



City of Phoenix

To: Denise Olson
Chief Financial Officer

Date: August 28, 2020

Joe Jatzkewitz
Deputy Finance Director

Kathleen Gitkin
Acting Assistant Finance Director/City Treasurer

Rita Murphy
Special Projects Administrator

From: Allen Greene, C.M.
Accountant III

**Subject: PARK CENTRAL COMMUNITY FACILITIES DISTRICT
FINANCIAL REPORT – YEAR ENDED JUNE 30, 2020**

Please see attached financial report for the Park Central Community Facilities District for the fiscal year ended June 30, 2020. The statements and supporting documentation have been fully reviewed by the Finance Accounting & Reporting Division.

Please reach out to me directly if you have any questions or concerns at (602) 534-5143.

Regards,

Allen Greene

cc: John Gamble, Accounting Supervisor

ENTITY PROFILE

Community Facilities Districts (CFD) are special taxing districts created within municipalities to finance the cost of certain public facilities that serve or benefit land within district boundaries. Debt associated with a CFD is the responsibility of landowners benefitting from the public improvements and are generally repaid through either ad valorem taxes levied upon each landowner's property or special assessments placed upon each landowner's property.

The PCCFD was formed by petition to the City Council on August 29, 2018. Its purpose is to provide public infrastructure within its boundaries in the Phoenix midtown area for development of a multi-use residential, commercial and retail project known as "Park Central." PCCFD is governed by a Board of Directors consisting of the Mayor and City Council of the City of Phoenix, plus two members designated by the largest landowner within the PCCFD. The Board of Directors may issue bonds and levy special assessments upon property within the PCCFD to repay the bonds. Any bonds issued by the PCCFD are payable solely from amounts collected pursuant to the special assessments and are not an obligation of the City. For financial reporting purposes, transactions are blended as part of the operations for the City's governmental funds.

In June 2019, PCCFD issued \$30.0 million of Special Assessment Revenue Bonds, Taxable Series 2019. Proceeds of the bonds are for the construction of a parking garage.

PCCFD is located on the Park Central Mall site generally bounded by Osborn Road to the North, Central Avenue to the east, Catalina Drive to the south and 3rd Avenue on the west.



Park Central
Community Facilities District
Statement of Net Position
June 30, 2020
(in thousands)

UNAUDITED

ASSETS

Current Assets

Accounts Receivable, Net of Allowance for Doubtful Accounts	\$ 70
Total Current Assets	70

Current Restricted Assets

Debt Service	
Cash with Fiscal Agent/Trustee	3,562
Operating Reserve	
Cash with Fiscal Agent/Trustee	32
Capital Projects	
Cash with Fiscal Agent/Trustee	8,538
Total Current Restricted Assets	12,132

Noncurrent Assets

Capital Assets	
Land	8,520
Construction in Progress	22,396
Less: Accumulated Depreciation	-
Total Capital Assets, Net of Accumulated Depreciation	30,916
Total Noncurrent Assets	30,916
Total Assets	43,118

DEFERRED OUTFLOWS OF RESOURCES

Total Deferred Outflows of Resources	-
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LIABILITIES

Noncurrent Liabilities

Bonds Payable	30,000
Total Noncurrent Liabilities	30,000
Total Liabilities	30,000

DEFERRED INFLOWS OF RESOURCES

Total Deferred Inflows of Resources	-
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NET POSITION

Net Investment in Capital Assets	9,476
Restricted for Debt Service	3,562
Restricted for Capital Projects	8,538
Unrestricted	(8,458)
Net Position	\$ 13,118

**Park Central
Community Facilities District
Statement of Revenues, Expenses
and Changes in Net Position**

UNAUDITED

For the fiscal year ended June 30, 2020
(in thousands)

Operating Revenues***		
Contractual Parking	\$	-
Public Parking		-
Assessments		-
Other		-
Total Operating Revenues		<u>-</u>
Operating Expenses		
General, Administrative and District Costs		73
Debt Issuance Costs		32
Trustee Fees		6
Depreciation		-
Total Operating Expenses		<u>111</u>
Operating Income (Loss)		<u>(111)</u>
Non-Operating Revenues (Expenses)		
Investment Income:		
Interest		322
City Contributions		649
Interest on Capital Debt		<u>(810)</u>
Total Non-Operating Revenues (Expenses)		<u>161</u>
Change in Net Position		<u>50</u>
Net Position, July 1, as previously reported		4,548
Adjustment for Prior Year Land Contribution		<u>8,520</u>
Net Position, July 1, as restated		<u>13,068</u>
Net Position, June 30	\$	<u><u>13,118</u></u>

***Note: The parking garage is still under completion as of June 30, 2020.

**PARK CENTRAL COMMUNITY FACILITIES DISTRICT
FINAL APPROVED FIVE-YEAR FORECAST**

<u>Fiscal Year</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<u>Revenues</u>					
Contractual Parking Revenues (Easements)	\$ 580,450	\$ 741,000	\$ 741,000	\$ 741,000	\$ 741,000
Daily Event Public Parking Revenues	319,106	411,750	549,000	549,000	549,000
Assessment Revenues	-	303,030	535,623	442,828	23,020
City Contribution Amounts	1,429,361	927,095	911,472	1,012,543	1,444,217
Capitalized Interest	-	-	-	-	-
Interest Earnings on Trusteed Accounts (1)	32,000	31,000	29,000	29,000	29,000
Gross Revenues	2,360,917	2,413,875	2,766,095	2,774,371	2,786,237
<u>Expenses</u>					
Debt Service Payments	2,250,686	2,251,593	2,251,186	2,249,468	2,251,436
Operation & Maintenance Expenses	330,486	423,754	432,223	440,903	449,801
District Expenses	81,000	82,000	83,000	84,000	85,000
Replacement Revenue Fund	-	-	-	-	-
Total Expenses	2,662,172	2,757,347	2,766,409	2,774,371	2,786,237
Excess (Deficiency) of Revenues Over Expenses	\$ (301,255)	\$ (343,472)	\$ (314)	\$ -	\$ -
<u>Excess Funds Long-Term Reserve Fund Balance (2)</u>					
Projected Beginning Balance - 7/1/20	645,041	343,786	314	-	-
Share of Excess (Deficiency) Revenue Over Expenses	(301,255)	(343,472)	(314)	-	-
Projected Ending Balance - 6/30/21	343,786	314	-	-	-
<u>Replacement Reserve Fund Balance (3)</u>					
Projected Beginning Balance - 7/1/20	-	-	-	-	-
Share of Excess (Deficiency) Revenue Over Expenses	-	-	-	-	-
Projected Ending Balance - 6/30/21	-	-	-	-	-
<u>Debt Service Reserve Fund Balance (4)</u>					
Projected Beginning Balance - 7/1/20	2,251,593	2,251,593	2,251,593	2,251,593	2,251,593
Share of Excess (Deficiency) Revenue Over Expenses	-	-	-	-	-
Projected Ending Balance - 6/30/21	\$ 2,251,593	\$ 2,251,593	\$ 2,251,593	\$ 2,251,593	\$ 2,251,593

Notes and Assumptions

- (1) Reflects all interest earnings from the following trusteed funds and accounts: Interest and Principal Accounts of the Debt Service Expense Fund, District Expense Fund, Operations & Maintenance Expense Fund, Debt Service Revenue Fund and Excess Funds Long-Term Reserve Fund.
- (2) Figures reflect drawdowns to cover annual net revenue short falls, if any.
- (3) Does not reflect potential capital expenditures or interest earnings.
- (4) Debt Service Reserve funded from bond proceeds, equal to maximum annual debt service.

**Park Central
Community Facilities District
Construction in Progress Detail
June 30, 2020**

Vendor Name	Amount Paid To Date
Kitchell Corporation	\$ 21,001,886
Plaza Del Rio Management Corporation	995,201
GLHN Architects & Engineers Inc.	315,535
EPS Group	33,153
Dry Utilities Service Inc.	3,403
City of Phoenix - CED & Streets	46,824
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Total Construction in Progress	<u><u>\$ 22,396,002</u></u>

Note: All amounts paid from the Garage District Construction Account (x4013) and the Garage Dignity Construction Account (x4014)

**PARK CENTRAL COMMUNITY FACILITIES DISTRICT
AMORTIZATION SCHEDULE**

To year	Total Principal	1st Debt Service Interest	2nd Debt Service Interest	Total Interest	Total Payment
2020	\$ -	\$ 810,462	\$ 792,843	\$ 1,603,305	\$ 1,603,305
2021	665,000	792,843	792,843	1,585,686	2,250,686
2022	695,000	778,296	778,296	1,556,593	2,251,593
2023	725,000	763,093	763,093	1,526,186	2,251,186
2024	755,000	747,234	747,234	1,494,468	2,249,468
2025	790,000	730,718	730,718	1,461,436	2,251,436
2026	825,000	711,956	711,956	1,423,911	2,248,911
2027	865,000	692,362	692,362	1,384,724	2,249,724
2028	905,000	671,818	671,818	1,343,636	2,248,636
2029	950,000	649,759	649,759	1,299,518	2,249,518
2030	995,000	626,603	626,603	1,253,205	2,248,205
2031	1,060,000	595,011	595,011	1,190,023	2,250,023
2032	1,125,000	561,356	561,356	1,122,713	2,247,713
2033	1,200,000	525,638	525,638	1,051,275	2,251,275
2034	1,275,000	487,538	487,538	975,075	2,250,075
2035	1,355,000	447,056	447,056	894,113	2,249,113
2036	1,425,000	412,334	412,334	824,669	2,249,669
2037	1,495,000	375,819	375,819	751,638	2,246,638
2038	1,575,000	337,509	337,509	675,019	2,250,019
2039	1,655,000	297,150	297,150	594,300	2,249,300
2040	1,740,000	253,706	253,706	507,413	2,247,413
2041	1,830,000	208,031	208,031	416,063	2,246,063
2042	1,930,000	159,994	159,994	319,988	2,249,988
2043	2,030,000	109,331	109,331	218,663	2,248,663
2044	2,135,000	56,044	56,044	112,088	2,247,088
Net Amounts	\$ 30,000,000	\$ 12,801,661	\$ 12,784,042	\$ 25,585,703	\$ 55,585,703