



City of Phoenix

To: Kathleen Gitkin
Chief Financial Officer

Date: November 22, 2021

Joe Jatzkewitz
Assistant Finance Director/City Treasurer

Timothy McBride
Property Management Administrator

From: John Gamble
Deputy Finance Director

Subject: **PARK CENTRAL COMMUNITY FACILITIES DISTRICT
FINANCIAL REPORT – YEAR ENDED JUNE 30, 2021**

Please see attached financial report for the Park Central Community Facilities District for the fiscal year ended June 30, 2021. 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) 261-8644.

Regards,

John Gamble

cc: Abel Jauregui, Accountant IV
Allen Greene, Accountant III

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.

The parking garage was completed in September 2020.

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, 2021**
(in thousands)

UNAUDITED

ASSETS

Current Assets	
Investments	\$ 1
Accounts Receivable, Net of Allowance for Doubtful Accounts	29
Total Current Assets	<u>30</u>
Current Restricted Assets	
Debt Service	
Cash with Fiscal Agent/Trustee	4,486
Operating Reserve	
Cash with Fiscal Agent/Trustee	88
Total Current Restricted Assets	<u>4,574</u>
Noncurrent Assets	
Capital Assets	
Land	8,520 *
Construction in Progress	31,351
Less: Accumulated Depreciation	(131)
Total Capital Assets, Net of Accumulated Depreciation	<u>39,740</u>
Total Noncurrent Assets	<u>39,740</u>
Total Assets	<u>44,344</u>

DEFERRED OUTFLOWS OF RESOURCES

Total Deferred Outflows of Resources	<u>-</u>
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LIABILITIES

Current Liabilities Payable from Current Assets	
Accounts Payable	2
Total Current Liabilities Payable from Current Assets	<u>2</u>
Current Liabilities Payable from Restricted Assets	
Debt Service	
Matured Bonds Payable	665
Interest Payable	793
Total Current Liabilities Payable from Restricted Assets	<u>1,458</u>
Noncurrent Liabilities	
Bonds Payable	29,335
Total Noncurrent Liabilities	<u>29,335</u>
Total Liabilities	<u>30,795</u>

DEFERRED INFLOWS OF RESOURCES

Total Deferred Inflows of Resources	<u>-</u>
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NET POSITION

Net Investment in Capital Assets	10,405
Restricted for Debt Service	3,028
Unrestricted	116
Net Position	<u>\$ 13,549</u>

*Represents fair market value at time of contribution

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

UNAUDITED

For the fiscal year ended June 30, 2021
(in thousands)

Operating Revenues	
Contractual Parking	\$ 642
Total Operating Revenues	<u>642</u>
Operating Expenses	
General, Administrative and District Costs	64
Parking Management Services	271
Trustee Fees	4
Depreciation	131
Total Operating Expenses	<u>470</u>
Operating Income (Loss)	<u>172</u>
Non-Operating Revenues (Expenses)	
Investment Income:	
Interest	2
City Contributions	597
Interest on Capital Debt	(1,586)
Other	(869)
Total Non-Operating Revenues (Expenses)	<u>(1,856)</u>
Change in Net Position	<u>(1,684)</u>
Net Position, July 1, as previously reported	13,118
Prior Period Adjustments - Additional Developer Contributions	2,115
Net Position, July 1, as restated	<u>15,233</u>
Net Position, June 30	<u><u>\$ 13,549</u></u>

EXHIBIT "B"
PARK CENTRAL COMMUNITY FACILITIES DISTRICT
FISCAL YEAR 2021-2022 BUDGET

<u>Fiscal Year</u>	<u>2021-22</u>
<u>Revenues</u>	
Contractual Parking Revenue (Easements)	\$ 741,000
Daily & Event Public Parking Revenues	78,700
Assessment Revenues	-
City Contribution Amounts	351,643
Additional Contributions (1)	750,000
Capitalized Interest	-
Interest Earnings on Trusteed Accounts (2)	-
Gross Revenues	<u>1,921,343</u>
<u>Expenses</u>	
Debt Service Payments	2,251,593
Operation & Maintenance Expenses	390,224
District Expenses	82,000
Replacement Revenue Fund	-
Total Expenses	<u>2,723,817</u>
Excess (Deficiency) of Revenues Over Expenses	<u>(802,474)</u>
<u>Excess Funds Long-Term Reserve Fund Balance (3)</u>	
Projected Beginning Balance - 7/1/21	944,523
Share of Excess (Deficiency) Revenue Over Expenses	<u>(802,474)</u>
Projected Ending Balance - 6/30/22	<u>142,049</u>
<u>Replacement Reserve Fund Balance (4)</u>	
Projected Beginning Balance - 7/1/21	-
Share of Excess (Deficiency) Revenue Over Expenses	-
Projected Ending Balance - 6/30/22	<u>-</u>
<u>Debt Service Reserve Fund Balance (5)</u>	
Projected Beginning Balance - 7/1/21	2,251,593
Share of Excess (Deficiency) Revenue Over Expenses	-
Projected Ending Balance - 6/30/22	<u>\$ 2,251,593</u>

Notes and Assumptions

(1) Additional contributions from the close out of the District Construction Fund. Also includes commitment from Hokualoa Capital Management, LLC, on behalf of the Developer, HPPC, LLC, to make advance payments of the Developer Contribution in FY22 and FY23.

(2) 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.

(3) Figures reflect drawdowns to cover annual net revenue short falls, if any.

(4) Does not reflect potential capital expenditures or interest earnings.

(5) Debt Service Reserve funded from bond proceeds, equal to maximum annual debt service.

EXHIBIT "C"
PARK CENTRAL COMMUNITY FACILITIES DISTRICT
FIVE-YEAR FORECAST

Fiscal Year	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Revenues						
Contractual Parking Revenues (Easements)	\$ 628,300	\$ 741,000	\$ 741,000	\$ 741,000	\$ 741,000	\$ 997,200
Daily Event Public Parking Revenues	5,195	78,700	549,000	549,000	549,000	549,000
Assessment Revenues	-	-	-	-	-	-
City Contribution Amounts	736,809	351,643	1,195,893	2,200,056	1,486,156	482,327
Additional Contributions (1)	1,621,177	750,000	250,000	-	-	-
Capitalized Interest	-	-	-	-	-	-
Interest Earnings on Trusteed Accounts (2)	168	-	-	-	-	-
Gross Revenues	2,991,649	1,921,343	2,735,893	3,490,056	2,776,156	2,028,527
Expenses						
Debt Service Payments	2,250,686	2,251,593	2,251,186	2,249,468	2,251,436	2,251,436
Operation & Maintenance Expenses	245,898	390,224	399,231	411,527	419,690	428,057
District Expenses	68,237	82,000	82,000	82,000	82,000	82,000
Replacement Revenue Fund	-	-	-	-	-	50,000
Total Expenses	2,564,821	2,723,817	2,732,417	2,742,995	2,753,126	2,811,493
Excess (Deficiency) of Revenues Over Expenses	\$ 426,828	\$ (802,474)	\$ 3,476	\$ 747,061	\$ 23,030	\$ (782,966)
Excess Funds Long-Term Reserve Fund Balance (3)						
Projected Beginning Balance - 7/1	517,695	944,523	142,049	145,525	892,587	915,617
Share of Excess (Deficiency) Revenue Over Expenses	426,828	(802,474)	3,476	747,061	23,030	(782,966)
Projected Ending Balance - 6/30	944,523	142,049	145,525	892,587	915,617	132,651
Replacement Reserve Fund Balance (4)						
Projected Beginning Balance - 7/1	-	-	-	-	-	-
Share of Excess (Deficiency) Revenue Over Expenses	-	-	-	-	-	-
Projected Ending Balance - 6/30	-	-	-	-	-	-
Debt Service Reserve Fund Balance (5)						
Projected Beginning Balance - 7/1	2,251,593	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	\$ 2,251,593	\$ 2,251,593	\$ 2,251,593	\$ 2,251,593	\$ 2,251,593	\$ 2,251,593

Notes and Assumptions

- (1) Additional contributions from the close out of the District Construction Fund. Also includes commitment from Holualoa Capital Management, L.L.C, on behalf of the Developer, HPPC, LLC, to make advance payments of the Developer Contribution in FY22 and FY23.
- (2) 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.
- (3) Figures reflect drawdowns to cover annual net revenue short falls, if any.
- (4) Does not reflect potential capital expenditures or interest earnings.
- (5) Debt Service Reserve funded from bond proceeds, equal to maximum annual debt service.

**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