewater Revolving Credit Agreement (such loans, together with any obligations on a parity therewith, the "*Junior Subordinate Lien Obligations*") are payable from Wastewater System Designated Revenues pledged to the City of Phoenix Civic Improvement Corporation Junior Lien Wastewater System Revenue Bonds ("*Junior Lien Obligations*") but are junior and subordinate to the Junior Lien Obligations. If any loans under the Wastewater Revolving Credit Agreement are outstanding on April 25, 2025, the City can, subject to certain conditions, convert the borrowing to a three-year term loan payable in twelve equal quarterly principal installments ending on April 25, 2028.

City of Phoenix
Junior Subordinate Lien
Wastewater Revolving Loan Outstanding

Issue Date	Loan Amount	Purpose	As of 7-1-22
04-28-2022	$200,000,000	Wastewater System Improvements	$200,000,000

Upon an event of default under the Wastewater Revolving Credit Agreement, JPMorgan Chase Bank, National Association. may declare all amounts due (collectively, "*Payment Obligations*") immediately due and payable. Events of default include, but are not limited to, failure to pay amounts to the Wastewater Credit Agreement Provider by the applicable grace period, failure to perform certain covenants such as issuance of obligations in violation of additional bonds test, sale of the City Wastewater System property in violation of applicable covenants, acceleration of other obligations payable from Wastewater System revenues on any lien in an amount of at least $5,000,000, certain litigation, bankruptcy and insolvency events related to the Wastewater System and certain downgrades of Junior Lien Obligations. If Payment Obligations were to be accelerated, Wastewater System Revenues would continue to be transferred to the extent available from the Revenue Fund to the Junior Lien Bond Fund on a monthly basis prior to payment of Payment Obligations.

SHORT-TERM DEBT

Other than the normally occurring accounts payable, accrued payroll and other related expenses, which have current revenues available for their payment, the City has a short-term Transportation Excise Tax Revolving Loan, a Water Revolving Loan, and a Wastewater Revolving Loan. For details on the Transportation Excise Tax Revolving Loan see page B-17, for the Water Revolving Loan see page B-26, and for the Wastewater Revolving Loan see page B-30.

CONTRACTUAL COMMITMENTS

The City provides public transit service through contracts with TransDev Transportation Inc., MV Transportation, First Transit Inc., Regional Public Transportation Authority and Valley Metro Rail Inc. ("*Metro*"). Metro began providing dedicated light rail transit service on December 27, 2008. The actual annual costs for all contracts through June 30, 2021 were $158,043,376, of which 8.4% was reimbursed by other local governmental entities that have contracted for service. The estimated liability for all contracts for 2021-22 is $187,316,756, of which approximately 3.4% is to be reimbursed by other local governmental entities that have contracted for service. Reimbursement from local governmental entities is down from previous years due to the receipt of American Rescue Plan Act ("*ARPA*") and Coronavirus Response and Relief Supplemental Appropriations Act ("*CRRSAA*") funds from the Federal Transit Administration ("*FTA*") signed into law as a result of the COVID-19 pandemic. The City received $148.5 million from the FTA to help offset the cost of transit operations, reducing the City's and other local governmental entities' share of transit operations costs.

The City annually applies for a Federal Transit Formula Grant from the Department of Transportation, Federal Transit Administration FTA. The grant provides from 80% to 94.3% federal funding for capital projects in the approved program of projects. The FTA requires local funds to match the awarded grants. The City has been the recipient of FTA grants since 1975.

From 1981-82 to February 2010, the City received State of Arizona aid for transportation projects under the provisions of the Local Transportation Assistance Fund ("*LTAF*") funded from a portion of the State lottery receipts. Continuation of the State lottery through July 2012 was approved by the voters in November 2002.

In addition, on August 31, 1998, then-Governor Jane Hull signed into law a transit funding bill LTAF II which provided communities in Arizona additional transportation funds. Initially, LTAF II funds could be used for any transportation purpose in communities outside Maricopa County, as well as communities within Maricopa County with populations less than 50,000. In 2000, additional legislation limited the use of LTAF II funds to public transportation only. Prior to 2003, the Vehicle License Tax ("*VLT*") and the State General Fund were the primary contributors to the LTAF II fund. From 2003 to 2008, the Power Ball lottery earnings were the single contributor to the LTAF II fund. Beginning in 2009, the State combined the State lottery revenues and the Power Ball lottery revenues into one fund that contributed to both the LTAF and the LTAF II funds. The overall fund must have exceeded $31 million annually in order to distribute funding, and distributions were capped at $9 million for LTAF II and $23 million for LTAF for any fiscal year.

The State aid from LTAF and LTAF II, along with the City's general revenues, the City's dedicated transit sales tax revenues and the funding from the County's dedicated transit sales tax revenues, were the sources of required local funds to match awarded FTA grants. On March 11, 2010, then-Governor Jan Brewer signed a State budget package that permanently eliminated funding to the LTAF and the LTAF II as well as any further distributions to cities and towns. On September 2, 2011, a Federal judge issued a Court Order reinstating LTAF II funding in Maricopa County. The State aid from LTAF II, the City's general revenues, the City's dedicated transit sales tax revenues and the funding from the County's dedicated transit sales tax revenues are now the sources of required local funds to match awarded FTA grants.

On November 2, 2004 Maricopa County voters approved Proposition 400, which basically extended the County's one-half percent sales tax for transportation funding for an additional 20 years. The countywide one-half percent sales tax will provide funding for freeways, streets, bus transit, rural transit, dial-a-ride and light rail. Combined with projected federal matching funds, the tax is expected to provide $6.2 billion for transit improvements over the life of the tax.

2022-27 CAPITAL IMPROVEMENT PROGRAM SUMMARY

The City Charter requires a Capital Improvement Program ("*CIP*") be prepared in conjunction with the annual budget. The CIP is a multi-year plan for capital expenditures needed to replace and expand public infrastructure. The program is updated annually to reflect the latest priorities, cost estimates, and funding sources. The first year of the multi-year plan is appropriated as the annual capital budget.

Formal City Council adoption of the Capital Improvement Program indicates the City's commitment to the five-year plan, but does not in itself authorize expenditures. The necessary funding mechanisms must be adopted each year to pay for the improvements. The City Council authorized two sets of appropriations for the 2022-23 capital budget, which is the first year of the CIP: (1) authorization for the 2022-23 capital projects financed with bonds and bond-related funds; and (2) authorization for all 2022-23 pay-as-you-go projects financed with operating funds.

The 2022-27 CIP, which is summarized on pages B-34 and B-35, totals $8.537 billion, and will be funded by 2001 and 2006 bond authorizations, operating funds, Federal aid and other long-term financings. The CIP is scheduled to be adopted by the City Council in June of 2022.

Summary of 2022-27 Capital Improvement Program
By Program
(in thousands)

	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Arts and Cultural Facilities	$ 902	$ —	$ —	$ —	$ —	$ 902
Aviation	384,139	401,952	276,283	239,056	54,693	1,356,123
Economic Development	7,860	8,028	6,755	6,755	6,755	36,153
Environmental Programs	250	250	250	250	250	1,250
Facilities Management	33,095	22,931	16,975	16,975	16,975	106,951
Fire Protection	22,688	—	—	—	—	22,688
Historic Preservation & Planning	12,503	—	—	—	—	12,053
Housing	52,217	14,517	9,750	9,750	8,365	94,599
Human Services	600	—	—	—	—	600
Information Technology	31,082	34,386	26,748	26,748	26,748	145,712
Libraries	7,424	1,140	1,140	955	955	11,614
Neighborhood Services	1,379	1,575	450	—	—	3,404
Non-Departmental Capital	101,367	102,818	103,325	103,824	104,320	515,654
Parks, Recreation & Mountain Preserves	67,461	43,270	33,550	34,731	45,244	224,256
Phoenix Convention Center	154,899	3,557	6,705	3,066	2,203	170,430
Police Protection	19,822	7,000	7,000	7,000	8,500	49,322
Public Art Program	6,423	3,555	1,463	203	—	11,644
Public Transit	354,378	214,698	294,985	215,580	300,767	1,380,408
Regional Wireless Cooperative	6,001	6,001	6,001	6,001	6,001	30,005
Solid Waste Disposal	14,980	18,632	14,269	5,507	3,396	56,784
Street Transportation & Drainage	253,035	161,400	148,926	150,811	133,171	847,343
Wastewater	388,986	373,279	341,735	205,450	238,281	1,547,731
Water	225,333	517,328	448,303	378,122	341,434	1,910,520
Total CIP Costs	**$2,146,824**	**$1,936,317**	**$1,744,613**	**$1,410,784**	**$1,298,058**	**$8,536,596**

Summary of 2022-27 Capital Improvement Program
By Sources of Funds
(in thousands)

Sources of Funds	2022-23	2023-24	2024-25	2025-26	2026-27	5-Year Total
Operating Funds:						
General	$ 45,393	$ 38,657	$ 43,763	$ 43,657	$ 43,203	$ 214,673
General - Library	955	955	955	955	955	4,775
Arizona Highway User Revenue	71,657	81,968	68,524	80,422	72,520	375,091
Capital Construction	12,561	6,238	8,226	8,226	8,226	43,477
Community Reinvestment	3,809	4,687	3,415	3,415	3,415	18,741
Development Services	12,692	2,243	140	140	140	15,355
Golf	2,000	—	—	—	—	2,000
Grants	118,927	55,033	53,337	65,958	88,988	382,243
Other Restricted Funds	15,994	2,540	2,791	2,740	2,740	26,805
Parks and Preserves	45,438	43,300	33,580	34,762	45,244	202,324
Regional Transit	12,226	4,752	4,374	6,181	6,204	33,737
Sports Facilities	4,112	2,100	2,100	2,100	2,100	12,512
Transportation 2050	231,361	107,415	211,448	101,787	174,222	826,233
Enterprise Funds:						
Aviation	97,624	70,915	41,040	17,853	12,047	239,479
Convention Center	4,976	4,043	6,670	3,137	2,127	20,953
Solid Waste	15,125	7,504	14,307	5,540	4,975	47,451
Wastewater	90,382	70,081	77,795	99,476	94,587	432,321
Water	124,274	104,229	58,698	86,536	88,012	461,749
Total Operating Funds	$ 909,506	$ 606,660	$ 631,163	$ 562,885	$ 649,705	$3,359,919
Bond Funds:						
Property Tax Supported:						
2001 General Obligation	$ 902	$ —	$ —	$ —	$ —	$ 902
2006 General Obligation	600	—	—	—	—	600
Nonprofit Corporation Bonds:						
Aviation	29,147	84,000	75,000	86,994	—	275,141
Other	178,067	6,156	—	—	—	184,223
Solid Waste	2,025	11,060	60	—	—	13,145
Transportation 2050	109,037	101,336	75,410	88,573	67,972	442,328
Wastewater	244,187	279,849	217,992	76,881	118,044	936,953
Water	70,975	397,927	366,391	290,715	246,367	1,372,375
Total Bond Funds	$ 634,940	$ 880,328	$ 734,853	$ 543,163	$ 432,383	$3,225,667
Other Capital Sources:						
Capital Grants	$ 217,042	$ 226,335	$ 129,733	$ 106,219	$ 44,656	$ 723,985
Capital Reserves	11,000	7,000	7,000	7,000	8,500	40,500
Customer Facility Charges	20,563	20,558	20,562	20,560	20,562	102,805
Federal, State and Other Participation	84,264	56,260	52,609	46,924	47,201	287,258
Impact Fees	128,013	12,876	1,750	—	—	142,639
Other Capital	49	—	—	—	—	49
Other Cities' Share in Joint Ventures	35,670	38,682	77,018	36,621	37,639	225,630
Passenger Facility Charge	105,405	87,261	89,564	87,046	57,041	426,317
Solid Waste Remediation	372	357	361	366	371	1,827
Total Other Capital Sources	602,378	449,329	378,597	304,736	215,970	1,951,010
TOTAL CIP SOURCES	$2,146,824	$1,936,317	$1,744,613	$1,410,784	$1,298,058	$8,536,596

COMBINED FINANCIAL SCHEDULES

The schedules summarized on pages B-37 through B-48 present the revenues, expenditures and encumbrances, fund balances and transfers of all City operating funds on a non-GAAP budgetary basis. The schedules reflect actual results for fiscal years 2018-19 through 2020-21 and adopted budget amounts for fiscal year 2021-22. The schedules are presented on a budgetary basis to provide a meaningful comparison of actual results with the City's budget for all City operating funds.

COMBINED SCHEDULES OF REVENUES, EXPENDITURES AND ENCUMBRANCES, FUND BALANCES AND TRANSFERS FOR ALL OPERATING FUNDS

City of Phoenix, Arizona
Schedules of Revenues, Expenditures and Encumbrances
All Operating Funds
(Non-GAAP Budgetary Basis)
Fiscal Years Ended June 30
(in thousands)

	Actual			Adopted Budget
REVENUES	2019	2020	2021	2022
City Taxes				
Sales, Use and Franchise	$ 991,239	$ 1,004,391	$ 1,108,384	$ 1,095,385
Property-Primary-Operating	162,129	170,209	182,043	191,294
Property-Secondary-Debt Service	101,652	107,555	115,069	119,289
Other City Taxes	4,889	4,938	5,126	2,010
Other				
Licenses and Permits	21,857	18,271	16,926	12,371
Charges for Services	214,661	210,305	185,308	178,381
Fines and Forfeitures	11,960	10,374	8,957	10,403
Parks, Recreation and Library	8,897	5,960	3,522	11,370
Dwelling Rentals	5,660	4,746	3,763	4,446
Interest	20,990	21,025	10,379	22,696
Regional Transit	41,366	43,286	20,727	38,941
Other	41,563	66,136	45,059	48,124
State-Shared Revenues				
Highway User Tax	138,864	135,998	146,188	148,960
State Sales Tax	165,066	171,926	204,104	197,945
State Income Tax	196,918	214,697	240,237	219,316
Vehicle License Tax	70,233	119,018	79,769	79,100
Local Transportation Assistance	4,220	4,220	4,220	—
Grant and Federal Revenues				
Human Resources Federal Trust	55,467	56,588	72,046	86,581
Federal Transit Administration	52,890	59,807	137,512	240,756
Community Development	11,295	15,375	17,124	70,581
Public Housing Grants	80,045	82,602	95,432	101,299
Other Grants and Participation	47,093	82,190	283,477	527,341
Federal Administrative Cost Recovery	—	—	500	—
Enterprise Funds				
Aviation	410,375	368,898	304,431	412,547
Phoenix Convention Center	25,486	21,155	3,592	18,800
Water System and Val Vista	402,799	454,115	492,162	487,696
Wastewater and SROG	242,959	252,665	254,743	254,696
Solid Waste	149,769	154,730	186,310	189,869
Total Revenues	3,680,342	3,861,180	4,227,110	4,770,197
RECOVERIES				
Prior Year Expenditures	28,621	44,662	31,851	8,155
TRANSFERS (TO) FROM OTHER FUNDS				
Capital Projects Funds	15,861	107,886	49,092	24,323
General Obligation Reserve Fund	881	5,107	3,843	—
Infrastructure Repayment Agreement Trust	(3,225)	(1,854)	(3,621)	—
Phoenix Housing Instrumentalities	—	2,800	—	—
Community Facilities Districts	—	792	—	—
MERP Trust Fund	—	—	(8,250)	—
SIR Trust Fund	—	—	(8,500)	—
Aerial Fleet Capital Reserve Fund	—	—	(5,000)	—
City Improvement Debt Service	—	—	(17)	—
Trust and Gift Funds	—	—	189	596
Deposit to PSPRS Pension Stabilization Reserve	(10,250)	(5,500)	(1,000)	—
Proceeds from Loans	3,000	—	—	—
Worker's Compensation Trust	(7,000)	—	(8,250)	—
FUND BALANCES, BEGINNING OF YEAR	1,355,998	1,288,756	1,507,695	1,551,197
Total Resources Available for Expenditures	$5,064,228	$ 5,303,829	$ 5,785,142	$ 6,354,468

City of Phoenix, Arizona
Schedules of Revenues, Expenditures and Encumbrances
All Operating Funds
(Non-GAAP Budgetary Basis)
Fiscal Years Ended June 30
(in thousands)
(Continued)

	Actual			Adopted Budget
	2019	2020	2021	2022
EXPENDITURES AND ENCUMBRANCES				
Operating Expenditures				
General Government	$ 122,027	$ 141,663	$ 190,746	$ 141,240
Criminal Justice	35,362	37,703	38,277	57,257
Public Safety	1,017,666	1,103,625	1,122,127	1,249,068
Transportation				
Streets and Traffic	83,772	100,586	97,644	114,083
Transit	247,623	251,762	216,727	259,021
Community and Economic Development				
Planning and Development Services	57,638	65,842	67,149	81,254
Neighborhood Services and Housing	121,605	143,156	168,119	196,431
Other Economic Development	12,178	13,534	15,312	(3,347)
Community Enrichment				
Parks and Recreation	113,976	116,420	107,948	124,419
Libraries	36,795	37,758	38,838	44,860
Other Community Enrichment	11,907	7,775	7,832	4,773
Human Services	73,934	75,769	158,560	147,249
Environmental Services	19,582	22,836	28,673	19,465
Contingencies	—	—	—	192,664
ARPA Funds	—	—	—	416,000
Total Governmental Expenditures	1,954,065	2,118,429	2,257,952	3,044,437
Enterprise Funds				
Aviation	261,174	259,866	342,138	352,968
Phoenix Convention Center	47,360	51,449	44,751	48,727
Water System and Val Vista	208,663	218,304	223,350	252,058
Wastewater and SROG	102,932	119,745	107,714	115,961
Solid Waste	136,191	141,591	152,622	170,647
Total Operating Expenditures	$2,710,385	$2,909,384	$3,128,527	$3,984,798
Capital Improvement Program				
Governmental Funds				
General Government	7,211	2,342	5,182	11,514
Public Safety	—	—	4,147	11,263
Transportation	243,658	150,133	280,880	506,306
Public Works	8,482	12,805	14,028	16,491
Community and Economic Development	25,889	39,329	31,682	59,467
Community Enrichment	6,690	31,640	28,227	69,081
Enterprise Funds				
Aviation	167,487	20,339	26,881	126,448
Phoenix Convention Center	13,546	6,428	5,744	15,638
Water System and Val Vista	61,766	65,245	61,862	127,740
Wastewater and SROG	5,611	7,575	32,881	69,595
Solid Waste	6,034	4,243	7,726	9,344
Total Capital Improvement Program	$ 546,374	$ 340,079	$ 499,240	$1,022,887

City of Phoenix, Arizona
Schedules of Revenues, Expenditures and Encumbrances
All Operating Funds
(Non-GAAP Budgetary Basis)
Fiscal Years Ended June 30
(in thousands)
(Continued)

	Actual 2019	Actual 2020	Actual 2021	Adopted Budget 2022
EXPENDITURES AND ENCUMBRANCES (Continued)				
Debt Service				
General Obligation Bonds				
Various Purpose				
Principal	$ 57,460	$ 68,825	$ 84,285	$ 87,845
Interest	49,845	47,385	44,561	41,219
Arbitrage Rebate and Other	13	843	1,357	650
Airport				
Principal	4,520	3,345	—	—
Interest	197	83	—	—
Water				
Principal	—	6,735	—	—
Interest	197	197	—	—
Solid Waste				
Principal	1,595	920	310	330
Interest	144	78	32	17
Sanitary Sewer				
Principal	1,160	1,350	375	—
Interest	107	62	15	—
Lease-Purchase				
Airport				
Principal	23,797	30,071	6,020	28,075
Interest	38,095	38,210	2,448	59,176
Water				
Principal	58,678	62,025	64,972	68,090
Interest	54,325	58,736	68,851	85,211
Sanitary Sewer				
Principal	42,899	42,778	44,827	47,007
Interest	30,850	28,597	26,547	24,363
Lease-Purchase Excise Tax Bonds	154,830	156,431	84,058	106,432
Total Debt Service Expenditures	518,712	546,671	428,658	548,415
Total Expenditures	3,775,471	3,796,134	4,056,425	5,556,100
FUND BALANCES, END OF YEAR	$1,288,757	$1,507,695	$1,728,717	$ 798,368

City of Phoenix, Arizona
Fund Balances
All Operating Funds
(Non-GAAP Budgetary Basis)
Fiscal Years Ended June 30
(in thousands)

	Actual			Adopted Budget
	2019	2020	2021	2022
GENERAL FUND	$ 133,580	$ 169,119	$ 283,000	$ —
SPECIAL REVENUE FUNDS				
Highway User Revenue	41,347	44,484	48,043	5,138
Parks and Preserves	63,604	66,092	86,295	46,652
Golf Courses	796	2,036	1,441	1,889
Planning & Development	70,367	58,722	52,169	26,399
Community Reinvestment	13,274	15,173	18,103	15,897
Grants	3,616	2,860	3,658	21,745
Transit (1)	(8,228)	(5,480)	(9,162)	—
Transportation 2050	158,917	161,597	195,255	27,673
Public Housing	25,394	25,249	34,048	—
Court Awards	(300)	(1,058)	(2,914)	1
Sports Facilities	52,882	60,780	56,765	32,641
Capital Construction	15,992	20,705	24,408	7,124
Regional Wireless Cooperative	1,823	1,798	2,154	1,632
Other Restricted	90,732	101,692	98,833	47,947
Neighborhood Protection	24,953	22,535	26,609	17,966
Public Safety Enhancement	24,076	21,566	22,158	12,872
Public Safety Expansion	36,357	32,869	42,758	16,671
DEBT SERVICE FUNDS				
Secondary Property Tax	100	100	100	100
ENTERPRISE FUNDS				
Aviation	272,617	381,755	366,290	227,955
Phoenix Convention Center	58,271	56,548	43,124	19,677
Water System and Val Vista	90,191	113,424	146,643	76,609
Wastewater and SROG	85,046	130,202	158,651	121,191
Solid Waste	33,349	24,927	30,288	169
Total Operating Funds	$1,288,756	$1,507,695	$1,728,717	$727,948

The fund balances shown above are net of interfund transfers, which include transfers to the General Fund of staff and administrative costs from the Aviation, Convention Center, Water, Wastewater and Solid Waste Enterprise Funds, as well as in-lieu taxes from the Water, Wastewater and Solid Waste Enterprise Funds and the Public Housing Special Revenue Fund. A schedule detailing all operating transfers is shown on the following pages.

(1) The negative fund balance is due to the timing of reimbursements for project costs.

City of Phoenix, Arizona
Transfers
All Operating Funds
(Non-GAAP Budgetary Basis)
Fiscal Years Ended June 30
(in thousands)

	Actual 2019	Actual 2020	Actual 2021	Adopted Budget 2022
GENERAL FUND				
Transfers From				
Excise Tax	$ 811,839	$ 847,905	$ 973,468	$ 934,260
Development Services	3,414	4,322	4,440	4,440
Public Housing	230	279	171	—
Neighborhood Protection	347	396	561	561
Sports Facilities	230	253	227	227
Public Safety Enhancement	224	356	416	416
Public Safety Expansion	519	871	1,037	1,037
Other Restricted	1,275	2,093	503	2,251
Transportation 2050	894	985	1,063	1,063
Community Reinvestment	2,063	2,065	2,064	2,065
Aviation	10,188	9,736	10,117	10,117
Phoenix Convention Center	2,767	2,944	3,044	3,044
Water System and Val Vista	23,794	24,096	26,381	28,664
Wastewater and SROG	15,089	15,253	16,510	17,638
Solid Waste	7,663	7,464	8,208	8,376
Grants	—	—	—	200
Total	880,536	919,018	1,048,210	1,014,359
Transfers To				
City Improvement Debt Service	115	115	112	39
Capital Projects/Reserve Fund	—	—	—	7,000
Infrastructure Repayment Agreement Trust	553	574	1,275	—
MERP Trust Fund	—	—	8,250	—
SIR Trust Fund	—	—	8,500	—
Aerial Fleet Capital Reserve Fund	—	—	5,000	—
Trust and Gift Funds	—	—	—	2,427
Other Restricted	17,145	18,418	18,184	28,462
Federal Trust Grants	31	—	—	—
Worker's Compensation Trust	7,000	—	8,250	—
PSPRS Pension Reserve Trust Fund	10,250	5,500	1,000	—
Aviation	284	248	—	125
Total	35,378	24,855	50,571	38,053
EXCISE TAX				
Transfers To				
General Fund	811,839	847,905	973,468	934,260
Parks and Preserves	35,013	36,233	40,940	40,213
Transportation 2050	239,179	247,593	279,348	274,396
Sports Facilities	20,732	17,449	13,990	15,578
Capital Construction	8,812	8,548	7,030	7,370
Other Restricted	5,731	5,651	8,696	5,831
Neighborhood Protection	35,013	36,232	40,940	40,214
Public Safety Enhancement	26,019	23,977	24,474	24,707
Public Safety Expansion	70,033	72,464	81,881	80,428
City Improvement Debt Service	42,621	42,509	30,321	35,969
Phoenix Convention Center	61,200	55,266	54,331	57,196
Total	1,356,192	1,393,827	1,555,419	1,516,162

	Actual 2019	2020	2021	Adopted Budget 2022
HIGHWAY USER REVENUE				
Transfers To				
Capital Projects/Reserve Fund	$ —	$ —	$ 7	$ —
City Improvement Debt Service	1,258	3,893	3,793	892
Total	1,258	3,893	3,800	892
PARKS AND PRESERVES				
Transfers From				
Excise Tax	35,013	36,233	40,940	40,213
Capital Projects/Reserve Fund	—	2,085	—	—
Community Reinvestment	—	—	—	156
Aviation	60	—	—	—
Golf Courses	—	—	653	—
Other Restricted	—	15	5,670	—
Total	35,073	38,333	47,263	40,369
Transfers To				
Infrastructure Repayment Agreement Trust	221	81	155	—
Other Restricted	—	—	27	31
Trust and Gift Funds	—	—	—	162
Community Development Grants SRF	—	1	—	—
Community Facilities District	—	28	—	—
Total	221	110	182	193
GOLF COURSES				
Transfers To				
Parks and Preserves	—	—	653	—
DEVELOPMENT SERVICES				
Transfers To				
General Fund	3,414	4,322	4,440	4,440
FEDERAL TRANSIT GRANTS				
Transfers To				
Transportation 2050	1,774	—	—	—

	Actual 2019	Actual 2020	Actual 2021	Adopted Budget 2022
TRANSPORTATION 2050				
Transfers From				
Excise Tax	$239,179	$247,593	$279,348	$274,396
Aviation	239	—	—	—
Federal Transit Grants	1,774	—	—	—
Transit 2000	—	235	3	—
Other Restricted	—	256	—	—
Total	241,192	248,084	279,351	274,396
Transfers To				
Infrastructure Repayment Agreement Trust	1,549	564	1,089	—
General Fund	894	985	1,063	1,063
City Improvement Debt Service	67,289	70,740	1,350	18,779
Transit 2000	—	235	3	—
Other Restricted	1,568	195	190	215
Trust and Gift Funds	—	—	—	1,135
Total	71,300	72,719	3,695	21,192
COMMUNITY REINVESTMENT				
Transfers From				
Other Restricted	676	—	—	4,845
Transfers To				
General Fund	2,063	2,065	2,064	2,065
Parks and Preserves	—	—	—	156
Total	2,063	2,065	2,064	2,221
PUBLIC HOUSING				
Transfers From				
Capital Projects	57	—	—	—
Transfers To				
General Fund	230	279	171	—
City Improvement Debt Service	72	71	70	74
Total	302	350	241	74
FEDERAL TRUST GRANTS				
Transfers From				
General Fund	31	—	—	—
Parks and Preserves	—	1	—	—
Other Restricted	—	—	10,225	—
Total	31	1	10,225	—
SPORTS FACILITIES				
Transfers From				
Excise Tax	20,732	17,449	13,990	15,578
City Improvement Debt Service	1,028	1,027	1,028	1,026
Total	21,760	18,476	15,018	16,604
Transfers To				
General Fund	230	253	227	227
City Improvement Debt Service	10,332	5,985	13,782	15,149
Infrastructure Repayment Agreement Trust	25	—	16	—
Other Restricted	—	—	—	22
Trust and Gift Funds	—	—	—	17
Capital Projects	—	—	622	—
Total	10,587	6,238	14,647	15,415

City of Phoenix, Arizona
Transfers
All Operating Funds
(Non-GAAP Budgetary Basis)
Fiscal Years Ended June 30
(in thousands)
(Continued)

	Actual 2019	Actual 2020	Actual 2021	Adopted Budget 2022
CAPITAL CONSTRUCTION				
Transfers From				
Excise Tax	$ 8,812	$ 8,548	$ 7,030	$ 7,370
Capital Projects	—	—	30	—
Total	8,812	8,548	7,060	7,370
OTHER RESTRICTED				
Transfers From				
General Fund	17,145	18,418	18,184	28,462
Parks and Preserves	—	—	27	31
Excise Tax	5,731	5,651	8,696	5,831
Transportation 2050	1,568	195	190	215
Phoenix Convention Center	—	132	128	172
Sports Facilities	—	—	—	22
Public Safety Expansion SRF	—	—	58	61
Public Safety Protection SRF	—	—	27	31
Phoenix Housing Instrumentalities	—	2,800	—	—
Community Facilities Districts	—	792	—	—
Total	24,444	27,988	27,310	34,825
Transfers To				
General Fund	1,275	2,093	371	499
Community Reinvestment	676	—	—	4,845
Parks and Preserves	—	15	5,670	—
Aviation	—	—	—	47
Water System and Val Vista	—	—	—	398
Library	—	—	—	1,752
Transportation 2050	—	256	—	—
Trust and Gift Funds	—	—	26	—
Federal Transit Grants	—	—	10,225	—
Wastewater and SROG	—	8	—	—
Total	1,951	2,372	16,292	7,541
NEIGHBORHOOD PROTECTION				
Transfers From				
Excise Tax	35,013	36,232	40,940	40,214
Aviation	60	—	—	—
Total	35,073	36,232	40,940	40,214
Transfers To				
Infrastructure Repayment Agreement Trust	27	81	155	—
General Fund	347	396	561	561
Trust and Gift Funds	—	—	—	160
Other Restricted	—	—	27	31
Community Facilities Districts	—	28	—	—
Total	374	505	743	752
PUBLIC SAFETY ENHANCEMENT				
Transfers From				
Excise Tax	26,019	23,977	24,474	24,707
Transfers To				
General Fund	224	356	416	416

City of Phoenix, Arizona
Transfers
All Operating Funds
(Non-GAAP Budgetary Basis)
Fiscal Years Ended June 30
(in thousands)
(Continued)

	Actual 2019	Actual 2020	Actual 2021	Adopted Budget 2022
PUBLIC SAFETY EXPANSION				
Transfers From				
Excise Tax	$ 70,033	$ 72,464	$ 81,881	$ 80,428
Aviation	119	—	—	—
Total	70,152	72,464	81,881	80,428
Transfers To				
Infrastructure Repayment Agreement Trust	56	161	310	—
General Fund	519	871	1,037	1,037
Community Facilities District	—	60	—	—
Trust and Gift Funds	—	—	—	324
Other Restricted	—	—	58	61
Total	575	1,092	1,405	1,422
CITY IMPROVEMENT DEBT SERVICE				
Transfers From				
General Fund	115	115	112	39
Sports Facilities	10,332	5,985	13,782	15,149
Aviation	948	949	919	173
Excise Tax	42,621	42,509	30,321	35,969
Transportation 2050	67,289	70,740	1,350	18,779
Public Housing	72	71	70	74
Water	—	—	85	100
Solid Waste	624	624	656	176
Wastewater and SROG	—	—	60	70
Phoenix Convention Center	94	94	91	27
Capital Reserve Funds	—	—	149	—
Highway User	1,258	3,893	3,793	892
Total	123,353	124,980	51,388	71,448
Transfers To				
Sports Facilities	1,028	1,027	1,028	1,026
SECONDARY PROPERTY TAX				
Transfers From				
Capital Projects/Reserve Fund	—	—	5,306	—
General Obligation Reserve Fund	881	5,107	3,843	5,379
Total	881	5,107	9,149	5,379
AVIATION				
Transfers From				
General Fund	284	248	—	125
Other Restricted	—	—	—	47
Capital Projects	10,251	101,396	63,146	32,573
Total	10,535	101,644	63,146	32,745
Transfers To				
General Fund	10,188	9,736	10,117	10,117
City Improvement Debt Service	948	949	919	173
Neighborhood Protection	60	—	—	—
Parks and Preserves	60	—	—	—
Public Safety Expansion	119	—	—	—
Transportation 2050	239	—	—	—
Total	11,614	10,685	11,036	10,290

City of Phoenix, Arizona
Transfers
All Operating Funds
(Non-GAAP Budgetary Basis)
Fiscal Years Ended June 30
(in thousands)
(Continued)

	Actual			Adopted Budget
	2019	2020	2021	2022
PHOENIX CONVENTION CENTER				
Transfers From				
Excise Tax	$ 61,200	$ 55,266	$ 54,331	$ 57,196
Transfers To				
General Fund	2,767	2,944	3,044	3,044
Infrastructure Repayment Agreement Trust	794	393	621	—
City Improvement Debt Service	94	94	91	27
Trust and Gift Funds	—	—	—	558
Other Restricted	—	132	128	172
Total	3,655	3,563	3,884	3,801
WATER SYSTEM AND VAL VISTA				
Transfers From				
Other Restricted	—	—	—	398
City Improvement Debt Service	—	—	66	—
Total	—	—	66	398
Transfers To				
General Fund	23,794	24,096	26,381	28,664
Capital Projects/Reserve Fund	—	—	17,591	—
City Improvement Debt Service	—	—	85	100
Total	23,794	24,096	44,057	28,764
WASTEWATER AND SROG				
Transfers From				
Capital Projects	69	5,702	—	—
Other Restricted	—	8	—	—
Total	69	5,710	—	—
Transfers To				
General Fund	15,089	15,253	16,510	17,638
City Improvement Debt Service	—	—	60	70
Total	15,089	15,253	16,570	17,708
SOLID WASTE				
Transfers From				
Capital Projects	6,775	—	—	—
Transfers To				
General Fund	7,663	7,464	8,208	8,376
Capital Projects	1,291	1,297	1,319	1,250
City Improvement Debt Service	624	624	656	176
Total	9,578	9,385	10,183	9,802

City of Phoenix, Arizona
Transfers
All Operating Funds
(Non-GAAP Budgetary Basis)
Fiscal Years Ended June 30
(in thousands)
(Continued)

	Actual			Adopted Budget
	2019	2020	2021	2022
WORKER'S COMPENSATION TRUST FUND				
Transfers From				
General Fund	$ 7,000	$ —	$ 8,250	$ —
CAPITAL PROJECTS				
Transfers From				
General Fund	—	—	—	7,000
Highway User Revenue	—	—	7	—
Sports Facilities	—	—	622	—
Water System and Val Vista	—	—	17,591	—
Solid Waste	1,291	1,297	1,319	1,250
Total	1,291	1,297	19,539	8,250
Transfers To				
Parks and Recreation	—	2,085	—	—
Secondary Property Tax	—	—	5,306	—
City Improvement Debt Service	—	—	149	—
Capital Construction	—	—	30	—
Public Housing	57	—	—	—
Aviation	10,251	101,396	63,146	32,573
Wastewater and SROG	69	5,702	—	—
Solid Waste	6,775	—	—	—
Total	17,152	109,183	68,631	32,573
GENERAL OBLIGATION RESERVE FUND				
Transfers To				
Secondary Property Tax	881	5,107	3,843	5,379
INFRASTRUCTURE REPAYMENT AGREEMENT TRUST				
Transfers From				
General Fund	553	574	1,275	—
Parks and Preserves	221	81	155	—
Transportation 2050	1,549	564	1,089	—
Sports Facilities	25	—	16	—
Neighborhood Protection	27	81	155	—
Public Safety Expansion	56	161	310	—
Phoenix Convention Center	794	393	621	—
Total	3,225	1,854	3,621	—
PSPRS PENSION STABILIZATION RESERVE				
Transfers From				
General Fund	10,250	5,500	1,000	—
COMMUNITY FACILITIES DISTRICTS				
Transfers From				
Parks & Preserves	—	28	—	—
Neighborhood Protection	—	28	—	—
Public Safety Expansion	—	60	—	—
Total	—	116	—	—
Transfers To				
Other Restricted	—	792	—	—
PHOENIX HOUSING INSTRUMENTALITIES				
Transfers To				
Other Restricted	—	2,800	—	—
MERP TRUST FUND				
Transfers From				
General Fund	—	—	8,250	—
SIR TRUST FUND				
Transfers From				
General Fund	—	—	8,500	—

City of Phoenix, Arizona
Transfers
All Operating Funds
(Non-GAAP Budgetary Basis)
Fiscal Years Ended June 30
(in thousands)
(Continued)

	Actual			Adopted Budget
	2019	2020	2021	2022
AERIAL FLEET CAPITAL RESERVE FUND				
Transfers From				
General Fund	$ —	$ —	$ 5,000	$ —
DEBT SERVICE FUND				
Transfers From				
General Fund	—	—	83	—
Transfers To				
Water System and Val Vista	—	—	66	—
TRUST AND GIFT FUNDS				
Transfers From				
General Fund	—	—	—	2,427
Sports Facilities	—	—	—	17
Public Safety Expansion	—	—	—	324
Transportation 2050	—	—	—	1,135
Parks and Preserves	—	—	—	162
Neighborhood Protection	—	—	—	160
Phoenix Convention Center	—	—	—	558
Total	—	—	—	4,783
Transfers To				
General Fund	—	—	189	—
GRANTS				
Transfers To				
General Fund	—	—	—	200
Total	—	—	—	200
Total Transfers From	$1,568,404	$1,694,595	$1,814,055	$1,718,316
Total Transfers To	$1,568,404	$1,694,595	$1,814,055	$1,718,316

APPENDIX C

City Sales Taxes and State-Shared Revenues

The following information was compiled from annual financial reports of the City and from information provided by the City's Finance Department.

CITY TRANSACTION PRIVILEGE (SALES) TAXES

The City's transaction privilege (sales) tax rate for most business activity categories is 2.3%, while the rate for utilities is 2.7%, advertising is 0.5%, transient room rental is 5.3%, short-term car rental is 4.0%, telecommunications is 4.7% and commercial real estate rental is 2.4%. The City collected $872,307,000 from all transaction privilege tax categories in fiscal year 2016-17, $909,168,000 in 2017-18, $991,240,000 in 2018-19, $1,004,391,000 in 2019-20 and $1,107,770,000 in 2020-21. The estimate for fiscal year 2021-22 is $1,247,079,000.

On June 14, 2013, the Arizona State Legislature passed House Bill 2111 ("HB 2111"), signed by the Governor on June 25, 2013, which addresses the administration of state, county, municipal and affiliated transaction privilege (sales) taxes ("*TPT*") in the state. The effective date for HB 2111, along with the legislative technical corrections made under HB 2389, was originally set to be January 1, 2015. Due to the complexity in incorporating the various city's requirements into the Department's information technology system, the Arizona Department of Revenue delayed the implementation of TPT consolidation until January 1, 2017.

The law provides for a single point of collection for taxpayers to remit state, county and municipal TPT and affiliated excise taxes online. The legislation calls for a central portal where taxpayers can file at a single point rather than filing separately to multiple jurisdictions. It also centralizes audit functions with ADOR, but allows cities and towns to retain audit resources. Multi-jurisdictional audits will be the responsibility of ADOR, while businesses located solely within one jurisdiction can be audited by the local city or town.

HB 2111 also amends certain provisions relating to the taxation of the "prime contracting" (construction) category. HB 2111 maintains the current construction tax paid by prime contractors based on the location of the new construction, but creates a new exemption for contractors who work directly for a property owner where their work is limited to the maintenance, repair or replacement of existing property (e.g. HVAC, plumbing and flooring). Instead of paying the construction tax, they will pay retail TPT on materials purchased as part of the service where those items are purchased.

Beginning September 30, 2021, Arizona State Legislature established the Municipal Firefighters Cancer Reimbursement Fund ("*MFCR*") under the new statutes in Title 23, Chapter 11. The MFCR assessment will be billed by the Industrial Commission of Arizona ("*ICA*"). Local governments can pay these obligations to ICA from any revenues source and these fees are not expected to reduce the City's State-Shared Revenues. State-statutes set the maximum total amount that can be collected from all jurisdictions at $15 million in any fiscal year. For fiscal year 2021-22, the City of Phoenix was assessed a fee of $4.4 million.

City of Phoenix
Transaction Privilege Tax Rates by Category

Category	Rate(1)
Mining	0.1%
Advertising	0.5
Amusement	2.3
Contracting	2.3
Leasing/Rental of Tangible Personal Property	2.3
Printing	2.3
Publishing	2.3
Residential Real Estate Rentals	2.3
Restaurants and Bars	2.3
Retail	2.3(2)(3)
Transportation	2.3
Commercial Real Estate Rentals	2.4
Utilities	2.7
Short-term Motor Vehicle Rental	4.3
Telecommunications	4.7
Hotel/Motel	5.3
Jet Fuel (1st 10 million gallons)	$0.00732/gallon

(1) On October 5, 1993, City of Phoenix voters approved a 0.1% increase in the City's transaction privilege (sales) tax rate. The revenues produced by the increase must be used to add police officers and firefighters and to expand neighborhood programs designed to deter crime. The increase affects all transaction privilege tax categories except advertising, utilities, jet fuel, and telecommunications and became effective December 1, 1993. The revenues resulting from this increase generated $30.1 million in 2016-17, $31.6 million in 2017-18, $35.0 in 2018-19, $36.2 million in 2019-20 and $40.9 million in 2020-21. The estimate for 2021-22 is $46.4 million.

On September 7, 1999, City of Phoenix voters approved a 0.1% increase in the City's transaction privilege (sales) tax rate to be levied for a 10-year period, effective November 1, 1999. The revenues produced by the increase will be used for the acquisition of desert preserve open space and the development and improvement of regional and neighborhood parks located within the City. The increase affects all transaction privilege tax categories except advertising, utilities, jet fuel, telecommunications, and mining. On May 20, 2008, City of Phoenix voters approved a 30-year extension of this tax. This extension also expands the possible uses of these funds to include operational expenses such as salaries for park rangers and maintenance workers. Forty percent of the revenues produced by the extension will be used to acquire land for Phoenix's Sonoran Preserve. The remaining 60% will be used to finance improvements to parks throughout the City. The extension became effective July 1, 2008. The revenues resulting from this increase generated $30.1 million in 2016-17, $31.6 million in 2017-18, $35.0 in 2018-19, $36.2 million in 2019-20 and $40.9 million in 2020-21. The estimate for 2021-22 is $46.4 million.

On March 14, 2000, City of Phoenix residents approved a 0.4% increase in the City's transaction privilege (sales) tax rate to be levied for a 20-year period dedicated to transit improvements (the "*Transit Sales Tax*"). Transit improvements include expanded local bus and Dial-A-Ride service, bus rapid transit service, neighborhood circulators, and the construction and operation of a light rail system. In addition, the tax will provide funding for 500 bus pull-outs, 100 miles of bike lanes and left-turn arrows at all major intersections. Voters approved the Transit Sales Tax providing an estimated $2.2 billion in funding through May 31, 2020.

On August 25, 2015, voters approved a new comprehensive transportation plan and funding tax proposal that increased the existing Transit Sales Tax dedicated for transportation. The dedicated Transit Sales Tax rate was increased from the previous 0.4% sales tax rate to 0.7% and became effective January 1, 2016, with a sunset date of December 31, 2050. The increased Transit Sales Tax will continue to fund expanded local bus and Dial-A-Ride service, bus rapid transit service, neighborhood circulators and the operation of the light rail system. The increased Transit Sales Tax will also provide for expanded bus and light rail service hours and routes, high capacity transit corridors, and infrastructure improvements to bus stops, maintenance facilities and transit centers. In addition, the increased Transit Sales Tax will provide for street improvements including pavement maintenance, new bicycle lanes, sidewalk installation and traffic signal enhancements. The revenues resulting from this increase generated $202.8 million in 2016-17, $215.8 million in 2017-18, $239.2 in 2018-19, $247.6 million in 2019-20 and $279.3 million in 2020-21. The estimate for 2021-22 is $316.8.

On September 11, 2007, City of Phoenix voters approved a 0.2% increase in the City's transaction privilege (sales) tax rate. Eighty percent of the revenues produced by the increase will be used by the Phoenix Police Department to recruit, hire, train and equip at least 500 police officers and police personnel; hire crime scene investigation (CSI) forensic teams; and to make service calls more efficient. Twenty percent of the revenues produced by the increase will be used by the Phoenix Fire Department to recruit, hire, train and equip at least 100 firefighters and fire personnel to improve fire protection services. The increase affects all privilege transaction tax categories except advertising, utilities, jet fuel, telecommunications and mining, and became effective December 1, 2007. The revenues resulted from the increase generated $60.2 million in 2016-17, $63.2 million in 2017-18, $70.0 in 2018-19, $72.5 million in 2019-20 and $81.9 million in 2020-21. The estimate for 2021-22 is $92.8 million.

(2) Effective January 1, 2016 Retail Sales tax is applied in two levels. At Level 1 a 2.3% is applied to first amount equal to or less than $10,303 for a single item and at Level 2, 2.0% is applied for amounts greater than $10,303 for a single item.

(3) New threshold amounts for the retail sales and use tax two-level tax rate structure, as approved by Phoenix voters with Proposition 104 on August 25, 2015, went into effect January 1, 2022. The inflationary adjustment to the threshold amount affects sales transacted beginning with January 1, 2022 and through December 31, 2023 tax periods. The current threshold amount of $10,968 will be adjusted by an incremental amount of $663 to $11,631 for "big ticket" items under corresponding retail and use tax business codes.

STATE-SHARED REVENUES

State-Shared Revenues include the City's share of State sales taxes, State income taxes, highway user revenues, vehicle license taxes and the Local Transportation Assistance Fund. The City received a total of $527,086,000 in 2016-17, $558,538,000 in 2017-18, $575,278,000 in 2018-19, $597,310,000 in 2019-20 and $674,518,000 in 2020-21. The estimate for 2021-22 is $674,183,000.

Enactment of SB1828. As part of the State's fiscal year 2021-22 budget, on June 30, 2021, the Governor signed Senate Bill 1828 (*"SB1828"*), which consolidated the State's current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports indicate that such a rate consolidation is estimated to reduce income tax receipts by approximately $1.9 billion, with a possible concurrent reduction in State-Shared income taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State-Shared income taxes, SB1828 will increase beginning in fiscal year 2023-24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%. On September 28, 2021, a referendum petition was filed with the Secretary of State to refer SB1828 to the State's electors at the November 2022 general election. However, on April 21, 2022, the Arizona Supreme Court issued a minute entry order holding that SB1828 could not be referred to the electors, at which point it became effective. Based on the most recent Joint Legislative Budget Committee forecast available in April 2022, the impact from SB1828 could result in an increase in State-Shared revenues of approximately $16 million in fiscal year 2023-24. However, the City cannot predict what effects the enactment of SB1828 will have on its revenues from the State-Shared Income Taxes in future years.

From time to time, bills are introduced in, and legislation enacted by, the Arizona Legislature to change the formulas used to allocate the State-Shared Sales Taxes and State-Shared Income Taxes, including proposed adjustments that would reduce the distribution to cities and towns. The possibility of changes in this respect are more likely to be adverse to the City when the State is experiencing financial difficulties. The City cannot determine whether any such measures will become law or how they might affect the revenues which comprise the State-Shared Revenues. In addition, initiative measures are circulated from time to time seeking to place on the ballot changes in Arizona law which would repeal or modify state sales taxes or state income taxes (major sources of funds for state revenue sharing). The City cannot predict if any such initiative measures will ever actually be submitted to the electors, what form the measures might take or the outcome of any such election.

State Sales Tax Receipts

Effective July 1, 1986, the State sales tax became a combined tax, including the previous transaction privilege tax, education excise tax, special education excise tax and business excise tax. Cities throughout Arizona share 25% of the "distribution share" of such combined tax revenues in relation to their population as shown by the latest census.

City of Phoenix Share of State Sales Tax Receipts

Fiscal Year	Amount
2021-22 (Estimate)	$235,335,000
2020-21	204,104,000
2019-20	171,926,000
2018-19	165,066,000
2017-18	155,998,000
2016-17	143,975,000
2015-16	137,544,000
2014-15	132,218,000
2013-14	127,005,000
2012-13	118,730,000

State Sales Tax
Taxable Activities, Tax Rates and Distribution Share

Taxable Activities	Combined Tax Rate	Distribution Share
Mining — Severance	2.5%	80%
Mining, Oil & Gas	3.125	32
Transportation & Towing	5.6	20
Utilities	5.6	20
Telecommunications	5.6	20
Publishing	5.6	20
Printing	5.6	20
Private Car/Pipelines	5.6	20
Prime Contracting	5.6	20
Restaurants and Bars	5.6	40
Amusements	5.6	40
Rentals/Personal Property	5.6	40
Retail	5.6	40
Hotel/Motel	5.5	50
Use	5.6	0
Jet Fuel (1st 10 million gallons)	$0.0305/gallon	0(1)

(1) Due to a federal policy change that requires aviation fuel taxes to be used only for airport-related purposes, as of fiscal year 2019 the State now distributes all jet fuel excise and use tax revenues to the State Aviation Fund.

State Income Tax Receipts

Cities throughout Arizona share in a distribution of State personal and corporate income taxes. The net income tax revenues collected two years prior is shared with cities in relation to their population as determined by the latest census. The urban revenue sharing percentage for cities is 15.0% of income tax revenues collected.

State Income Tax Receipts

Fiscal Year	Amount
2021-22 (Estimate)	$213,294,000
2020-21	240,237,000
2019-20	214,697,000
2018-19	196,918,000
2017-18	200,035,000
2016-17	191,225,000
2015-16	174,234,000
2014-15	175,184,000
2013-14	161,580,000
2012-13	147,668,000

Legislation Regarding Withholding of State Shared Revenues

On March 17, 2016, the Governor signed Senate Bill 1487 ("SB 1487"). SB 1487 permits the State to withhold from a county, city or town ("Local Jurisdiction") State revenues that would otherwise be shared with Local Jurisdictions.

Under SB 1487, at the request of one or more members of the State Legislature, the State Attorney General must investigate any ordinance, regulation, order or other official action ("Local Action") adopted or taken by the governing body of a Local Jurisdiction that the legislator alleges violates State law or the State Constitution. The Attorney General must make a written report within 30 days after receipt of the request. The Local Jurisdiction then has 30 days to resolve the violation. If the Attorney General determines that the violation has not been resolved within 30 days, the Attorney General must notify the State Treasurer and the State Treasurer must withhold payment to the Local Jurisdiction of State-shared excise taxes otherwise due to the Local Jurisdiction pursuant to §42-5029(L), Arizona Revised Statutes and all State-shared income taxes otherwise due to the Local Jurisdiction pursuant to §43-206(F), Arizona Revised Statutes (collectively, "State-Shared Tax Revenues"), until such time as the Attorney General determines that the violation has been resolved. **However, the State Treasurer may not withhold any amount that the Local Jurisdiction certifies to the Attorney General and the State Treasurer as being necessary to make deposits or payments for debt service on bonds or other long-term obligations that were issued or incurred before the Local Action occurred. The City is not aware of any Local Action taken or currently under consideration that does or if taken would violate State law or the State Constitution.**

Highway User Revenues

The state of Arizona taxes motor fuels and collects a variety of fees and charges relating to the registration and operation of motor vehicles on the public highways of the state. These collections include gasoline and use fuel taxes, motor carrier taxes, vehicle license taxes, motor vehicle registration fees and other miscellaneous fees. These revenues are deposited in the Arizona Highway User Revenue Fund (HURF) and are then distributed to the cities, towns and counties and to the State Highway Fund. These taxes represent a primary source of revenues available to the state for highway construction, improvements and other related expenses.

From September 1, 2005 through December 31, 2010, the use fuel tax rate for vehicles transporting forest products was $0.13 per gallon. Effective January 1, 2011, the use fuel tax rate for vehicles transporting forest products reverted to the previous rate of $0.26. In 2012, a reduced fuel rate of $0.09 per gallon was assessed on fuel used in the motor vehicle transportation for a healthy forest enterprise. The reduced fuel rate of $0.17 per gallon is effective through December 31, 2024. Effective September 26, 2008, the use fuel rate for non-commercial trucks 25 years old or older with a historical vehicle plate was reduced $0.08 per gallon from $0.26 to $0.18 per gallon.

In 2008, the Arizona Legislature enacted legislation that requires the annual purchase of an Off-Highway Vehicle (OHV) decal for the operation of any All-Terrain Vehicle (ATV) or OHV in Arizona that was designed by the manufacturer primarily for travel over unimproved terrain and has an unladen weight of eighteen hundred pounds or less. Effective January 1, 2009, the current annual cost of the OHV decal is $25.00. In addition, if an OHV will be operated primarily off-highway, the vehicle is eligible for a reduced Vehicle License Tax (VLT) of $3.00 and waiver of the registration fee. The legislation requires that 70% of the OHV user fees collected be deposited into the off-highway vehicle recreation fund and 30% be deposited into the Arizona Highway User Revenue Fund.

In 2010, the Arizona Legislature enacted legislation allowing Arizona Department of Transportation (ADOT) to set the Abandoned Vehicle Fees. The base fees were $200 for abandoned vehicles on federal land and $50 for abandoned vehicles on non-federal land. The Abandoned Vehicle Administrative Fund has and will continue to receive fee revenue of $200 and $50. Any fee that ADOT sets above $200 and $50 is to be deposited into the General Fund.

The highway user revenue fund distribution formula has been changed several times, with the last change made in the 1997 regular session of the Legislature. Under the revised formula, ADOT receives 50.5%, counties receive 19%, cities receive 27.5%, and cities with a population over 300,000 receive 3%. The distribution of revenues to cities and towns (the 27.5% portion) is made on the following basis:

One-half of the highway user tax revenues is distributed to each incorporated city and town in the proportion that the population of each bears to the population of all cities and towns within the State, and;

One-half is distributed first on the basis of the county origin of sales of motor vehicle fuels within the State. This amount is then apportioned among the incorporated cities and towns within each county in the proportion that the population of each city or town bears to the total population of all cities and towns within the county.

The most recent regular or special United States census of population is used as the basis of apportionments of Highway User Tax Revenues.

As noted above, the latest distribution formula for highway user revenue funds provides for the distribution of a 3% portion to incorporated cities with a population of 300,000 or more. This funding can be used for the acquisition of rights-of-way or construction of streets or highways. The 1997 legislation removed language that had previously restricted this distribution of funds from being used for controlled-access purposes. Based on the 1995 special census, effective July 1, 1996, Phoenix, Tucson and Mesa share in this distribution.

City of Phoenix, Arizona

Highway User Tax Revenues		Vehicle License Tax Receipts	
Fiscal Year	Amount	Fiscal Year	Amount
2021-22 (Estimate)	$154,463,000	2021-22 (Estimate)	$79,000,000
2020-21	146,188,000	2020-21	79,769,000
2019-20	135,983,000	2019-20	70,484,000
2018-19	138,864,000	2018-19	70,210,000
2017-18	131,355,000	2017-18	66,784,000
2016-17	126,058,000	2016-17	61,586,000
2015-16	116,682,000	2015-16	59,801,000
2014-15	111,748,000	2014-15	55,293,000
2013-14	102,009,000	2013-14	51,689,000
2012-13	98,804,000	2012-13	48,370,000

Local Transportation Assistance

The 1981 State transportation financing program also provided for the creation of a Local Transportation Assistance Fund (LTAF) for local city transportation purposes (transit, streets, airports, etc.). The 1981 bill was amended in February 1982, restricting the use of these funds by cities with a population greater than 300,000 to mass transit operating costs and related capital purposes. The LTAF is funded from a portion of the receipts of the State Lottery. It is to provide up to $23 million (maximum) to be allocated to incorporated cities and towns in proportion to the population each bears to the total population of all cities and towns. Cities may spend up to 10% of their allocation for recreational, cultural and historic purposes if matched by non-public funds, provided that the annual allocation to cities is $23,000,000. The City received $7,246,000 in 2003-04, $7,136,000 in 2004-05, $7,034,000 in 2005-06, $6,969,000 in 2006-07, $6,910,000 in 2007-08, $6,506,000 in 2008-09 and $3,771,000 in 2009-10.

In addition, on August 31, 1998, then-Governor Jane Hull signed into law a transit funding bill (LTAF II) that provided additional state funding for public transit. The bill also changed the distribution of Power Ball lottery funds from the Regional Public Transportation Authority (RPTA) directly to the cities and towns in Maricopa County based on population. Prior to 2003, the Vehicle License Tax (VLT) and the State General Fund were the primary contributors to the LTAF II fund. From 2003 to 2008, the Power Ball lottery earnings were the single contributor to the LTAF II fund. Beginning in 2009, the state combined the State lottery revenues and the Power Ball lottery revenues into one fund that contributed to both the LTAF and the LTAF II funds. The overall fund must have exceeded $31 million annually in order to distribute funding, and distributions were capped at $9 million for LTAF II and $23 million for LTAF for any fiscal year. As a result of this bill, the City received $1,778,000 in 1998-99, $4,612,000 in 1999-00 and $3,880,000 in 2000-01. In 2001, the major funding portion of this transit-funding bill was repealed. Although the Power Ball distribution remained, the City did not receive any funding in 2001-02 or 2002-03. The City received $1,796,695 in 2003-04, $3,327,527 in 2004-05, $1,286,510 in 2005-06, $4,356,918 in 2006-07, $2,411,209 in 2007-08 and $2,782,417 in 2008-09.

On March 11, 2010, then-Governor Jan Brewer signed a State budget package that permanently eliminated funding to the LTAF and the LTAF II, effective immediately. On September 2, 2011, a Federal judge issued a Court Order reinstating LTAF II Funding in Maricopa County. The City received $4,241,703 in 2016-17, $4,366,304 in fiscal year 2017-18, $4,220,195 in 2018-19, $4,220,195 in 2019-20 and $4,220,195 in 2020-21. The estimate for 2021-22 is $4,067,212.

TRANSPORTATION PROGRAM PASSED BY MARICOPA COUNTY VOTERS

In 1985, the Arizona Legislature enacted transportation finance legislation which, among its provisions, provided potential funding for controlled access highways and regional public transportation.

As a result, Maricopa County held a special election on October 8, 1985 to levy a one-half percent transportation excise tax (sales tax) within the County. The measure was passed by the voters by more than a 2 to 1 margin. The transportation excise tax became effective January 1, 1986 for a period not to exceed twenty years.

With passage of the transportation excise tax in Maricopa County in 1985, the Regional Public Transportation Authority was created within the boundaries of the County on January 1, 1986. The Authority is headed by a Board of Directors consisting of one elected official appointed from each participating municipality and the County. The Board is responsible for the development of a regional public transportation system plan for a regional rapid transit system. The Board is also responsible for establishing and operating a regional bus system and may contract with the City of Phoenix to provide the service. Each city in the Authority area and the County has the option to participate in the Authority. Each city that participates must use a portion of its Local Transportation Assistance Fund monies for public transportation, with Phoenix and Mesa required to use all of its LTA funds for this purpose.

On November 2, 2004 Maricopa County voters approved Proposition 400 (“Prop 400”), which went into effect January 1, 2006. The Prop 400 sales tax extended the County’s one-half percent sales tax for transportation funding for an additional 20 years. The countywide one-half percent sales tax will provide funding for freeways, streets, bus transit, rural transit, dial-a-ride and light rail. Combined with projected federal matching funds, the tax is expected to provide $6.2 billion for transit improvements over the life of the tax. It will support the creation of an integrated "supergrid" bus and dial-a-ride network that offers consistent service levels across the region; an expanded Express bus and bus rapid transit network that addresses both suburb-to-central-city and suburb-to-suburb commute trips; expansion of light rail transit; and associated capital investments, including new buses and Intelligent Transportation System improvements, as well as passenger and operations facilities.

Prop 400 Sales Tax Revenue

Fiscal Year	Allocation For Light Rail/ High Capacity Transit Capital	Allocation For Bus Operating and Capital	Total Prop 400 Revenue Collected
2021-22 (Estimate)	$90.8	$119.2	$210.1
2020-21	80.3	105.4	185.7
2019-20	70.5	92.5	163.0
2018-19	67.2	88.3	155.5
2017-18	63.1	82.9	146.0
2016-17	59.6	78.2	137.8
2015-16	57.1	75.0	132.1
2014-15	55.1	72.3	127.3
2013-14	52.7	69.1	121.8
2012-13	49.2	64.6	113.8

CITY OF PHOENIX TRANSIT EXCISE TAX

On March 14, 2000, City of Phoenix residents approved a 0.4% increase in the City's transaction privilege (sales) tax rate to be levied for a 20-year period dedicated to transit improvements. Transit improvements include expanded local bus and Dial-A-Ride service, bus rapid transit service, neighborhood circulators, and the construction and operation of a light rail system. In addition, the tax will provide funding for 500 bus pull-outs, 100 miles of bike lanes and left-turn arrows at all major intersections. Voters approved the Transit Sales Tax providing an estimated $2.2 billion in funding through May 31, 2020.

In August 2014, a 34-person group, the Citizens Committee on the Future of Phoenix Transportation, was created to address the 2020 expiration of the Transit Sales Tax and to review the public transit and street transportation needs of the City. After six months of meetings and over 100 public engagement events, the committee forwarded their recommendations to the City Council, which approved the plan in March 2015. On August 25, 2015, voters approved a new comprehensive transportation plan and funding tax proposal that increased the existing Transit Sales Tax dedicated for transportation. The dedicated Transit Sales Tax rate was increased from the previous 0.4% sales tax rate to 0.7% and became effective January 1, 2016, with a sunset date of December 31, 2050. The increased Transit Sales Tax will continue to fund expanded local bus and Dial-A-Ride service, bus rapid transit service, neighborhood circulators and the operation of the light rail system. The increased Transit Sales Tax will also provide for expanded bus and light rail service hours and routes, high capacity transit corridors, and infrastructure improvements to bus stops, maintenance facilities and transit centers. In addition, the increased Transit Sales Tax will provide for street improvements including pavement maintenance, new bicycle lanes, sidewalk installation and traffic signal enhancements.

APPENDIX D

State Expenditure Limitation

Since fiscal year 1982-83, the City has been subject to an annual expenditure limitation imposed by the Arizona Constitution. This limitation is based upon the City's actual 1979-80 expenditures adjusted annually for subsequent growth in population and inflation. The 2021-22 expenditure limit supplied by the Economic Estimates Commission was $1,658,052,911. The City increased this limit to $9,125,738 to adjust for additional voter-approved modifications, as described below.

The Constitution exempts certain expenditures from the limitation. The principal exemptions for the City of Phoenix are payments for debt service and other long-term obligations, as well as expenditures of federal funds and certain State-Shared Revenues. Exemptions associated with revenues not expended in the year of receipt may be carried forward and used in later years. The 1979-80 expenditure base may also be adjusted for the transfer of functions between governmental jurisdictions.

The Constitution provides four processes, all requiring voter approval, to modify the expenditure limitation:

1. A four-year home rule option.
2. A permanent adjustment to the 1979-80 base.
3. A one-time override for the following fiscal year.
4. An accumulation for pay-as-you-go capital expenditures.

Phoenix voters have approved four-year home rule options on a regular basis since the implementation of the expenditure limitation. The home rule option which was approved in 2015 allows the City Council, after hearings are held for each council district, to establish the annual budget as the limit. This four-year home rule option was in effect through 2019-20. In 2018, voters approved a proposition that moved regular City candidate elections from the fall of odd-numbered years to November of even-numbered years. State legislation allows the four-year home rule option to be extended in conjunction with the change of election dates. The new expiration date for the most recently approved home rule option was at the end of 2020-21. An additional home rule option was approved on the November 3, 2020 that sets the City's annual budget after public meetings and hearings. The limit will be in effect for four fiscal years from 2021-22 through 2024-25 and will allow Phoenix residents to continue to control local expenditures.

On November 3, 1981, Phoenix voters approved four propositions that allow the City to accumulate and expend local revenues for "pay-as-you-go" capital improvements without being subject to the State spending limit. These capital improvement exclusions include annual amounts of up to $5,000,000 for Aviation, $6,000,000 for Sanitary Sewers, $2,000,000 for Streets and $6,000,000 for Water. These exclusions were approved on a permanent basis and do not require voter reapproval except to raise or lower the annual amounts.

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APPENDIX E

Retirement and Pension Plans

Substantially all full-time employees and elected officials of the City are covered by one of three contributory pension plans: the City of Phoenix Employees' Retirement System, the State of Arizona Public Safety Personnel Retirement System or the Elected Officials' Retirement Plan.

City of Phoenix Employees' Retirement System

The City of Phoenix Employees' Retirement System ("*COPERS*") is a single-employer defined benefit pension plan established by the Phoenix City Charter. COPERS covers all eligible full-time employees of the City, with the exception of elected officials and sworn City police and fire personnel. COPERS provides retirement, disability retirement and survivor benefits to its members. The plan can be amended or repealed by a vote of the people.

The general administration, management and operation of COPERS is vested in a nine-member Retirement Board consisting of three elected employee members, four statutory members, a citizen member and a retiree member. The Retirement Board appoints the Retirement Program Administrator and contracts investment counsel and other services necessary to properly administer the plan. Additional information regarding the City's financial statements, including reporting of the City's net position and the net pension liability, is available in the City's Annual Comprehensive Financial Report ("*ACFR*"). The ACFR is available at http://emma.msrb.org or www.phoenix.gov under Departments-Finance-Financial Information & Reports or by calling the City at (602) 262-7166. The most recent report of the Actuary and the plan's annual financial reports are available online at https://phoenix.gov/copers/pension-plan-reports.

Employees participate in the plan upon beginning employment with the City. COPERS' membership data is as follows:

	June 30	
	2021	2020
Active Members		
Tier 1	4,522	4,855
Tier 2	587	626
Tier 3	2,860	2,546
Total	7,969	8,027
Deferred Vested Members	1,053	1,033
In Pay Members		
Service Retirees	6,183	6,109
Beneficiaries	1,171	1,160
Disabled Retirees	233	233
Total	7,587	7,502
Total Members	16,609	16,562

The City contributes an actuarially determined percentage of payroll to COPERS, as required by City Charter, to fully fund benefits for active members and to amortize any unfunded actuarial liability as a level percent of projected member payroll over a closed 17-year period. For the fiscal year ended June 30, 2021, the total contribution rate was 38.62% of compensation. Tier 1 employees contributed 5% of their compensation, Tier 2 and Tier 3 employees contributed 11.0% and the City contributed the remainder, which amounted to $357.4 million for the fiscal year.

The City's actuarially determined contribution, actual contribution and covered payroll for the last three fiscal years follows:

Schedule of Employer Contributions
(in thousands)

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Percentage Contributed	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
2021	$178,090	$357,382	($179,292)	200%	$580,451	61.57%
2020	175,947	175,947	—	100	568,089	30.97
2019	165,796	165,796	—	100	561,938	29.50

The actuarially determined recommended pension contribution rate is 30.34% for fiscal year 2021-22 and 26.67% for fiscal year 2022-23.

The following schedule shows the funding progress of the plan for the last three fiscal years. The total pension liability increased $12,288,000 from 2019 to 2020 and $127,685,000 from 2020 to 2021.

Schedule of Changes in Net Pension Liability and Related Ratios
(in thousands)

	Fiscal Year End 2021	Fiscal Year End 2020	Fiscal Year End 2019
Total Pension Liability			
Service cost	$ 78,643	$ 81,119	$ 73,255
Interest on the total pension liability	303,102	313,397	300,543
Changes of benefit terms	—	—	—
Differences between expected and actual experience of the total pension liability	(4,347)	(77,698)	39,370
Changes of assumptions	—	(62,386)	—
Benefit payments, including refunds of employee contributions	(249,713)	(242,143)	(237,389)
Net change in total pension liability	127,685	12,289	175,779
Total pension liability—beginning	4,414,114	4,401,825	4,226,046
Total pension liability—ending	$4,541,799	$4,414,114	$4,401,825
Plan Fiduciary Net Position			
Employer contributions	$ 357,382	$ 175,947	$ 165,796
Employee contributions	40,561	39,356	35,042
Pension plan net investment income	610,554	50,389	142,963
Benefit payments, including refunds of employee contributions	(249,713)	(242,143)	(237,389)
Pension plan administrative expense	(1,930)	(2,509)	(793)
Net change in plan fiduciary net position	756,854	21,040	105,619
Plan fiduciary net position—beginning	2,681,173	2,660,133	2,554,514
Plan fiduciary net position—ending	$3,438,027	$2,681,173	$2,660,133
Net pension liability	$1,103,772	$1,732,941	$1,741,692
Plan fiduciary net position as a percentage of the total pension liability	75.70%	60.74%	60.43%
Covered payroll	$ 580,451	$ 568,089	$ 561,938
Net pension liability as a percentage of covered payroll	190.16%	305.05%	309.94%

Actuarial assumptions used to determine the total pension liability in the June 30, 2021 valuation were based on the results of the actuarial experience study covering the period from July 1, 2014 through June 30, 2020. Those assumption, applied to all periods included in the measurement, are as follows:

Investment Rate of Return	7.00%
Inflation	2.30%
Salary Increase Rate	Individual salary increases are composed of a price inflation component, a real wage growth component, and a merit or longevity component that varies by age. Total salary increases range from 7.00% at 1-7 attained service to 2.80% for 15 and more attained service.
Cost of Living Adjustment	0.50% through 2024, 1.00% from 2025-2029 and then 1.25% thereafter.
Administrative Expenses	Assumed to be equal to the prior year's amount, increased by 2.50%.

Based on the assumption that employee and City contributions to COPERS will continue to follow the established contribution policy and the sufficiency of the Fiduciary Net Position, the long-term expected rate of return on the plan's investments, 7.00%, was applied as the single rate to all periods of projected benefit payments to determine the total pension liability.

City of Phoenix Pension Reform

In January 2011, the Mayor and City Council appointed members of a Pension Reform Task Force (the "*Task Force*") to work with management, outside consultants and other stakeholders to review and possibly recommend changes to COPERS. On September 25, 2012, after several revisions, the Task Force presented a final report to the Mayor and City Council, including recommended amendments to the City Charter. At the September 25, 2012 meeting, the Mayor and City Council directed staff to draft proposed revisions to City Charter language for referral to the March 2013 ballot based on the Task Force's recommendations.

At a special election held on March 12, 2013, voters approved changes to COPERS. The changes affected new employees hired on and after July 1, 2013 and are expected to save the City approximately $829 million over 25 years. The changes exclude public safety employees and elected officials, each covered under separate pension plans. The following is a summary of the voter-approved changes:

- The retirement eligibility age will increase an average of approximately 3.5 years
- The employer and employee contribution rates will be based on a 50/50 split of the actuarially determined rate necessary to fully fund the annual required contribution ("*ARC*")
- The benefit formula components will be changed to a graduated multiplier based on years of service, matching the State of Arizona retirement plan
- Prior to these changes, the City Charter required full funding of the ARC, but prohibited the City from contributing an amount greater than the ARC. The voter-approved changes allow the City to contribute an amount greater than the ARC
- The Investment Policy for COPERS will be updated to allow for investments that meet the Prudent Investor Rule

On July 1, 2013 as a result of the voter approved changes, a two-tier system was created for COPERS. A Tier 1 employee is any employee hired by the City before July 1, 2013, or any employee hired by the City on or after July 1, 2013 who participated in the Arizona State Retirement System prior to July 1, 2011. A Tier 2 employee is any employee hired by the City on or after July 1, 2013 who is not a Tier 1 employee. Effective July 1, 2013, Tier 1 employees continued to contribute 5.0% of their compensation to the plan, and Tier 2 employees contributed one-half of the total required actuarial percentage. The contribution rate for the City is the total projected percentage less the member contribution rates for each tier.

In November 2014, the Mayor created the Civilian Retirement Security Ad Hoc Committee (the "*Committee*") to address further pension reform. The Committee, which included members of the City Council along with community and business leaders, met over three months to consider several options for reform. In February 2015, the Committee unanimously recommended a stacked hybrid plan ("Prop 103") that was expected to save the City over $38 million over 20 years starting January 1, 2016. The most significant changes under this plan are for employees hired after January 1, 2016 to be classified as Tier 3 employees. Tier 3 employees would be subject to the following benefit changes:

- Final Average Salary calculation changed to a five-year average
- Pension multiplier reduced to 1.85% of salary per year of service through the first 10 years of employment, gradually increasing to 2.0% at 20 years of service
- Elimination of the sick leave service credit
- Eliminates the ability for employees previously employed by the state or other cities in Arizona to join the City of Phoenix as Tier 1 employees
- Makes compensation above $125,000 per year non-pensionable; the cap would increase each year to match inflation.

Prop 103 continues the 50/50 split in the contribution rate for new hires, but created a ceiling in the employee rate of 11.0% of their compensation. The ceiling applies to both Tier 2 and Tier 3 employees to help improve the recruitment and retention of employees. The City Council approved the plan on March 4, 2015, and on August 25, 2015 voters also approved Prop 103, which became effective on January 1, 2016.

Accrued Vacation or Sick-Leave on City of Phoenix's Pension Benefits

The benefit amount under COPERS depends, in part, on a retiring employee's highest average annual compensation paid over a multi-year period. As part of pension reform, the City restricted "pension spiking" by no longer allowing unused sick leave accrued after July 1, 2012, and unused vacation leave accrued after June 30, 2014, to be included when calculating a member's "final average compensation." This practice was upheld by the Arizona Supreme Court on July 10, 2020, in Piccioli v. City of Phoenix, CV-19-0116 and AFSCME v. Phoenix CV-19-0143.

On July 10, 2020 the Arizona Supreme Court issued rulings on "pension spiking" in Piccioli v. City of Phoenix, CV-19-0116 and AFSCME v. Phoenix CV-19-0143, where the former addressed the implication of sick leave and the latter vacation leave. The City of Phoenix pays pension benefits to eligible employees upon retirement. The amount of that benefit depends, in part, on a retiring employee's highest average annual compensation paid over a multi-year period. The primary issue in the cases was whether a one-time payout for accrued sick or vacation leave upon retirement was "compensation" under the COPERS' Plan that must be included when calculating a member's "final average compensation," which is used in determining the pension benefit amount. The Court held that the City did not need to include the one-time payments for unused sick or vacation leave at retirement as part of final average compensation. Thus, the City did not violate the Arizona Constitution by prospectively eliminating the payouts made at the time of retirement for sick leave accrued after July 1, 2012, and vacation leave accrued after June 30, 2014, from the calculation of final average compensation.

In 2012, when Piccioli v. City of Phoenix, CV2012-010330 was filed, the Board of Trustees of COPERS took action, upon advice from their consulting actuary, to not recognize any savings from the leave changes until after the court cases were adjudicated. At that time, the savings of the changes were estimated to equal about 9% of the total fund value. This 9% load has been built in to valuations since 2012. Following the opinions from the Arizona Supreme Court in July 2020, COPERS' consulting actuary had prepared a recommendation to remove 7.5% of that load, holding back 1.5% to account for future negative experience related to certain assumptions. On August 6, 2020, the COPERS Board approved the actuaries recommendation. Based on the June 30, 2019 valuation, this would result in a $63.7 million decrease to the unfunded actuarial accrued liability and a -3.7% ($7.7 million) reduction in the actuarially determined contribution for fiscal year 2021-2022. It is estimated that continuing the practices upheld by the Court will result in savings of $156.9 million over a 20-year period.

Citizen Pension Reform Initiative

On November 4, 2014, Phoenix voters considered and rejected an initiative known as Proposition 487 — The Phoenix Pension Reform Act of 2014 that if approved, would have amended the Phoenix City Charter and changed City retirement benefits for both current and future employees. The City is unable to predict whether and in what form, future initiatives may be proposed regarding COPERS and what the impact of such initiatives might be.

State of Arizona Public Safety Personnel Retirement System

The City of Phoenix also contributes to an agent multiple-employer defined benefit pension and health insurance premium subsidy plan, the Arizona Public Safety Personnel Retirement System ("*APSPRS*"), for sworn police officers and firefighters. The APSPRS functions as an investment and administrative agent for the City of Phoenix with respect to the plans for police officers and firefighters.

Periodic employer contributions to the pension and health insurance premium subsidy plans are determined on an actuarial basis using the entry age normal cost method. Normal cost is funded on a current basis. The City's unfunded actuarial accrued liability is funded over a closed period, and as of June 30, 2016, the City had 20 years remaining in the amortization period. Senate Bill 1442, passed by the State Legislature on April 17, 2017, authorized the governing body of an employer to make a one-time request to increase the amortization to a closed period not exceeding 30 years. On June 21, 2017, the City Council voted to submit a request to the APSPRS Board of Trustees to increase the City's amortization period from 20 years to 30 years. The change was reflected in the employer contribution rate beginning with the July 1, 2018 contribution, and represents the minimum required contribution percentage. Periodic contributions for both normal cost and the amortization of the unfunded actuarial accrued liability are based on the entry age normal cost method. The funding strategy for normal cost and the unfunded actuarial accrued liability should provide sufficient resources to pay employee pension benefits on a timely basis.

The System, for both police and fire personnel, is funded via member contributions of 7.65% of compensation for employees whose membership date was prior to July 20, 2011, and 11.65% of compensation for employees whose membership date began on or after July 20, 2011. Employees whose membership date was on or after January 1, 2012 have the option of participating in the hybrid plan for non-social security positions with contributions of 14.65%, of which 3.0% goes toward a defined contribution plan and is matched by the employer. Employer rates are set by an actuarial valuation and expressed as a percent of compensation. For fiscal year ended June 30, 2021, the required employer contribution rates were as follows:

	Police	Fire
Tier 1	65.70%	60.61%
Tier 2	65.70%	60.61%
Tier 3	10.39%	10.36%
Tier 3 Legacy	50.78%	44.66%

For Fiscal year ended June 30, 2021, the City chose to contribute $170.5 million and $102.4 million for Police and Fire, respectively and were based on the following contribution rates:

	Police	Fire
Tier 1	70.85%	64.37%
Tier 2	70.85%	64.37%
Tier 3	10.39%	10.36%
Tier 3 Legacy	55.55%	48.51%

The City's APSPRS membership data is as follows:

	June 30, 2020	
	Police	**Fire**
Retirees and Beneficiaries	2,588	1,204
Inactive and Non-Retired Members	844	229
Active Members	2,584	1,460
Total	6,016	2,893

Schedule of Changes in Net Pension Liability and Related Ratios
for Reporting Date ended June 30,
(thousands)

	POLICE		
	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019
Total Pension Liability			
Service cost	$ 51,069	$ 52,681	$ 49,601
Interest on the total pension liability	251,284	241,526	231,824
Changes of benefit terms	—	—	—
Difference between expected and actual experience of the total pension liability	91,331	21,415	(906)
Changes of assumptions	—	58,976	—
Benefit payments, including refunds of employee contributions	(203,329)	(185,901)	(168,682)
Net change in total pension liability	190,355	188,697	111,837
Total pension liability—beginning	3,492,835	3,304,137	3,192,300
Total pension liability—ending	$3,683,190	$3,492,834	$3,304,137
Plan Fiduciary Net Position			
Employer contributions	$ 167,098	$ 149,442	$ 124,618
Employee contributions	22,896	18,525	22,728
Pension plan net investment income	17,437	71,707	89,411
Hall/Parker Settlement	—	—	(42,201)
Benefit payments, including refunds of employee contributions	(203,329)	(185,901)	(168,682)
Pension plan administrative expense	(1,422)	(1,247)	(1,364)
Other(1)	(92)	88	(443)
Net change in plan fiduciary net position	2,588	52,614	24,067
Plan fiduciary net position—beginning	1,368,288	1,315,679	1,291,612
Adjustment to Beginning of Year	2	(5)	—
Plan fiduciary net position—ending	$1,370,878	$1,368,288	$1,315,679
Net pension liability	$2,312,312	$2,124,546	$1,988,458
Plan fiduciary net position as a percentage of the total pension liability	37.22%	39.17%	39.82%
Covered payroll	$ 233,472	$ 228,846	$ 221,105
Net pension liability as a percentage of covered valuation payroll	990.40%	928.37%	899.33%

(1) Other changes include adjustments for prior year GASB 68 and reserve transfer to/from employer and employee reserves.

Schedule of Changes in Net Pension Liability and Related Ratios
for Reporting Date ended June 30,
(in thousands)

	FIRE		
	Fiscal Year End 2021	**Fiscal Year End 2020**	**Fiscal Year 2019**
Total Pension Liability			
Service cost	$ 31,668	$ 32,749	$ 30,634
Interest on the total pension liability	134,204	130,378	123,038
Changes of benefit terms	—	—	—
Difference between expected and actual experience of the total pension liability	74,975	(7,563)	21,387
Changes of assumptions	—	31,021	—
Benefit payments, including refunds of employee contributions	(121,050)	(96,862)	(89,735)
Net change in total pension liability	119,797	89,723	85,324
Total pension liability–beginning	1,867,271	1,777,548	1,692,224
Total pension liability–ending	$1,987,068	$1,867,271	$1,777,548
Plan Fiduciary Net Position			
Employer contributions	$ 90,148	$ 77,142	$ 73,288
Employee contributions	12,598	11,592	13,413
Pension plan net investment income	9,715	39,879	49,178
Hall/Parker Settlement	—	—	(21,840)
Benefit payments, including refunds of employee contributions	(121,050)	(96,862)	(89,735)
Pension plan administrative expense	(793)	(695)	(751)
Other(1)	12	—	251
Net change in plan fiduciary net position	(9,370)	31,056	23,804
Plan fiduciary net position–beginning	765,370	734,315	710,511
Adjustment to Beginning of Year	—	(1)	—
Plan fiduciary net position–ending	$ 756,000	$ 765,370	$ 734,315
Net pension liability	$1,231,068	$1,101,901	$1,043,233
Plan fiduciary net position as a percentage of the total pension liability	38.05%	40.99%	41.31%
Covered payroll	$ 13,641	$ 135,273	$ 132,503
Net pension liability as a percentage of covered valuation payroll	881.60%	814.58%	787.33%

(1) Other changes include adjustments for prior year GASB 68 and reserve transfer to/from employer and employee reserves.

Actuarial assumptions used to determine the total pension liability in the June 30, 2020 actuarial valuation were based on the results of the actuarial experience study covering the period from July 1, 2011 through June 30, 2016. Those assumptions, applied to all periods included in the measurement, are as follows:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value of Assets
Price Inflation	2.50%
Salary Increases	3.50% to 7.50% including inflation
Tier 1 and 2 Investment Rate of Return	7.30%, net of investment and administrative expense
Tier 3 Investment Rate of Return	7.00%, net of investment and administrative expense
Retirement Age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period July 1, 2011 – June 30, 2016.
Mortality	RP-2014 mortality tables projected backwards 1 year to 2013 with MP-2014 (110% of female healthy annuitant mortality table.) Future mortality improvements are assumed each year using 75.0% of scale MP-2016.

The cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. The assumed future permanent benefit increase used for this valuation is 1.75%.

Schedule of Contributions for Measurement Date ended June 30,
(in thousands)

	Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution(1)	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Valuation Payroll
POLICE	2021	$ —	$170,504	$ —	$ —	—%
	2020	167,099	167,099	—	233,472	71.57
	2019	149,442	149,442	—	228,846	65.30
	2018	124,618	124,618	—	221,105	56.36
	2017	113,645	113,645	—	231,023	49.19
FIRE	2021	$ —	$102,415	$ —	$ —	—%
	2020	90,148	90,148	—	139,641	64.56
	2019	77,142	77,142	—	135,273	57.03
	2018	73,288	73,288	—	132,503	55.31
	2017	56,671	56,671	—	127,530	44.44

(1) Actual contributions are based on covered payroll at the time of contribution. It is the actuary's understanding that the City's practice is to contribute the percent-of-payroll employer contribution rate (or flat dollar amount if there are no active employees) shown in the actuarial valuation report. Because of this understanding, the Actuarially Determined Contributions shown in the Schedule of Contributions are the actual contributions made by the City in the fiscal year. Fiscal year 2021 actual contributions represent contributions made subsequent to the measurement date.

The actuarially determined recommended pension contribution rates for Police was 64.64% for fiscal year 2019-20, 70.85% for fiscal year 2020-21 and is 72.62% for fiscal year 2021-22. The actuarially determined recommended pension contribution rates for Fire was 58.95% for fiscal year 2019-20, 64.37% for fiscal year 2020-21 and is 66.69% for fiscal year 2021-22.

APSPRS Pension Reform

On April 29, 2011, the Governor signed into law Senate Bill 1609 ("SB 1609"), which created significant pension reform to the APSPRS.

The following is a summary of changes to the APSPRS required by SB 1609:

- Revise the formula used to calculate cost of living adjustments (COLA)
- Increase member contribution rate from 7.65% to 11.65% by fiscal year 2015-16
- Eliminate the Deferred Retirement Option Plan (DROP) for employees hired after January 1, 2012
- Increase the number of years of service required to become retirement eligible from 20 to 25
- Increase the number of consecutive years of salary used to compute pension from three to five
- Calculated pension cannot exceed 80.0% of the five consecutive years' average

On February 20, 2014, the Arizona Supreme Court upheld a lower court ruling that provisions of SB 1609 revising the formula used to calculate cost of living adjustments of members of the Arizona Elected Officials Retirement Plan (EORP) violated the Arizona Constitution to the extent those provisions applied to elected officials hired prior to January 1, 2012. Because that Supreme Court ruling applies to invalidate the same language in similar provisions of SB 1609 which relate to APSPRS, COLA increases for members hired prior to January 1, 2012 and affected by SB 1609 will be restored retroactively, which required rate increases from employers, including the City. The APSPRS Board allowed employers to phase-in the pension contribution rate increase over 3 years beginning with the 2015-16 fiscal year. The City's contribution rate for fiscal year 2015-16 increased 7.96% for fire and 9.31% for police due the phase-in. In fiscal year 2016-17, the City's contribution rate increased 4.93% for fire and 6.05% for police. The City is unable to determine the rate increase for the last year of the phase-in or any potential savings due to other provisions of SB 1609.

On November 10, 2016, the Arizona Supreme Court upheld another lower court ruling that provisions of SB 1609 which increased employee contribution rates and curtailed certain benefit increases were also unconstitutional. The decision means that many current employees will receive refunds, while some retirees will receive retroactive benefit increases. The issuance of refunds by the City will have minimal effect on contribution rates. Neither of the Supreme Court decisions will impact the ability of the City to fulfill its obligations on its bonds. The City is not aware of any other pending lawsuits regarding SB 1609.

In February 2016, the Governor signed Senate Bills 1428 and 1429 to further reform the APSPRS. Most of the changes only affect new hires who start after June 30, 2017. Those changes include requiring new public safety employees to serve until age 55 before being eligible for full pension benefits, splitting the annual pension cost 50/50 between employers and new employees, and providing new hires the option of choosing a 100% defined contribution plan in place of a defined benefit (or pension) plan. The one change that could affect current retirees and those hired both before and after June 30, 2017, is a 2.0% annual cap on cost-of-living adjustments, which would be tied to the metropolitan Phoenix-Mesa Consumer Price Index. For the cost-of-living cap to apply to current members of APSPRS, it needed to be approved by voters. Proposition 124, which capped the cost of living adjustments for current and new members, was approved by voters on May 17, 2016.

Elected Officials' Retirement Plan

The Elected Officials' Retirement Plan ("*EORP*") is a cost sharing multiple-employer defined benefit pension plan of which the City of Phoenix is a contributing employer and covers the Mayor and City Council, effective January 4, 1988. As a condition of coverage, members are required to contribute a percentage of their compensation.

The City contributed an actuarially determined rate of 32.99% for fiscal year 2012 and 36.44% for fiscal year 2013, to fully fund benefits for active members. For the first six months of fiscal year 2014, the City contribution rate was 39.62%. Effective January 1, 2014, the State Legislature closed the EORP to new members and changed the contribution rate to 23.50% for both the EORP and for the newly created Elected Officials' Defined Contribution Retirement System ("*EODCRS*"). All elected officials, appointed or elected on or after January 1, 2014 and not previously a member of the EORP, become members of the EODCRS, a defined contribution plan.

In 2017, a trial court ruled that the 23.50% level per cent employer contribution rate for the defined benefit plan was unconstitutional without supplemental funding because it was insufficient to cover the actuarial computed unfunded liabilities.

In March 2018, the Arizona State Legislature introduced Senate Bill 1478 ("SB 1478"), which proposed to eliminate the 23.50% employer contribution rate and replace it with an actuarially determined employer contribution rate. SB 1478 requires the contribution rate to be sufficient to meet both the normal cost and the unfunded accrued liability amortized over a closed period of at least 20 years, but not more than 30 years, beginning July 1, 2018. The Governor signed SB 1478 into law on May 16, 2018. Effective July 1, 2018, the EORP employer contribution rate was 61.5% and 61.625% for EODCRS. Effective July 1, 2019, the EORP employer contribution rate was 61.43% and 61.555% for EODCRS.

Pension reform for EORP was approved by voters in November 2018. The reform requires a replacement of the permanent benefit increase, or PBI, with a cost-of-living-adjustment based on annual changes recognized by the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index for the Phoenix-Mesa-Scottsdale CBSA. The PBI could increase as much as 4.0% per year, while the new cost-of-living adjustment increase has a cap of 2.0% per year.

No additional disclosures regarding EORP are provided due to the immateriality to the City's finances as a whole. EORP financial statements are available online at www.psprs.com.

Additional Information

Additional information regarding the City's Retirement and Pension Plans, including trend information and detailed assumptions, is available in the City's ACFR under the headings "Pension Plans" and "Required Supplementary Information". The ACFR is available at http://emma.msrb.org or www.phoenix.gov under Departments-Finance-Financial Information & Reports or by calling the City at (602) 262-7166.

Additional information regarding the APSPRS and the EORP, including annual financial reports, actuary reports, trend information and detailed assumptions is available at www.psprs.com/investments--financials/annual-reports.

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APPENDIX F

Health Care Benefits for Retired Employees

The City provides certain postemployment health care benefits for its retirees. City retirees meeting certain qualifications are eligible to participate in the City's health insurance program along with the City's active employees. As of August 1, 2007, separate unblended rates have been established for active and retiree health insurance.

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement 45 ("*GASB 45*") which addresses how state and local governments should account for and report costs and obligations related to post-employment health care and other post-employment non-pension benefits ("*OPEB*"). GASB 45 generally requires that the annual cost of OPEB and the outstanding obligations and commitments related to OPEB be accounted for and reported in essentially the same manner as pensions. The City implemented GASB Statement 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, effective July 1, 2007.

GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaces GASB 45 and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The new GASB statement requires the presentation of liability for OPEB obligations in the employer's financial statements. The Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. The City implemented GASB 75 effective July 1, 2017.

Medical Expense Reimbursement Plan

Employees eligible to retire in 15 years or less from August 1, 2007, will receive a monthly subsidy from the City's Medical Expense Reimbursement Plan ("*MERP*") when they retire. The MERP is a single-employer, defined benefit OPEB plan.

The subsidy provides an offset to out of pocket healthcare expenses such as premiums, deductibles and co-pays, whether the retiree or survivor elects to purchase coverage through city sponsored retiree plans or other sources. City sponsored health plans are provided to eligible non-Medicare retirees and dependents. The subsidy varies with length of service or bargaining unit, from \$117 to \$202 per month. Retirees may be eligible for additional subsidies depending on their bargaining unit, retirement date, or enrollment in the City's medical insurance program. Current and future eligible retirees who purchase health insurance through the City's plan will receive an additional subsidy to minimize the impact of unblending health insurance rates for active and retired employees.

In December 2007, the City established the City of Phoenix MERP Trust to fund all or a portion of the City's share of liabilities incurred in providing the benefits as reflected in Administrative Regulation 2.42 — Medical Expense Reimbursement Plan for Retirees and Eligible Surviving Spouses or Qualified Domestic Partners. A five-member Board of Trustees was delegated fiduciary responsibility for the MERP Trust, subject to oversight of the City Council.

The employees covered by MERP at June 30, 2021 are:

	2021
Plan Members Currently Receiving Benefits	9,772
Active Plan Members	2,690
Total Plan Members	12,462

Contributions by the City (plus earnings thereon) are the sole source of funding for the MERP. The City's Board of Trustees, subject to oversight by the City Council has the authority to establish and amend the contribution requirements of the City and active employees. The Board of Trustees establishes the rates based on an actuarially determined rate recommended by an independent actuary. The actuarial determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2021, the City contributed $31.0 million. Employees are not required to contribute to the MERP.

The MERP actuarially determined contribution, actual contribution and covered payroll for the last two fiscal years follows:

MERP
Schedule of Employer Contributions
(in thousands)

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
2021	$22,753	$31,004	$(8,251)	$214,741	14.44%
2020	21,713	26,987	(5,274)	280,071	9.64

The City's net OPEB liability for MERP was measured as of June 30, 2021, and the total MERP OPEB liability used to calculate the net OPEB liability for MERP was determined by an actuarial valuation as of June 30, 2021. The net OPEB liability for MERP is measured as the total MERP OPEB liability, less the amount of the plan's fiduciary net position. In actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations based on the Board's adopted assumptions and methods).

A single discount rate of 6.75% was used to measure the total MERP OPEB liability as of June 30, 2021. This single discount rate was based on an expected rate of return on MERP OPEB plan investments of 6.75%. Based on the stated assumptions and the projection of cash flows, the MERP OPEB fiduciary net position and future contributions were projected to be sufficient to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on MERP OPEB plan investments was applied to all periods of projected benefit payments to determine the total MERP OPEB liability.

The following schedule shows the funding progress of the plan for the last two fiscal years. The total MERP OPEB liability decreased $16,478,000 from 2020 to 2021.

Schedule of Changes in Net OPEB Liability and Related Ratios
(in thousands)

	MERP	
	Fiscal Year End 2021	**Fiscal Year End 2020**
Total OPEB Liability		
Service cost	$ 3,629	$ 4,432
Interest on the total OPEB liability	25,249	25,439
Changes of benefit terms	—	—
Differences between expected and actual experience	(6,128)	—
Changes of assumptions	(12,042)	8,320
Benefit payments, including refunds of employee contributions	(27,186)	(27,089)
Net change in total OPEB liability	(16,478)	11,102
Total OPEB liability–beginning	385,845	374,743
Total OPEB liability–ending	$369,367	$385,845
Plan Fiduciary Net Position		
Employer contributions	$ 31,004	$ 26,987
OPEB plan net investment income	50,174	1,460
Benefit payments, including refunds of employee contributions	(27,186)	(27,089)
Other	(605)	13
Net change in plan fiduciary net position	53,387	1,371
Plan fiduciary net position–beginning	179,537	178,166
Plan fiduciary net position–ending	$232,924	$179,537
Net OPEB liability–ending	$136,443	$206,308
Plan fiduciary net position as a percentage of total OPEB liability	63.06%	46.53%
Covered payroll	$214,741	$280,071
Net OPEB liability as a percentage of covered payroll	63.54%	73.66%

Post Employment Health Plan

Benefit eligible employees with more than 15 years until retirement eligibility, as of August 1, 2007, receive $150 per month while employed by the City as a defined contribution to the Post Employment Health Plan ("*PEHP*"). This is a 100% employer-paid benefit. The program provides employees who have a payroll deduction for City medical insurance coverage (single or family) with a PEHP account. This account is to be used by the employee when he/she retires or separates employment with the City for qualified medical expenses (including health insurance premiums).

Long-Term Disability Program

In November 2008, the City established the City of Phoenix Long-Term Disability ("*LTD*") Trust to fund all or a portion of the City's liabilities incurred in providing the benefits as reflected in Administrative Regulation 2.323 — City of Phoenix Long-Term Disability Program. The LTD Trust is a single-employer, defined benefit plan. A five-member Board of Trustees was delegated fiduciary responsibility for the LTD Trust, subject to oversight by the City Council. The LTD Trust issues a separate report that can be obtained through the City of Phoenix, Finance Department, Financial Accounting and Reporting Division, 251 W. Washington Street, 9th Floor, Phoenix, Arizona, 85003.

Long-term disability benefits are available to regular, full-time, benefit-eligible employees who have been employed by the City for at least 12 consecutive months. The program provides income protection of 2/3 of an employee's monthly base salary following a continuous three-month waiting period from the last day worked and the use of all leave accruals. The benefit continues to age 80 for those disabled prior to July 1, 2013 and age 75 for those disabled on or after July 1, 2013. The City pays 100% of the cost of this benefit.

The number of participants as of June 30, 2021, the effective date of the biennial OPEB valuation, follows:

	Police	Fire	General City	Total
Active Employees	2,908	1,663	7,914	12,485
Disabled Employees	17	10	271	298
Total Covered Participants	2,925	1,673	8,185	12,783

Contributions by the City (plus earnings thereon) are the sole source of funding for the LTD program. The LTD Trust's Board of Trustees, subject to oversight by the City Council has the authority to establish and amend the contribution requirements of the City and active employees. The Board of Trustees establishes the rates based on an actuarially determined rate recommended by an independent actuary. The actuarial determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2021, the City did not contribute. Employees are not required to contribute to the LTD program.

The LTD actuarially determined contribution, actual contribution and covered payroll for the last two fiscal years follows:

LTD
Schedule of Employer Contributions
(in thousands)

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
2021	$1,540	$ —	$1,540	$872,987	—%
2020	1,163	1,134	29	858,320	0.13

The City's net OPEB liability for LTD was measured as of June 30, 2021, and the total LTD OPEB liability used to calculate the net LTD OPEB liability was determined by an actuarial valuation as of June 30, 2019. The net LTD OPEB liability is measured as the total OPEB liability, less the amount of the plan's fiduciary net position. In actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations based on the LTD Trust's Board of Trustees adopted assumptions and methods).

A single discount rate of 6.75% was used to measure the total OPEB liability for LTD as of June 30, 2021. This single discount rate was based on an expected rate of return on LTD OPEB plan investments of 6.75%. Based on the stated assumptions and the projection of cash flows, the LTD OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on LTD OPEB plan investments was applied to all periods of projected benefit payments to determine the total LTD OPEB liability.

The following schedule shows the funding progress of the plan for the last two fiscal years. The total LTD OPEB liability decreased $348,000 from 2020 to 2021.

Schedule of Changes in Net OPEB Liability and Related Ratios
(in thousands)

	LTD	
	Fiscal Year End 2021	**Fiscal Year End 2020**
Total OPEB liability/(asset)		
Service cost	$ 3,606	$ 3,495
Interest on the total OPEB liability/(asset)	3,193	3,087
Differences between expected and actual experience	(2,651)	—
Changes of assumptions	(115)	628
Benefit payments, including refunds of employee contributions	(4,381)	(3,755)
Net change in total OPEB liability/(asset)	(348)	3,455
Total OPEB liability/(asset)–beginning	47,685	44,230
Total OPEB liability/(asset)–ending	$ 47,337	$ 47,685
Plan Fiduciary Net Position		
Employer contributions	$ —	$ 1,134
OPEB plan net investment income	21,612	662
Benefit payments, including refunds of employee contributions	(4,381)	(3,755)
OPEB plan administrative expense	(456)	(363)
Other	29	—
Net change in plan fiduciary net position	16,804	(2,322)
Plan fiduciary net position–beginning	77,757	80,079
Plan fiduciary net position–ending	$ 94,561	$ 77,757
Net OPEB liability/(asset)–ending	$ (47,224)	$ (30,072)
Plan fiduciary net position as a percentage of total OPEB liability/(asset)	199.76%	163.06%
Covered payroll	$872,987	$858,320
Net OPEB liability/(asset) as a percentage of covered payroll	(5.41)%	(3.50)%

APSPRS—OPEB

The Arizona Public Safety Personnel Retirement System (*"APSPRS*") administers an agent multiple-employer defined benefit retirement system established by Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes that provides retirement benefits, as well as death and disability benefits to public safety employees of certain state and local governments. Authority to make amendments to the plan rests with the Arizona State Legislature. The APSPRS acts as a common investment and administrative agent that is jointly administered by a Board of Trustees and participating local boards.

The City's APSPRS membership data is a follows:

	June 30, 2020	
	Police	**Fire**
Retirees and Beneficiaries	2,588	1,204
Inactive, Non-Retired Members	417	202
Active Members	2,584	1,460
Total	5,589	2,866

APSPRS has the authority to establish and amend the contribution requirements of the City and active employees. APSPRS establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability.

For the year ended June 30, 2021, there were no employer contributions. Employees are not required to contribute to the APSPRS OPEB Plan.

APSPRS
Schedule of Employer Contributions
(in thousands)

	Fiscal Year Ended June 30,	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
Police	2021	$58	$58	$—	$233,472	0.02%
Fire	2021	$17	$17	$—	$139,641	0.01%

The following schedule shows the funding progress of the APSPRS OPEB plan for the last two fiscal years. The City's net OPEB liability for APSPRS was measured as of June 30, 2020, and the total APSPRS OPEB liability used to calculate the net OPEB liability for APSPRS was determined by an actuarial valuation as of the same date.

Schedule of Changes in Net OPEB Liability and Related Ratios for Reporting Date Ended June 30,
(in thousands)

	APSPRS	
	Police 2021	**Fire 2021**
Total OPEB Liability		
Service cost	$ 1,097	$ 552
Interest on the total OPEB liability	3,507	1,874
Changes of benefit terms	—	—
Differences between expected and actual experience of the Total OPEB Liability	(149)	(762)
Changes of assumptions	—	—
Benefit payments, including refunds of employee contributions	(3,440)	(1,895)
Net change in total OPEB liability	1,015	(231)
Total OPEB liability–beginning	48,011	25,719
Total OPEB liability–ending	$ 49,026	$ 25,488
Plan Fiduciary Net Position		
Contributions–employer	$ 58	$ 17
Contributions–employee	58	17
Net Investment Income	835	472
Benefit payments, including refunds of employee contributions	(3,440)	(1,895)
OPEB Plan administrative expense	(68)	(38)
Other	1	—
Net change in Plan fiduciary net position	(2,556)	(1,427)
Plan fiduciary net position–beginning	67,123	37,949
Adjustment to Beginning of Year	—	1
Plan fiduciary net position–ending	$ 64,567	$ 36,523
Net OPEB liability/(asset)	$ (15,541)	$ (11,035)
Plan fiduciary net position as a percentage of total OPEB liability	131.70%	143.30%
Covered payroll	$233,472	$139,641
Net OPEB liability as a percentage of covered payroll	(6.66%)	(7.90%)

Actuarial Valuations

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional Information

Additional information regarding the City's Health Care Benefits for Retired Employees, including the actuarial methods and detailed assumptions used to calculate the ARC, is available in the City's ACFR under the heading "Other Postemployment Benefits (*OPEB*)". The ACFR is available at http://emma.msrb.org or www.phoenix.gov under Departments-Finance-Financial Information & Reports or by calling the City at (602) 262-7166.

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APPENDIX G

Summary of Certain Provisions of the Indenture and the Loan Agreement

Certain Definitions

The following terms used in this Official Statement and not otherwise defined herein, have the following meanings:

"Act" means Title 10, Chapters 24 through 40, Arizona Revised Statutes, as enacted and amended from time to time.

"*Authenticating Agent*" means the Trustee and the Registrar for the Bonds and any bank, trust company or other Person designated as an Authenticating Agent for the Bonds by or in accordance with the Indenture, each of which shall be a transfer agent registered in accordance with Section 17A(c) of the Securities Exchange Act of 1934, as amended.

"*Bond Counsel*" means a firm of attorneys of national reputation experienced in the field of municipal bonds, designated by the City Representative, whose opinions are generally accepted by purchasers of municipal bonds, acceptable to the Trustee, and who is independent.

"*Bond Fund*" means the Bond Fund established pursuant to the Indenture.

"*Bond Resolution*" means the resolution adopted by the Board of Directors of the Corporation providing for the issuance of the Bonds and approving the Loan Agreement, the Indenture and related matters.

"*Bond Service Charges*" means, for any period of time, the principal of and premium, if any, and interest on the Bonds for that period or payable at that time, whether due at maturity or upon redemption.

"*City Representative*" means the Chief Financial Officer of the City or any other person duly authorized by the City to act on behalf of the City under or with respect to the Indenture or the Loan Agreement.

"*Corporation Representative*" means the Chief Financial Officer of the City or a person designated by the Chief Financial Officer, any member of the Board of Directors of the Corporation, or any person authorized to act on behalf of the Corporation under or with respect to the Indenture, as evidenced by a resolution confirming such authorization adopted by the Corporation.

"*Event of Bankruptcy*" means the filing of a petition in bankruptcy by or against the specified Person under the United States Bankruptcy Code.

"*Event of Default*" means an event of default under the Indenture.

"*Indenture*" means the Subordinated Trust Indenture, dated as of August 1, 2022, between the Corporation and the Trustee, as amended and supplemented from time to time.

"*Independent*" means a person or entity of which no partner (treating a shareholder of a professional association as though such shareholder were a partner), director, officer or employee is a member, director, officer or elected official of the City or the Corporation.

"*Interest Fund*" means the Interest Fund established pursuant to the Indenture.

"*Interest Payment Date*" means January 1 and July 1 of each year, commencing January 1, 2023.

"*Loan Agreement*" means the Subordinated Loan Agreement, dated as of August 1, 2022, between the Corporation, as lender, and the City, as obligor, together with any duly authorized and executed amendments or supplements thereto, pursuant to which the City makes Loan Payments sufficient to pay principal of and interest on the Bonds.

"*Loan Payment Date*" means any date on which Loan Payments are to be paid as set forth in the Loan Agreement.

"*Loan Payments*" means all payments required to be paid by the City on any date required by the Loan Agreement.

"*Outstanding Bonds*," "*Bonds Outstanding*" or "*Outstanding*" as applied to Bonds, mean, as of the applicable date, all Bonds which have been authenticated and delivered, or which are being delivered by the Trustee under the Indenture, except:

(a) Bonds, or the portion thereof, cancelled upon surrender, exchange or transfer, or cancelled because of payment or redemption on or prior to that date;

(b) Bonds, or the portion thereof, for the payment, redemption or purchase for cancellation of which sufficient monies have been deposited and credited with the Trustee or any Paying Agents on or prior to that date for that purpose (whether upon or prior to the maturity or redemption date of those Bonds); provided, that if any of those Bonds are to be redeemed prior to their maturity, notice of that redemption shall have been given or arrangements satisfactory to the Trustee shall have been made for giving notice of that redemption, or waiver by the affected Owners of that notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(c) Bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of the Indenture; and

(d) Bonds in lieu of which others have been authenticated under the Indenture.

"*Owner*" or "Bondowner" or "Owner of a Bond" means the Person in whose name a Bond is registered on the Register.

"*Paying Agent*" means any bank or trust company designated as a Paying Agent by or in accordance with the Indenture.

"*Permitted Investments*" means:

(a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. <u>U.S. Export-Import Bank (Eximbank)</u>
   Direct obligations or fully guaranteed certificates of beneficial ownership;

2. <u>Farmers Home Administration (FmHA)</u>
   Certificates of beneficial ownership;

3. Federal Financing Bank;

4. Federal Housing Administration Debentures (FHA);

5. General Services Administration Participation certificates;

6. Government National Mortgage Association (GNMA or "*Ginnie Mae*")
GNMA — guaranteed mortgage-backed bonds, and
GNMA — guaranteed pass-through obligations (participation certificates) (not acceptable for certain cash-flow sensitive issues);

7. U.S. Maritime Administration Guaranteed Title XI financing; and

8. U.S. Department of Housing and Urban Development (HUD)
Project Notes,
Local Authority Bonds, New Communities Debentures — U.S. government guaranteed debentures, and
U.S. Public Housing Notices and Bonds — U.S. government guaranteed public housing notes and bonds;

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
Senior debt obligations (Consolidated debt obligations);

2. Federal Home Loan Mortgage Corporation (FHLMC or "*Freddie Mac*")
Participation Certificates (Mortgage-backed securities), and Senior debt obligations;

3. Federal National Mortgage Association (FNMA or "*Fannie Mae*")
Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal);

4. Farm Credit System
Consolidated systemwide bonds and notes;

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of "AAAm-G," "AAA-m" or "AA-m" and if rated by Moody's rated "Aaa," "Aa1" or "Aa2";

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above; certificates of deposit must have a one year or less maturity; such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks whose short term obligations are rated "A-1+" or better by S&P and "Prime-1" by Moody's; the collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral;

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the Federal Deposit Insurance Corporation, including the Bank Insurance Fund and the Savings Association Insurance Fund;

(g) Investment agreements, including guaranteed investment contracts, forward purchase agreements and reserve fund put agreements;

(h) Commercial paper rated "Prime-1" by Moody's and "A-1+" or better by S&P;

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest long-term rating categories assigned by such agencies;

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1+" by S&P;

(k) Repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date, and which satisfy the following criteria:

1. Repurchase agreements must be between the municipal entity and a dealer bank or securities firm;

i. Primary dealers on the Federal Reserve reporting dealer list which are rated "A" or better by S&P and Moody's, or

ii. Banks rated "A" or above by S&P and Moody's;

2. The written repurchase agreement must include the following:

i. Securities which are acceptable for transfer are: (A) Direct U.S. governments, or (B) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC);

ii. The term of the repurchase agreement may be up to 180 days;

iii. The collateral must be delivered to the municipal entity, trustee (if the trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities);

iv. The trustee has a perfected first priority security interest in the collateral;

v. Collateral is free and clear of third-party liens and in the case of SIPC broker was not acquired pursuant to a repurchase agreement or reverse repurchase agreement;

vi. Failure to maintain the requisite collateral percentage, after a two day restoration period, will require the trustee to liquidate collateral; and

vii. Valuation of Collateral:

(A) The securities must be valued at least weekly, marked-to-market at current market price plus accrued interest; and

(B) The value of collateral must be equal to 102% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repurchase agreement plus accrued interest; if the value of securities held as collateral slips below 102% of the value of the cash transferred by the Trustee, then additional cash and/or acceptable securities must be transferred; and

(l) Pre-refunded municipal bonds rated no lower than direct obligations of the United States of America by Moody's and by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or pre- refunded municipals rated no lower than direct obligations of the United States of America by S&P to satisfy this condition;

provided that any investment or deposit described above is not prohibited by applicable law.

"*Person*" or words importing persons mean firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

"*President*" means the President of the Board of Directors of the Corporation.

"*Principal Payment Date*" means, as to the Bonds, July 1 in the years specified herein for the stated amount of principal to be retired at maturity, or any other date on which the principal of the Bonds is payable as a result of redemption.

"*Project*" means the real and personal property financed or refinanced pursuant to the Loan Agreement.

"*Register*" means the books kept and maintained by the Registrar for registration and transfer of Bonds pursuant to the Indenture.

"*Registrar*" means the Trustee, until a successor Registrar shall have become such pursuant to applicable provisions of the Indenture which shall be a transfer agent registered in accordance with Section 17(A)(c) of the Securities Exchange Act of 1934, as amended.

"*Revenue Fund*" means the Revenue Fund established pursuant to the Indenture.

"*Revenues*" means (a) Loan Payments with respect to the Bonds due under the Loan Agreement, (b) all other monies with respect to the Bonds received or to be received by the Corporation or the pursuant to the Loan Agreement, including without limitation monies and investments in the Bond Fund, the Interest Fund and the Revenue Fund, and (c) all income and profit from the investment of the foregoing monies. The term "Revenues" does not include any monies or investments in the Rebate Fund, as that term is defined in the Indenture.

"*Secretary*" means the Secretary-Treasurer of the Board of Directors of the Corporation.

"*Supplemental Indenture*" means any indenture supplemental to the Indenture entered into between the Corporation and the Trustee in accordance with the Indenture.

"*Unassigned Corporation's Rights*" means all of the rights of the Corporation to receive additional payments under the Loan Agreement and to give or withhold consent to amendments, changes, modifications and alterations of the Loan Agreement and its right to enforce such rights.

Summary of Certain Provisions of the Indenture

The following, along with the information included under the heading "THE BONDS," is a summary of certain provisions of the Indenture. This summary does not purport to be complete, and reference is made to the Indenture for a full and complete statement of such provisions. Capitalized terms used in this summary are defined in the Indenture and have the same meaning herein as therein unless the context hereof requires some other meaning.

Pledge and Security. To secure the payment of Bond Service Charges, the Corporation has absolutely assigned to the Trustee the following described property (i) all rights and interests of the Corporation, in, under and pursuant to the Loan Agreement, except for Unassigned Corporation's Rights, including any supplements thereto, the Corporation, however, to remain liable to observe and perform all the conditions and covenants in said Loan Agreement provided to be observed and performed by it, (ii) all of the payments, rents, issues and profits payable to or received by the Corporation pursuant to such Loan Agreement described in (i) above, including without limitation, all of the applicable Loan Payments and the amounts to be paid to the Corporation or the Trustee under the terms of such Loan Agreement; and (iii) the applicable Revenues; excluding, however, any money or investments in the applicable Rebate Fund.

Receipt of Revenues. The amounts to be paid by the City with respect to the Bonds pursuant to the terms of the Loan Agreement have been assigned by the Corporation to the Trustee so that such monies shall be paid by the City directly to the Trustee, and the Trustee shall credit such monies to the Revenue Fund. The Trustee shall, at least 15 days prior to the date amounts are due pursuant to the Loan Agreement, determine the amount required to be deposited for the next such payment which shall be the sum of (i) the amount which, when added to the monies in the Revenue Fund available for the payment of Bond Service Charges, is sufficient to pay into the Interest Fund and Bond Fund, respectively, the amounts due therein on the next Interest Payment Date and Principal Payment Date (if such Loan Payment Date is a Principal Payment Date), and (ii) any other amounts due and payable from the Corporation under the Indenture. The Trustee shall inform the City, 15 business days prior to any date amounts are due pursuant to the Loan Agreement, of the amount required to be deposited by the City to pay such amount.

Flow of Funds. The Trustee shall make transfers from the Revenue Fund as follows:

(i) Interest Fund: On each Interest Payment Date, the Trustee shall deposit in the Interest Fund an amount equal to the amount of the interest becoming due and payable on the Outstanding Bonds on said Interest Payment Date, and each such deposit shall be made so that adequate monies for the payment of interest will be available in such account on each date that interest payments are to be made under the Indenture. Money in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable.

(ii) Bond Fund: On each Principal Payment Date, the Trustee shall deposit in the Bond Fund the principal of the Bonds as each amount shall become due and payable.

Investment of Bond Fund, Revenue Fund, and Interest Fund. Monies in the Bond Fund, Revenue Fund and Interest Fund, (collectively, the "*Funds*") shall be invested, sold and reinvested by the Trustee in Permitted Investments at the oral or written direction of the City Representative or, in the absence of any such oral or written request, in *First American Funds Government Obligations (Class D)* until the Trustee receives written directions. The Trustee must give notice to the City that any fund is so invested as a result of the City not providing investment direction, and the Trustee shall not be liable for losses resulting from failure to promptly give such notice. An investment made from monies credited to the Funds is a part of that respective fund, and those investments shall be valued at face amount or market value, whichever is less. Each investment of monies in the Funds shall mature or be redeemable at such time as may be necessary to make the required payments from such Funds. Amounts credited to any Fund may be invested, together with amounts credited to one or more other Funds, in the same Permitted Investment, provided that (i) each such investment complies in all respects with the provisions of the Indenture as they apply to each Fund for which the joint investment is made and (ii) the Trustee maintains separate records for each Fund and such investments are accurately reflected therein. Any of those Permitted Investments may be purchased from or sold to the Trustee, the Registrar, an Authenticating Agent or a Paying Agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee shall sell at the best price obtainable, or present for redemption, any Permitted Investment purchased by it as an investment whenever it shall be necessary in order to provide monies to meet any payment or transfer from the fund or account for which such investment was made.

The City shall not knowingly direct the Trustee to make any investment at a yield in excess of the maximum yield, if any, stated in the Tax Certificate executed pursuant to Section 148 of the 1986 Code, except during any "temporary period" stated in the Tax Certificate, and the Trustee shall keep accurate records of such investments and yields. The Trustee shall be entitled to rely upon any investment direction provided to it by the City as a certification to the Trustee that such investments constitute Permitted Investments. The Trustee may elect, but shall not be obligated, to credit the funds and accounts held by it with monies representing income or principal payments due on, or sales proceeds due in respect of, Permitted Investments in such funds and accounts, or to credit to receiving the requisite monies from the payment source, or to otherwise advance funds for account transactions. The City acknowledges that the legal obligation to pay the purchase price of any Permitted Investments arises immediately at the time of the purchase. Notwithstanding anything else in the Indenture, (i) any such crediting of funds or assets shall be provisional in nature, and the Trustee shall be authorized to reverse any such transaction or advances of funds in the vent that it does not receive good funds with respect thereto, and (ii) nothing in the Indenture shall constitute a waiver of the Trustee's rights as a securities intermediary under Uniform Commercial Code Section 9-206. Ratings of Permitted Investments shall be determined at the time of initial purchase of such Permitted Investments and without regard to ratings subcategories and the Trustee shall have no responsibility to monitor the ratings of Permitted investments after the initial purchase of such Permitted Investments, including at the time of reinvestment of earnings thereof.

Enforcement of Revenue Pledge. As provided in the Loan Agreement, the Trustee shall have the right of specific performance of the pledge of receipts and revenues of the City described in the Loan Agreement by appropriate court action, in the name of the Trustee on behalf of the Owners of the Bonds, in the name of the Corporation, or in the names of both. Nothing contained in the Indenture or the Loan Agreement shall be deemed to create a lien of any kind upon the Project or any other property acquired with the proceeds of the Bonds.

Intervention by the Trustee. The Trustee may intervene on behalf of the Owners, and shall intervene if requested to do so in writing by the Owners of at least 25 percent of the aggregate principal amount of the Bonds then Outstanding, in any judicial proceeding to which the Corporation or the City is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Owners of the Bonds. The rights and obligations of the Trustee are subject to the approval of that intervention by a court of competent jurisdiction. The Trustee may require that a satisfactory indemnity bond be provided to it in accordance with the Indenture before it takes such action.

Removal of the Trustee. The Trustee may be removed at any time by the City, or by an instrument or document or concurrent instruments or documents in writing delivered to the Trustee with copies thereof mailed to the Corporation, the Registrar and any Paying Agents and signed by or on behalf of the Owners of not less than 25 percent in aggregate principal amount of the Bonds then Outstanding. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any material provision of the Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Corporation or the Owners of not less than 25 percent in aggregate principal amount of the Bonds then Outstanding. Such removal of the Trustee shall not be effective until a successor has been appointed and has accepted the duties of the Trustee.

Appointment of Successor Trustee. A successor Trustee shall be appointed by the Corporation if (i) the Trustee shall resign, shall be removed, shall be dissolved, or shall become otherwise incapable of acting under the Indenture, (ii) the Trustee shall be taken under the control of any public officer or officers, or (iii) a receiver shall be appointed for the Trustee by a court; provided, that if a successor Trustee is not so appointed within ten business days after (a) a notice of resignation or an instrument or document of removal is received by the Corporation, as provided in the Indenture, respectively, or (b) the Trustee is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, so long as the Corporation shall not have appointed a successor Trustee, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding may designate a successor Trustee by an instrument or document or concurrent instruments or documents in writing signed by or on behalf of those Owners as described in the Indenture. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions, the Owner of any Bond Outstanding or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Events of Default. The occurrence of any of the following events is defined as and declared to be and to constitute an Event of Default under the Indenture:

(i) Payment of any interest on any Bond shall not be made when and as that interest shall become due and payable;

(ii) Payment of the principal of or any premium on any Bond shall not be made when and as that principal or premium shall become due and payable, whether at stated maturity, by redemption or otherwise;

(iii) Failure by the Corporation to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in the Indenture or in the Bonds, which failure shall have continued for a period of 30 days after written notice of such failure, by registered or certified mail, shall have been given to the Corporation and the City, requesting that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Owners of not less than 25 percent in aggregate principal amount of Bonds then Outstanding;

(iv) The occurrence and continuance of any event of default as defined in the Loan Agreement; and

(v) The occurrence of an Event of Bankruptcy as to the Corporation or the Corporation shall: (a) commence a proceeding under any federal or State insolvency, reorganization or similar law, or having such a proceeding commenced against it and either having an order of insolvency or reorganization entered against it or having the proceeding remain undismissed and unstayed for 90 days or (b) have a receiver, conservator, liquidator or trustee appointed for it or for the whole or any substantial part of its property. The declaration of an Event of Default under this provision and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal or State law affecting or precluding such declaration or exercise during the pendency of or immediately following any liquidation or reorganization proceedings.

Notice of Default. If an Event of Default shall occur, the Responsible Officer of the Trustee shall give written notice of the Event of Default, by registered or certified mail, to, among others, the Corporation, the City, the Registrar, and any Paying Agent, within five days after the Trustee has notice of the Event of Default. If a Responsible Officer of the Trustee has notice pursuant to the Indenture of an Event of Default, the Responsible Officer of the Trustee shall give written notice thereof, within 30 days after a Responsible Officer of the Trustee's receipt of notice of its occurrence, to the Owners of all Bonds then Outstanding and affected thereby as shown by the Register at the close of business 15 days prior to the mailing of that notice; provided that, except in the case of a default in the payment of the principal of or any premium or interest on any Bond, or the occurrence of an Event of Bankruptcy as to the Corporation, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or Responsible Officers of the Trustee in good faith determine that the withholding of notice to the Owners is in the interests of the Owners.

Remedies; No Right of Acceleration. If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may, and upon request of the Owners affected thereby as provided in the Indenture shall, exercise the remedy granted pursuant to the Loan Agreement; provided, however, that notwithstanding anything therein or in the Indenture to the contrary, there shall be no right under any circumstances to accelerate the maturities of the Bonds, or otherwise to declare any amounts due pursuant to the Loan Agreement not then past due or in default to be immediately due and payable.

Application of Monies. After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of monies pursuant to any right given or action taken under the provisions of the Indenture or the provisions of the Loan Agreement (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under the Indenture) and after any required deposit into the Rebate Fund, all monies received by the Trustee, unless the principal of all of the Bonds shall have become due and payable, shall be deposited in the Revenue Fund and shall be applied:

First — To the Interest Fund for the payment to the Owners entitled thereto of all installments of interest then due on the Bonds, in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Owners entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds, and

Second — To the Bond Fund for the payment to the Owners entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds previously called for redemption for the payment of which monies are held pursuant to the provisions of the Indenture), whether at stated maturity or by redemption, in the order of their due dates, beginning with the earliest due date, with interest on those Bonds from the respective dates upon which they may become due at the rates specified in those Bonds, and if the amount available is not sufficient to pay in full all Bonds due on any particular date, together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Owners entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

If principal of all the Bonds shall have become due, all of those monies shall be deposited in the Bond Fund and shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest, of interest over principal, of any installment of interest over any other installment of interest, or of any Bonds over any other Bonds, ratably, according to the amounts due respectively for principal and interest, to the Owners entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

Whenever monies are to be applied pursuant to the provisions of the Indenture, those monies shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of monies available for application and the likelihood of additional monies becoming available for application in the future. Whenever the Trustee shall direct the application of those monies, it shall fix the date upon which the application is to be made, and upon the date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided that the monies are available therefor. The Trustee shall give notice of the deposit with it of any monies and of the fixing of that date, all consistent with the requirements of the Indenture for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of and any premium on a Bond to the Owner thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

Remedies Vested in Trustee. All rights of action (including without limitation, the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto. The sole remedy of the Trustee under the Indenture is that of specific performance as set forth in the Indenture and the Loan Agreement. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Owners as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Owners of the Outstanding Bonds, entitled thereto, subject to the provisions of the Indenture.

Rights and Remedies of Owners. An Owner shall not have any right to institute any suit, action or proceeding for the enforcement of the Indenture, for the execution of any trust of the Indenture, or for the exercise of any other remedy under the Indenture, unless:

(i) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in the Indenture or of which it is deemed to have notice pursuant to the Indenture;

(ii) the Owners of at least 25 percent in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted in the Indenture or to institute the suit, action or proceeding in its own name, and shall have offered indemnity to the Trustee as provided in the Indenture; and

(iii) the Trustee thereafter shall have failed or refused to exercise the remedies, rights and powers granted in the Indenture or to institute the suit, action or proceeding in its own name.

No one or more Owners of the Bonds shall have any right to affect, disturb or prejudice the security or benefit of the Indenture by its or their action, or to enforce, except in the manner provided in the Indenture, any remedy, right or power under the Indenture. Any suit, action or proceedings shall be instituted, had and maintained in the manner provided in the Indenture for the benefit of the Owners of all Bonds then Outstanding. Nothing in the Indenture shall affect or impair, however, the right of any Owner to enforce the payment of the Bond Service Charges on any Bond owned by that Owner at and after the maturity thereof, at the place, from the sources and in the manner expressed in that Bond.

Supplemental Indentures Not Requiring Consent of Owners. Without the consent of, or notice, to, any of the Owners, the Corporation Representative on behalf of the Corporation and the Trustee may enter into certain indentures supplemental to the Indenture as provided in the Indenture which shall not, in the opinion of the Corporation Representative and the Trustee, be inconsistent with the terms and provisions of the Indenture.

Supplemental Indentures Requiring Consent of Owners. Exclusive of Supplemental Indentures to which reference is made in the preceding paragraph and subject to the terms, provisions and limitations contained in this paragraph, and not otherwise, with the consent of the Owners of not less than a majority in aggregate principal amount of Bonds at the time Outstanding, evidenced as provided in the Indenture, the Corporation and the Trustee may also execute and deliver Supplemental Indentures adding any provisions to, changing in any manner or eliminating any of the provisions of the Indenture or any Supplemental Indentures or restricting in any manner the rights of the Owners. Nothing in this paragraph or the preceding paragraph shall permit:

(i) without the consent of the Owner of each Bonds so affected, (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond, or the rate of interest or premium thereon, or

(ii) without the consent of the owners of all Bonds then Outstanding, (a) the creation of a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (b) a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture.

If the Corporation shall request that the Trustee execute and deliver any Supplemental Indenture for any of such purposes of the Indenture, upon being satisfactorily indemnified with respect to its expenses in connection therewith, the Trustee shall cause notice of the proposed execution and delivery of the Supplemental Indenture to be mailed by first class mail, postage prepaid, and to all Owners of Bonds affected thereby then Outstanding at their addresses as they appear on the Register at the close of business on the fifteenth day preceding that mailing. The Trustee shall not be subject to any liability to any Owner by reason of the Trustee's failure to mail, or the failure of any Owner to receive, the notice required by this Section. Any failure of that nature shall not affect the validity of the Supplemental Indenture when there has been consent thereto as provided in this Section. The notice shall be prepared by the Corporation, shall set forth briefly the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners. If the Trustee shall receive, within a period prescribed by the Corporation, of not less than 60 days, but not exceeding one year, following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (which instrument or document or instruments or documents shall refer to the proposed Supplemental Indenture in the form described in the notice and specifically shall consent to the Supplemental Indenture in substantially that form), the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Indenture in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Owner, regardless of whether that Owner shall have consented thereto. Any consent shall be binding upon the Owner of the Bond giving the consent and, notwithstanding anything in the Indenture to the contrary, upon any subsequent Owner of that Bond and of any Bond issued in exchange therefor (regardless of whether the subsequent Owner has notice of the consent to the Supplemental Indenture). A consent may be revoked in writing, however, by the Owner who gave the consent or by a subsequent Owner of the Bond by a revocation of such consent received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Indenture. At any time after the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Corporation a written statement that the Owners of the required percentage of Bonds have filed those consents. That written statement shall be conclusive evidence that the consents have been so filed. If the Owners of the required percentage in aggregate principal amount of Bonds Outstanding shall have consented to the Supplemental Indenture, as provided above, no Owner shall have any right (i) to object to (a) the execution or delivery of the Supplemental Indenture, (b) any of the terms and provisions contained therein, or (c) the operation thereof, (ii) to question the propriety of the execution and delivery thereof, or (iii) to enjoin or restrain the Trustee or the Corporation from that execution or delivery or from taking any action pursuant to the provisions thereof.

Modification by Unanimous Consent. Notwithstanding anything contained elsewhere in the Indenture, the rights and obligations of the Corporation and of the Owners, and the terms and provisions of the Bonds and the Indenture or any Supplemental Indenture may be modified or altered in any respect with the consent of (i) the Corporation, (ii) the Owners of all of the Bonds then Outstanding, and (iii) the Trustee.

Release of Indenture. If (i) the Corporation shall pay all of the Outstanding Bonds, or shall cause them to be paid and discharged, or if there otherwise shall be paid to the Owners of the Outstanding Bonds, all Bond Service Charges due or to become due thereon, and (ii) provision also shall be made for the payment of all other sums payable under the Indenture, then the Indenture shall cease, determine and become null and void (except as otherwise provided in the Indenture), and the covenants, agreements and obligations of the Corporation under the Indenture shall be released, discharged and satisfied. Thereupon, and subject to the other provisions of the Indenture then applicable,

(i) the Trustee shall release the Indenture (except for those provisions surviving otherwise by reason of the Indenture), and shall execute and deliver to the Corporation any instruments or documents in writing as shall be requisite to evidence that release and discharge or as reasonably may be requested by the Corporation, and

(ii) the Trustee and any other Paying Agents shall assign and deliver to the City any property subject at the time to the pledge of the Indenture which then may be in their possession, except amounts in the Bond Fund required otherwise to be held by the Trustee and the Paying Agents under the Indenture or otherwise for the payment of Bond Service Charges.

Payment and Discharge of Bonds. All or any part of the Bonds shall be deemed to have been paid and discharged within the meaning of the Indenture if:

(i) the Trustee as paying agent and any Paying Agents or any qualified trustee shall have received, in trust for and irrevocably committee thereto, sufficient monies, or

(ii) the Trustee or any qualified trustee shall have received, in trust for and irrevocably committed thereto, noncallable Defeasance Obligations which are certified by an Independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient together with any monies to which reference is made above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided in the Indenture), for the payment of all Bond Service Charges on those Bonds, at their maturity or redemption dates, as the case may be, or if a default in payment shall have occurred on any maturity date, then for the payment of all Bond Service Charges thereon to the date of the tender of payment to the Owners of the Bonds as to which such default exists; provided, that if any of those Bonds are to be redeemed prior to the maturity thereof, notice of that redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of that notice and if a forward supply contract is employed in connection with such defeasance, (i) such verification report shall expressly state that the adequacy of the escrow relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement shall be controlling.

Any monies held by the Trustee or any qualified trustee in accordance with these provisions may be invested by the Trustee or such other trustee only in obligations described above having maturity dates, or having redemption dates which, at the option of the owner of those obligations, shall be not later than the date or dates at which monies will be required for the purposes described above. To the extent that any income or interest earned by, or increment to, the investments held under these provisions is determined in accordance with the certification described in the Indenture, from time to time by the Trustee or any qualified trustee to be in excess of the amount required to be held by the Trustee or any qualified trustee for the purposes of this Section, that income, interest or increment shall be transferred at the time of that determination to the City.

If any Bonds shall be deemed paid and discharged pursuant to these provisions, then within 15 days after such Bonds are so deemed paid and discharged the Trustee or such other trustee shall cause a written notice to be given to each Owner as shown on the Register on the date on which such Bonds are deemed paid and discharged. Such notice shall state the numbers of the Bonds deemed paid and discharged or state that all of the Bonds are deemed paid and discharged, set forth a description of the obligations held pursuant to the Indenture and specify any date or dates on which any of the Bonds are to be redeemed pursuant to notice of redemption given or irrevocable provisions made for such notice pursuant to the Indenture.

Maintenance of Offices for Payment. So long as the Bonds or any of them shall be Outstanding, the Corporation shall cause offices or agencies where the Bonds may be presented for payment to be maintained in the City or at the office of the Trustee as provided in the form of the Bonds.

Payments Due on Saturdays, Sundays and Holidays. If any Interest Payment Date or Principal Payment Date is a Saturday, Sunday or a day on which (i) the Trustee is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed, then payment of Bond Service Charges need not be made by the Trustee or any Paying Agent on that date, but that payment may be made on the next succeeding business day on which the Trustee and the Paying Agent are open for business with the same force and effect as if that payment were made on the Interest Payment Date or Principal Payment Date, and no interest shall accrue for the period after such Interest Payment Date, or (ii) a Paying Agent is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed, then payment of Bond Service Charges need not be made by that Paying Agent on that date, but that payment may be made on the next succeeding business day on which that Paying Agent is open for business with the same force and effect as if that payment were made on the Interest Payment Date or Principal Payment Date, and no interest shall accrue for the period after that date; provided, that if the Trustee is open for business on the applicable Interest Payment Date or Principal Payment Date, it shall make any payment required under the Indenture with respect to payment of Bond Service Charges on Bonds presented to it for payment, regardless of whether any Paying Agent shall be open for business or closed on the applicable Interest Payment Date or Principal Payment Date.

Summary of Certain Provisions of the Loan Agreement

The following is a summary of certain provisions of the Loan Agreement. This summary is not purported to be complete, and reference is made to the full text of the Loan Agreement for a complete recital of its terms, including definitions of capitalized terms herein.

General. The Loan Agreement has been entered into between the City as obligor and the Corporation as lender. The real and personal property comprising the Project has been financed or refinanced, as applicable, pursuant to the loan from the Corporation to the City. The Loan Agreement contains the terms and conditions under which the Project is financed or refinanced.

Loan Payments. On each Loan Payment Date, the City will pay to the Trustee, in lawful money of the United States of America, the Loan Payment with respect to the Bonds for such Loan Payment Date, such Loan Payment being the amount necessary to pay debt service on all Bonds Outstanding under the Indenture on the next Bond Payment Date together with any other amounts due under the Loan Agreement with respect to the Bonds.

The obligation of the City to make the Loan Payments is absolute and unconditional but does not constitute a general obligation of the City and does not constitute an indebtedness of the City, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation restrictions. The City's obligation to make the Loan Payments is enforceable solely against the Excise Taxes. The City may, at its sole option, make Loan Payments from other funds as permitted by law, but the Corporation shall have no claim to such other funds.

Additional Payments. In the event that the City should fail for any reason to make any payment or perform any obligations under the Loan Agreement with respect to the Bonds, the Corporation, or the Trustee on its behalf, may at its own option make any such payment or perform any such duty. The amount of such payment and all expenses reasonably incurred by the Corporation and the Trustee in making such payment and performing such duty shall be paid by the City immediately upon receipt by the City of invoices sent to the City by the Corporation or the Trustee. In the event the City should fail to pay when due any of the amounts required by the Loan Agreement, the amount in default shall remain an obligation of the City payable solely from the Excise Taxes, until the amount in default is fully paid.

Option to Prepay. The City may prepay all or a part of the Loan to the extent and in the manner permitted by the Indenture. If such prepayment complies with the Indenture, the Corporation agrees to accept such prepayment as directed by the City. No other prepayment of the Loan shall be permitted.

Parity Obligations. Under the Loan Agreement, the City reserves the right to incur obligations payable from the Excise Taxes in the future on a parity with the obligations to make Loan Payments thereunder, but only if upon the incurring of such future obligation or obligations the following conditions are met:

(a) The pledged Excise Taxes received by the City during the completed fiscal year immediately preceding the incurring of the proposed parity obligation are at least equal to the highest combined total, for any succeeding 12 month period, of amounts due on Senior Obligations and Junior Obligations during such period plus two times the interest and principal requirements for all Bonds and parity obligations then outstanding and all proposed parity obligations to be secured by a pledge of taxes during such period using the applicable maximum interest rates where variable rate obligations are involved in such computations; and

(b) The City shall certify through its Finance Director or other appropriate official that it is not in default on any payment under the Loan Agreement or with respect to any obligation described and included therein.

Additional Senior or Junior Obligations. Under the Loan Agreement, as long as the Bonds remain outstanding and the principal and interest thereon shall be unpaid or unprovided for, the City covenants that it will not further encumber the Excise Taxes pledged under the Loan Agreement on a basis senior to the subordinated junior lien pledge to make Loan Payments unless the Excise Taxes collected in the next preceding fiscal year shall have amounted to at least two times the highest combined interest and principal requirements for any succeeding 12-month period for all outstanding Senior Obligations, Junior Obligations, the Bonds and any obligations on a parity therewith and for any Senior Obligations or Junior Obligations so proposed to be secured by a pledge of the Excise Taxes.

Assignment. The City shall not assign, transfer, pledge or grant a security interest in the Loan Agreement without the prior written consent of the Trustee. The City shall at all times remain liable for the performance of all the covenants and conditions on its part to be performed, notwithstanding any assigning or transferring which may be made.

Pursuant to the Indenture the Corporation's rights under the Loan Agreement, including the right to receive and enforce payment of the Loan Payments to be made by the City, have been assigned to the Trustee for the benefit of the owners of the Bonds.

Defaults and Remedies. The following are events of default under the Loan Agreement:

(a) Failure by the City to pay any Loan Payment or other payment required to be paid with respect to the Bonds under the Loan Agreement at the time specified therein;

(b) Failure by the City to observe and perform any other covenant and condition on its part to be observed or performed under the Loan Agreement for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Corporation or the Trustee; and

(c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City to promptly lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the federal bankruptcy laws.

Upon the occurrence and continuance of an event of default, the Corporation will be entitled to enforce the Loan Agreement by appropriate action to collect any amounts due and owing or to cause the City to perform its other obligations under the Loan Agreement. The Corporation's sole remedy under the Loan Agreement is that of specific performance. Notwithstanding anything in the Loan Agreement or in the Indenture to the contrary, there shall be no right under any circumstances to accelerate or otherwise to declare any Loan Payment not then past due or in default to be immediately due and payable. The City shall be liable for all expenses and costs which the Corporation incurs or may incur in connection with the enforcement of any of its remedies in the Loan Agreement, including reasonable attorney's fees to the extent permitted by law.

Tax Covenants. Under the Loan Agreement, the City and the Corporation covenant that each shall not make use of the Project or the proceeds of the Bonds or take any action which would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Amendments to Loan Agreement. The Corporation and the Trustee may, without the consent of or notice to any of the Owners, consent to and join with the City in the execution and delivery of any amendment, change or modification of the Loan Agreement; provided the Trustee reserves an opinion of nationally recognized bond counsel to the affect that such amendment (i) does not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes and (ii) does not materially adversely affect the interests of the owners provided that no such opinion shall be required for any amendment to the description of the Projects.

APPENDIX H

Proposed Form of Legal Opinion of Bond Counsel

Letterhead of Squire Patton Boggs (US) LLP.

[Closing Date]

To: City of Phoenix Civic Improvement Corporation
Phoenix, Arizona

We have served as bond counsel to our client the City of Phoenix Civic Improvement Corporation (the *"Corporation"*) and not as counsel to any other person in connection with the issuance by the Corporation of its $ City of Phoenix Civic Improvement Corporation Subordinated Excise Tax Revenue Bonds, Series 2022 (the *"Bonds"*), dated the date of this letter.

The Bonds are issued pursuant to a Subordinated Trust Indenture dated as of August 1, 2022 (the *"Indenture"*), between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the *"Trustee"*). Capitalized terms not otherwise defined in this letter are used as defined in the Indenture.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, a copy of the signed and authenticated Bond of the first maturity of each series, the Indenture, the Subordinated Loan Agreement dated as of August 1, 2022 (the *"Loan Agreement"*), between the Corporation and the City of Phoenix, Arizona (the *"City"*) and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Bonds, the Indenture and the Loan Agreement are valid and binding obligations of the Corporation, enforceable in accordance with their respective terms.

2. The Bonds constitute special obligations of the Corporation, and the principal of and interest and any premium on (collectively, *"debt service"*) the Bonds, together with debt service on any other obligations issued and outstanding on a parity with the Bonds as provided in the Indenture, are payable from and secured solely by the revenues and other monies pledged and assigned by the Indenture to secure that payment. These revenues and other monies include certain payments required to be made by the City under the Loan Agreement, and the City's obligation to make those payments is secured by a pledge of certain excise taxes levied and collected by the City and shared taxes received by the City from the State of Arizona. The Indenture creates the pledge it purports to create in the pledged revenues and other monies in the funds and accounts created by the Indenture, which pledge will be perfected only as to the revenues and other monies on deposit in the funds and accounts created by the Indenture. The Bonds and the payment of debt service are not secured by an obligation or pledge of any monies raised by taxation other than the specified taxes and shared taxes; the Bonds do not represent or constitute a debt or pledge of the general credit of the Corporation, the City or the State of Arizona; and the Loan Agreement, including the City's obligation to make the payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the *"Code"*) and is not an item of tax preference for purposes of the federal alternative minimum tax. The interest on the Bonds is exempt from Arizona state income tax so long as that interest is excluded from gross income for federal income tax purposes. We express no opinion as to any other tax consequences regarding the Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Corporation, and (iii) the correctness of the legal conclusions contained in the legal opinion letter of counsel to the City delivered in connection with this matter.

In rendering those opinions with respect to treatment of the interest on the Bonds under the federal and state tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Corporation and the City. Failure to comply with certain of those covenants subsequent to issuance of the Bonds may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture and the Loan Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery, and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Bonds is concluded upon delivery of this letter.

Respectfully submitted,

APPENDIX I

Form of Continuing Disclosure Undertaking

This Continuing Disclosure Undertaking, dated , 2022 (the *"Undertaking"* or the *"Agreement"*), is executed and delivered by the City of Phoenix, Arizona (the *"City"*), in connection with the issuance of $ Subordinated Excise Tax Revenue Bonds, Series 2022 (the *"Bonds"*). The Bonds are being issued pursuant to a Subordinated Trust Indenture, dated as of August 1, 2022 (the *"Indenture"*), between the City of Phoenix Civic Improvement Corporation (the *"Corporation"*) and U.S. Bank Trust Company, National Association, as trustee (the *"Trustee"*). The City covenants and agrees as follows:

1. *Purpose of this Undertaking*. This Undertaking is executed and delivered by the City as of the date set forth above, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. *Definitions*. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

"*Annual Financial Information*" means the financial information and operating data set forth in Exhibit I.

"Annual Financial Information Disclosure" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"*Audited Financial Statements*" means the audited financial statements of the City prepared pursuant to the standards and as described in Exhibit I.

"*Commission*" means the Securities and Exchange Commission.

"*Dissemination Agent*" means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent's successors and assigns.

"*EMMA*" means the Electronic Municipal Market Access system of the MSRB. As of the date of this Disclosure Undertaking, information regarding submissions to EMMA is available at http://emma.msrb.org.

"*Event*" means the occurrence of any of the events set forth in Exhibit II.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"Financial Obligations" means a debt obligation, a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or a guarantee of a debt obligation or derivative. The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*Listed Event*" means the occurrence of events set forth in Exhibit II provided that with respect to any Event qualified by the phrase "if material," materially shall be interpreted under the Exchange Act. If an Event is not qualified by the phrase "if material," such Event shall in all cases be material.

"*Listed Events Disclosure*" means dissemination of disclosure concerning a Listed Event as set forth in Section 5.

"*Loan Agreement*" means the Loan Agreement, dated as of August 1, 2022, between the City and the Corporation.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Participating Underwriters*" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

"*Rule*" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*State*" means the State of Arizona.

"*Undertaking*" means the obligations of the City pursuant to Sections 4 and 5 hereof.

3. *CUSIP Number/Final Official Statement*. The CUSIP Numbers of the Bonds are as follows:

Subordinated Excise Tax Revenue Bonds,
Series 2022

Maturity Date	CUSIP No. *	Coupon	Maturity Date	CUSIP No. *	Coupon
7/1/20__	71884	%	7/1/20__	71884	%

* CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("*CGS*") is managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. Copyright© 2022 CUSIP Global Services. All rights reserved. CUSIP® numbers are provided for convenience of reference only. None of the City, the Financial Advisor of the City, the Participating Underwriters or their respective counsel or agents takes responsibility for the accuracy of such numbers.

The Final Official Statement relating to the Bonds is dated , 2022 (the "*Final Official Statement*").

4. *Annual Financial Information Disclosure*. Subject to Section 9 of this Undertaking, the City shall disseminate its Annual Financial Information and its Audited Financial Statements, if any, (in the form and by the dates set forth in Exhibit I) to the MSRB through EMMA in an electronic format as prescribed by the MSRB. The City is required to deliver such information in such manner and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. *Listed Events Disclosure*. Subject to Section 9 of this Undertaking, the City hereby covenants that it will disseminate in a timely manner not in excess of ten business days after the occurrence of the event, Listed Events

Disclosure to the MSRB through EMMA in an electronic format as prescribed by the MSRB. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any of the Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

6. *Duty to Update*. The City shall determine, in the manner it deems appropriate, the address of EMMA or such alternate repository specified by the MSRB each time it is required to file information with such entities.

7. *Consequences of Failure of the City to Provide Information*. The City shall give notice in a timely manner and within ten business days after the occurrence of such failure to the MSRB through EMMA, of any failure to provide Annual Financial Information Disclosure in the manner and at the time required.

In the event of a failure of the City to comply with any provision of this Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an Event of Default under the Loan Agreement or the Indenture, and the sole remedy available to Bondholders under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

8. *Amendments; Waiver*. Notwithstanding any other provision of this Agreement, the City by certified resolution or ordinance authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived only if:

(a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) This Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City (such as the Trustee) or by approving vote of the Bondholders pursuant to the terms of the Indenture at the time of the amendment.

The Annual Financial Information containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the generally accepted accounting principles ("*GAAP*") to be followed in preparing financial statements and such changes are material, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles in the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. If the accounting principles of the City change or the Fiscal Year of the City changes, the City shall file a notice of such change in the same manner as for a notice of Listed Event.

9. *Termination of Undertaking*. The Undertaking of the City shall be terminated hereunder if the City shall no longer have liability for any obligation on or relating to repayment of a series of the Bonds under the Loan Agreement. The City shall give notice in a timely manner if such event occurs to the MSRB through EMMA in an electronic format as prescribed by the MSRB.

10. *Dissemination Agent*. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

11. *Additional Information*. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or a Listed Event Disclosure, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future Annual Financial Information Disclosure or Listed Events Disclosure.

12. *Beneficiaries*. This Undertaking has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. *Recordkeeping*. The City shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. *Assignment*. The City shall not transfer obligations under the Loan Agreement unless the transferee agrees to assume all obligations of the City under this Agreement or to execute an Undertaking meeting the requirements of the Rule.

15. *Governing Law*. This Undertaking shall be governed by the laws of the State.

CITY OF PHOENIX, ARIZONA

By: Jeffrey J. Barton
Its City Manager

By: ____
Kathleen Gitkin
Its: Chief Financial Officer

ATTEST:

By: ____
City Clerk

APPROVED AS TO FORM:

By: ____
City Attorney

EXHIBIT I

Annual Financial Information and Audited Financial Statements

"*Annual Financial Information*" means the information and operating data of the type contained in the Final Official Statement under the headings "SECURITY AND SOURCE OF PAYMENT — Senior Obligations", "Junior Obligations", "— Subordinated Junior Obligations", "EXCISE TAXES AND COVERAGE — Actual Excise Tax Receipts for the Fiscal Years Ended June 30", and "APPENDIX B — City of Phoenix, Arizona-Financial Data— Other Long-Term Obligations."

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB through EMMA. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available from the MSRB through EMMA or the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided to the MSRB through EMMA by February 1 of each year, commencing February 1, 2023. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements when available.

Audited Financial Statements will be prepared according to GAAP, as applied to governmental units as modified by State law. Audited Financial Statements will be provided to the MSRB through EMMA within 30 days after availability to the City.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the City will disseminate a notice of such change as required by Section 4, including changes in Fiscal Year or GAAP.

EXHIBIT II
EVENTS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds
7. Modifications to the rights of Bondholders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the Bonds, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the City*
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the City, any of which reflect financial difficulties

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* The event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

APPENDIX J
COVID-19

Throughout the COVID-19 pandemic, the City Council demonstrated strong leadership by taking early actions to preserve resources. City revenues have remained stable during the pandemic. While the duration and full impact of the pandemic is still unknown, City staff continually monitor the situation and take appropriate action when necessary.

Revenues continue to increase. Fiscal year 2018-19 pledged excise tax revenues were $976,654,000, a growth of 5.5%. Fiscal year 2019-20 pledged excise tax revenues were $1,001,305,000, a growth of 2.5%. Fiscal year 2020-21 pledged excise tax revenues were $1,112,310,000, a growth of 11.1%.

In addition to excise tax revenues, the City has received, or will receive, grant money from the federal government. This included $293,000,000 from the Coronavirus Relief Funds, and $396,000,000 from the American Rescue Plan.

While financial data remains positive, the full impact of COVID-19 on the City cannot be predicted at this time and no assurance can be provided that these results will continue.