



City of Phoenix

Phoenix Economic Indicators Report

September 2015

Executive Summary

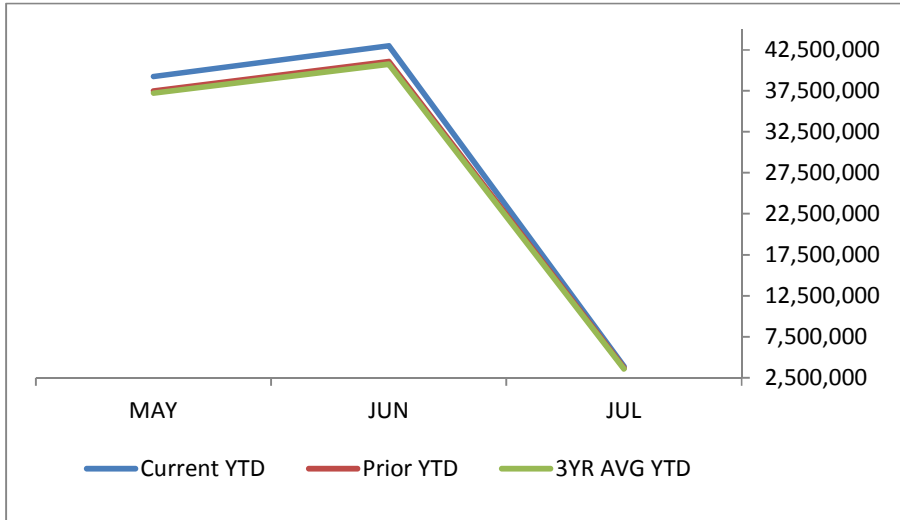
Economic indicators, such as those included in this report, provide measurements for evaluating the health of our economy, the latest business cycles, and how consumers are spending and generally faring. Included in this report are aviation, utility, new development, state and local sales tax, vehicle sales, property values, and employment statistics. Each statistic is shown through a graph presenting current year-to-date data (for measures using fiscal year, July 1 through the month prior to publishing), prior year-to-date, prior three year average of year-to-date data, and peak year data (if current year is not the peak year) over a sliding three month period. Each indicator has its own peak year where performance was at its highest since 2000. Each graph is accompanied by a description of the significance of the measure as an economic indicator, and a statement about the current year data in relation to prior years. Many of the statistics are updated monthly, but a few are only available quarterly or annually.

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Phoenix Sky Harbor Airport Total Passengers

Significance: The number of passengers utilizing the Phoenix Sky Harbor airport can be an indicator for regional tourism and business activity.



Current YTD Compared to:

Prior Year	+ 6.3%
3 Year Avg.	+ 9.3%
Peak Year	+ 0.0%
FY2015-16	

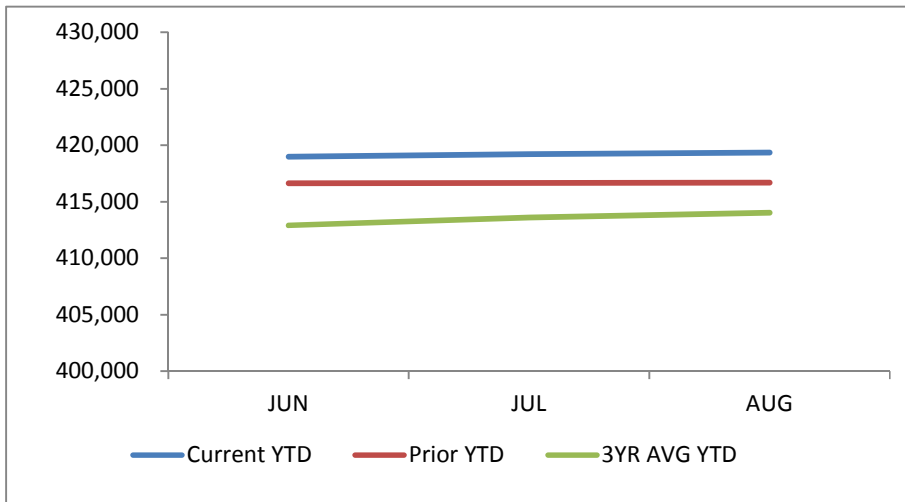
Totals

CYTD	3,912,000
PYTD	3,681,000
3YRAVG	3,580,000
Peak Year	N/A
FY2015-16	

Current Year: Passenger Traffic for FY 2016 starts strong (3,912,000 for July 2015) with a 6.3% increase over July 2014. Industry data lags two months. Peak year is N/A because the current fiscal year is the peak year for July data. Current cumulative data displayed crosses two fiscal years: FY2014-15 (May - June 2015), and FY2015-16 (July 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

Water Service Accounts

Significance: The number of water service accounts can be an indicator of changes in population and development.



Current YTD Compared to:

Prior Year	+ 0.6%
3 Year Avg.	+ 1.3%
Peak Year	0.0%
FY2015-16	

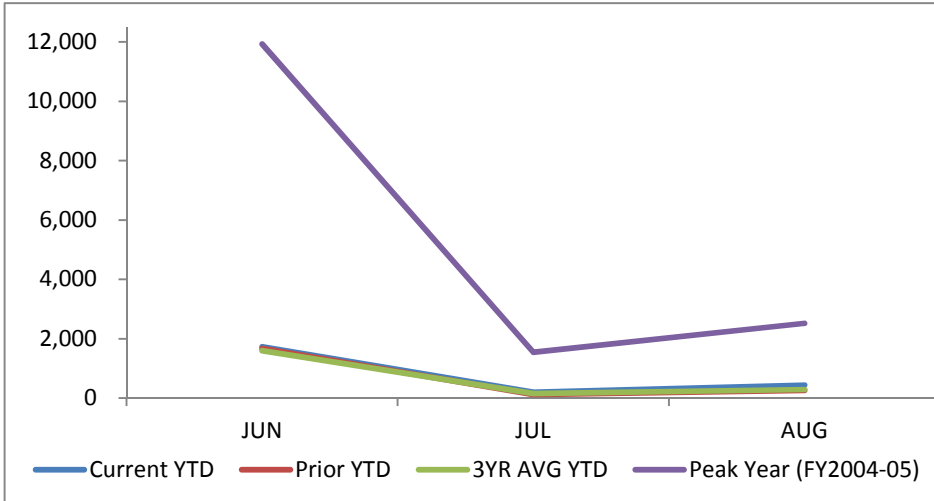
Totals

CYTD	419,346
PYTD	416,692
3YRAVG	414,030
Peak Year	N/A
FY2015-16	

Current Year: Trend continues upward. Peak year is N/A because the current fiscal year is the peak year.

New Home Construction Permits Issued

Significance: New single family homes are a key economic indicator, reflecting local population growth as well as spill over benefits to other sectors of the economy such as demand for construction labor/materials, retail, manufacturing and utilities.



Current YTD Compared to:

Prior Year	73.5%
3 Year Avg.	53.4%
Peak Year (FY2004-05)	-82.8%

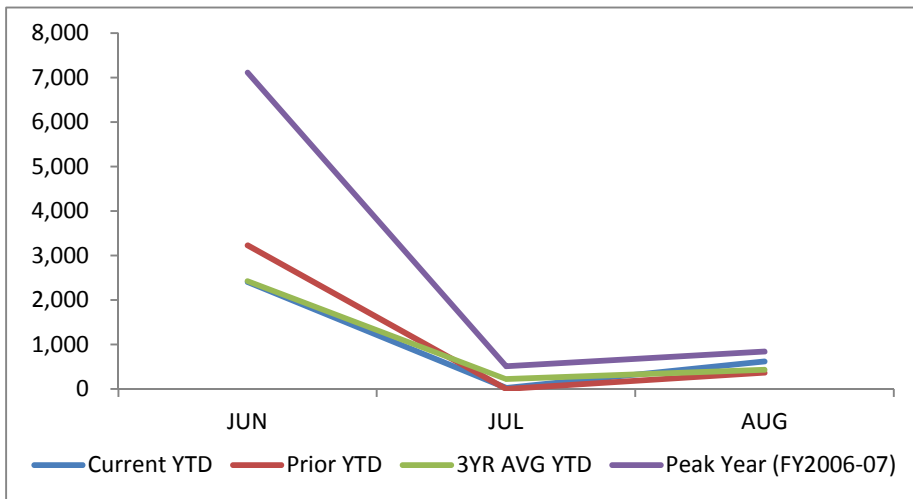
Totals

CYTD	432
PYTD	249
3YRAVG	282
Peak Year (FY2004-05)	2,511

Current Year: Planning and Development is projecting modest growth in residential construction permits in 2015-16, based on State projections of 2% population growth for Maricopa County and 10% growth in new single family permits. Current cumulative data displayed crosses two fiscal years: FY2014-15 (June 2015), and FY2015-16 (July - August 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

New Multifamily Units Permitted

Significance: New multi-family construction is a key economic indicator of local population growth or shifts in housing preferences and its spill over benefits to other sectors of the economy such as demand for construction labor/materials, retail, manufacturing and utilities.



Current YTD Compared to:

Prior Year	67.9%
3 Year Avg.	45.0%
Peak Year (FY2006-07)	-26.7%

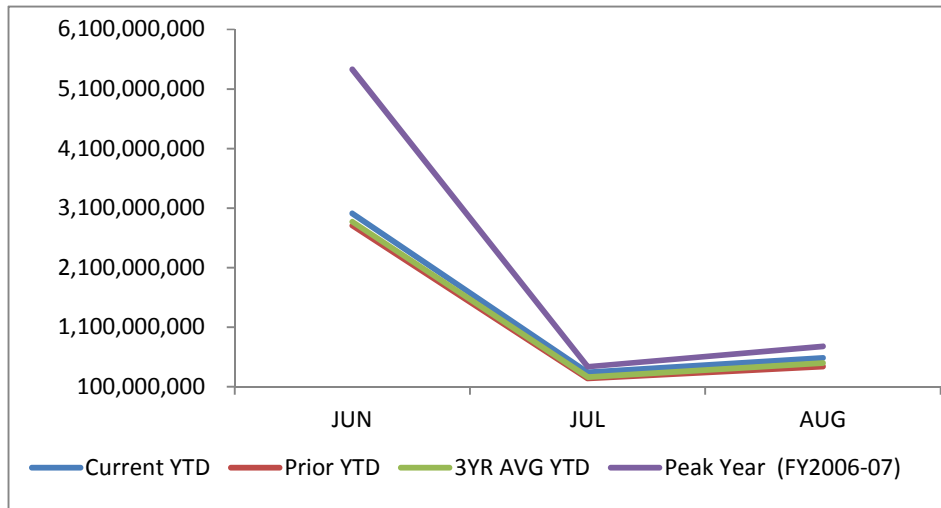
Totals

CYTD	618
PYTD	368
3YRAVG	426
Peak Year (FY2006-07)	843

Current Year: Planning and Development is projecting continued strength in multi-family residential permits in 2015-16, based on State projections of 2% population growth for Maricopa County and interest in urban and infill residential development. Current cumulative data displayed crosses two fiscal years: FY2014-15 (June 2015), and FY2015-16 (July - August 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

Total Value of Permitted Activity

Significance: The valuation of new construction can be an indicator of one facet of Phoenix's economic strength because it reflects the permit value of new construction projects.



Current YTD Compared to:

Prior Year	31.8%
3 Year Avg.	17.1%
Peak Year (FY2006-07)	-25.1%

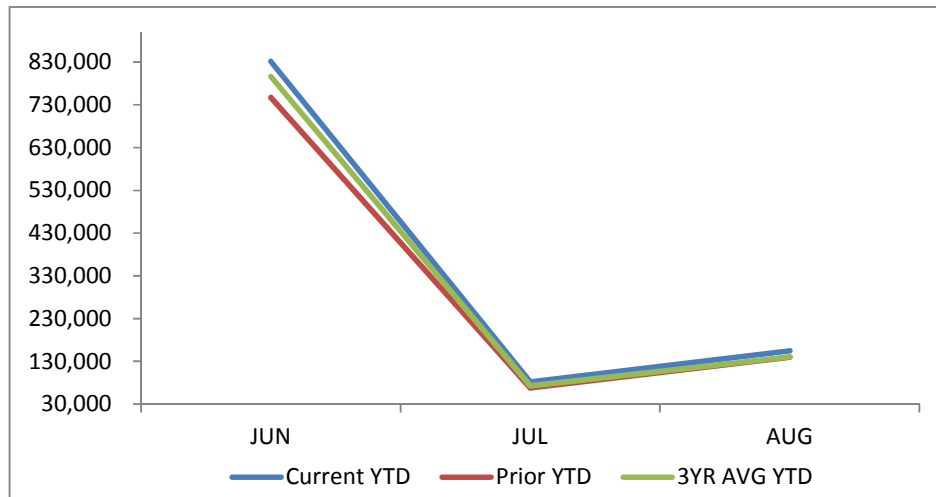
Totals

CYTD	\$585,351,836
PYTD	\$444,267,298
3YRAVG	\$499,686,115
Peak Year (FY2006-07)	\$781,359,296

Current Year: Planning and Development is projecting modest growth in overall construction permits in 2015-16, based on State projections of 2% population growth in Maricopa County and continued recovery of the residential market. Current cumulative data displayed crosses two fiscal years: FY2014-15 (June 2015), and FY2015-16 (July - August 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

Solid Waste - Total Tonnage Collected

Significance: Tonnage is an indicator of growth within the City of Phoenix or environmental factors such as storms. Total tonnage includes landfill materials and green waste material that is not landfilled. Recyclable material is not included in this measure.



Current YTD Compared to:

Prior Year	+ 10.8%
3 Year Avg.	+ 10.0%
Peak Year	0.0%
FY2015-16	

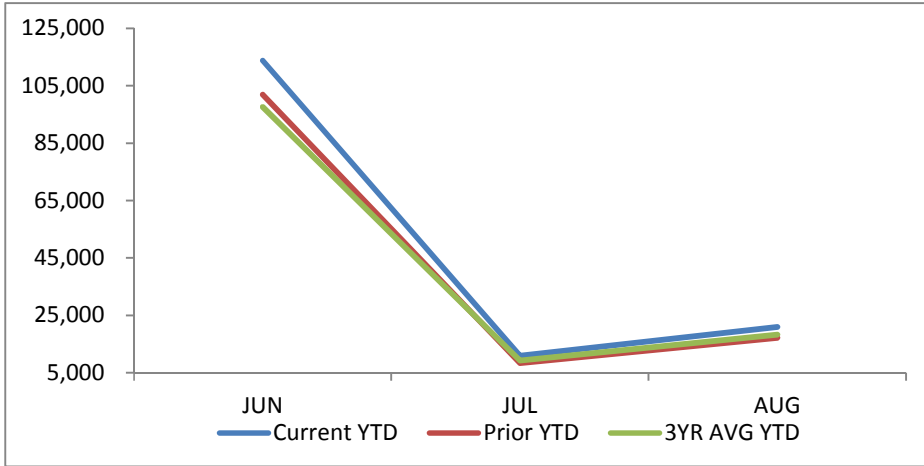
Totals

CYTD	155,078
PYTD	139,977
3YRAVG	140,970
FY2015-16	N/A

Current Year: With the economy getting stronger and more vacant homes filling up, the tonnage for trash and green waste is increasing. Recent focus has been to increase waste diversion by incentivizing residents to participate in the Green Organics program. Peak year is N/A because the current fiscal year is the peak year for August data. Current cumulative data displayed crosses two fiscal years: FY2014-15 (June 2015), and FY2015-16 (July - August 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

Solid Waste - Recycling Tonnage Collected

Significance: Recycling tonnage is one measurement of Solid Waste revenue generated through diversion and increased understanding by residents about how or what to recycle. Recycling tonnage includes materials processed at the materials recycling facility (MRF).



Current YTD Compared to:

Prior Year	+ 22.2%
3 Year Avg.	+ 14.6%
Peak Year	0.0%
FY2015-16	

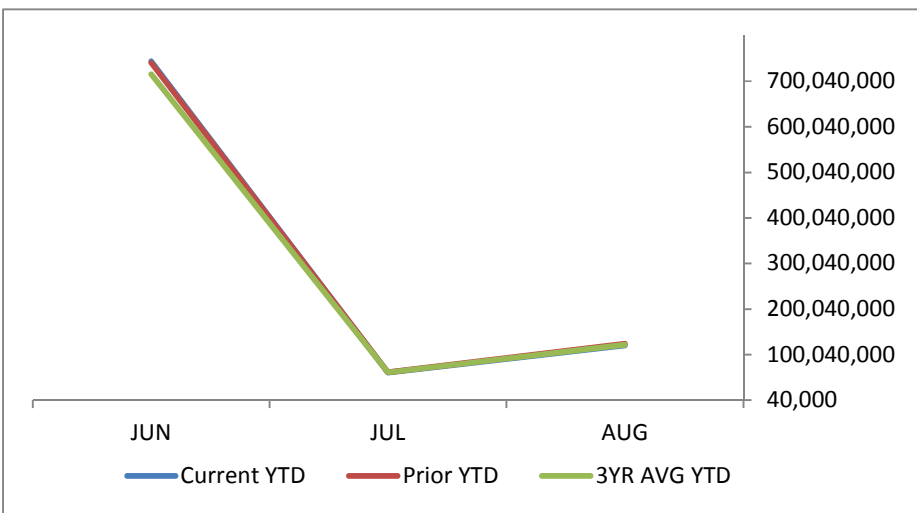
Totals

CYTD	20,983
PYTD	17,174
3YR AVG	18,311
Peak year	N/A
FY2015-16	

Current Year: Recycling tonnage is up due to adding in new partners who previously were not providing recycling material to the City in prior years. Along with the recovery of the economy by filling vacant homes. Peak year is N/A because the current fiscal year is the peak year for August data. Current cumulative data displayed crosses two fiscal years: FY2014-15 (June 2015), and FY2015-16 (July - August 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

City Sales Tax - Total

Significance: City sales tax (all funds including: General Fund, T2000, Public Safety, 3PI, Convention Center, Sports Facilities, and Capital Construction) represents overall local economic activity related to taxable sales. The Peak Year (2007-08) represents the highest year (excluding sales tax on food revenue).



Current YTD Compared to:

Prior Year	-2.9%
3 Year Avg.	-0.9%
Peak Year	0.0%
FY2015-16	

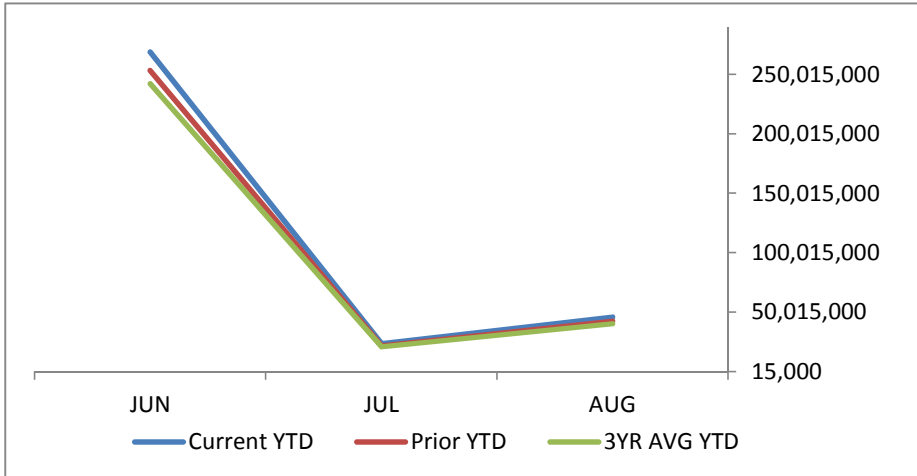
Totals

CYTD	\$120,841,000
PYTD	\$124,448,000
3YR AVG	\$121,959,667
Peak Year*	N/A
FY2015-16	

Current Year: Prior year data, including the three year average, includes revenue from the sales tax on food. The sales tax on food was reduced from 2% to 1% effective January 2014, which began impacting reported revenue in February 2014. The sales tax on food was eliminated effective April 2015, which began impacting reported revenue in May 2015. Current cumulative data displayed crosses two fiscal years: FY2014-15 (June 2015), and FY2015-16 (July - August 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count. *Peak year is N/A because the current fiscal year is the peak year for August data which represents the highest total without sales tax on food.

City Sales Tax - Retail

Significance: Retail sales tax represents retail sales, not including the sales tax on food.



Current YTD Compared to:

Prior Year	+ 8.4%
3 Year Avg.	+ 14.1%
FY2015-16	0.0%

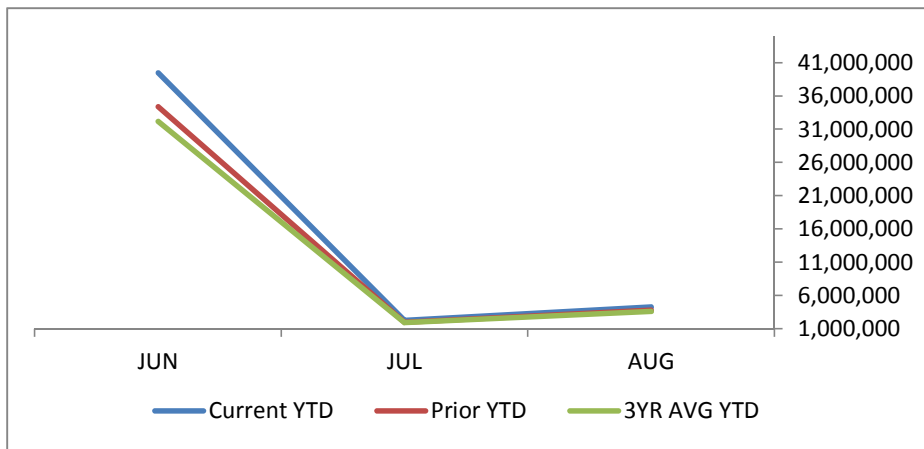
Totals

CYTD	\$45,978,000
PYTD	\$42,432,000
3YRAVG	\$40,282,333
FY2015-16	N/A

Current Year: Peak year is N/A because the current fiscal year is the peak year for August data. Current cumulative data displayed crosses two fiscal years: FY2014-15 (June 2015), and FY2015-16 (July- August 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

City Sales Tax - Hotel/Motel

Significance: Hotel/Motel sales tax revenue represents taxable sales for these businesses and is an indicator of tourism activity.



Current YTD Compared to:

Prior Year	+ 11.8%
3 Year Avg.	+ 18.4%
FY2015-16	0.0%

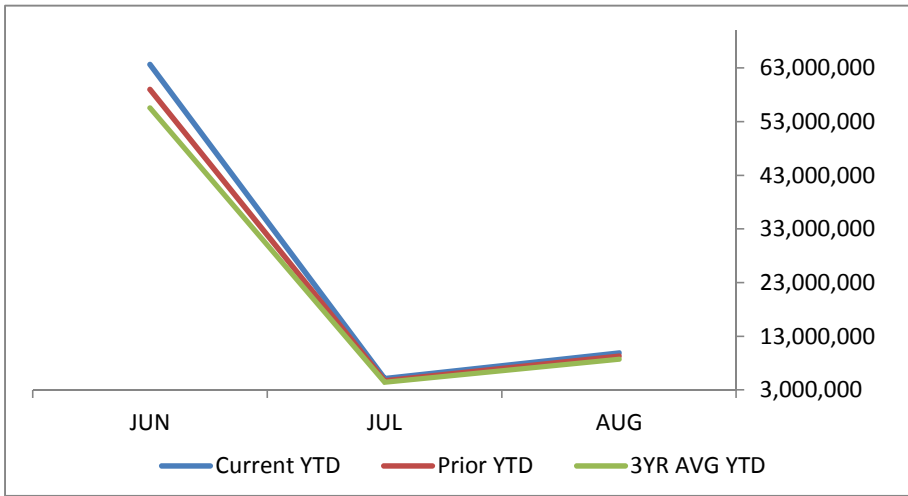
Totals

CYTD	\$4,259,000
PYTD	\$3,808,000
3YRAVG	\$3,595,667
FY2015-16	N/A

Current Year: Peak year is N/A because the current fiscal year is the peak year for August data. Current cumulative data displayed crosses two fiscal years: FY2014-15 (June 2015), and FY2015-16 (July - August 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

City Sales Tax - Restaurants/Bars

Significance: Restaurants/Bars sales tax revenue represents taxable sales for these businesses and is an indicator of economic strength, population growth, and tourism.



Current YTD Compared to:

Prior Year	+ 6.3%
3 Year Avg.	+ 14.0%
FY2015-16	0.0%

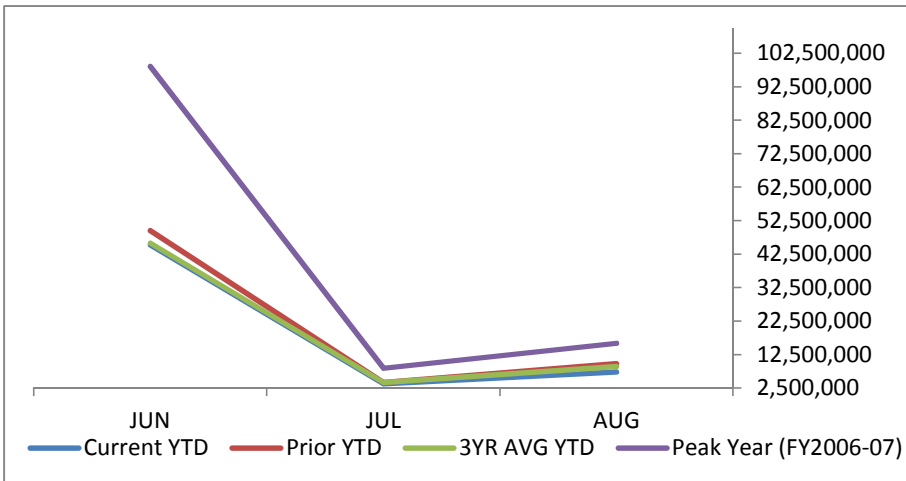
Totals

CYTD	\$9,962,000
PYTD	\$9,368,000
3YRAVG	\$8,742,333
FY2015-16	N/A

Current Year: Peak year is N/A because the current fiscal year is the peak year for August data. Current cumulative data displayed crosses two fiscal years: FY2014-15 (June 2015), and FY2015-16 (July - August 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

City Sales Tax - Contracting

Significance: Contracting sales tax revenue presents activity in the commercial, retail and residential construction markets.



Current YTD Compared to:

Prior Year	-25.4%
3 Year Avg.	-18.0%
Peak Year (FY2006-07)	-54.2%

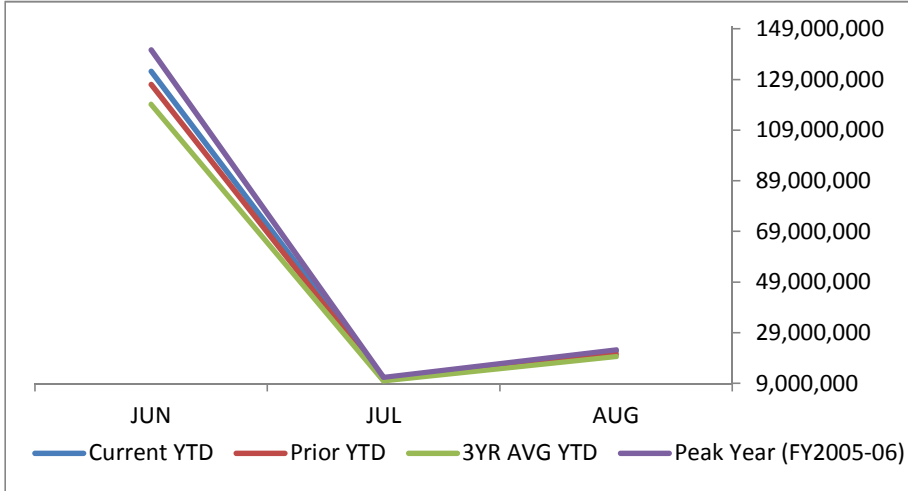
Totals

CYTD	\$7,298,000
PYTD	\$9,783,000
3YRAVG	\$8,899,667
Peak Year (FY2006-07)	\$15,925,000

Current Year: Current cumulative data displayed crosses two fiscal years: FY2014-15 (June 2015), and FY2015-16 (July - August 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

State Sales Tax - Total

Significance: State Sales Tax accounts for approximately 37.4% of Total State Shared Revenues based on the FY15/16 Budget. Total State Shared revenue is approximately 35% of total General Fund Revenue. The Peak Year (2005-06) reflects a time when the City received a higher percentage share (32.5%) of state-shared revenues. State shared sales tax revenues are distributed to cities and towns based on relative population share. The population share in FY 2000-01 was 33.7% and the current population share in FY 2015-16 is 28.8%.



Current YTD Compared to:

Prior Year	+ 6.1%
3 Year Avg.	+ 10.9%
Peak Year (FY2005-06)	-2.3%

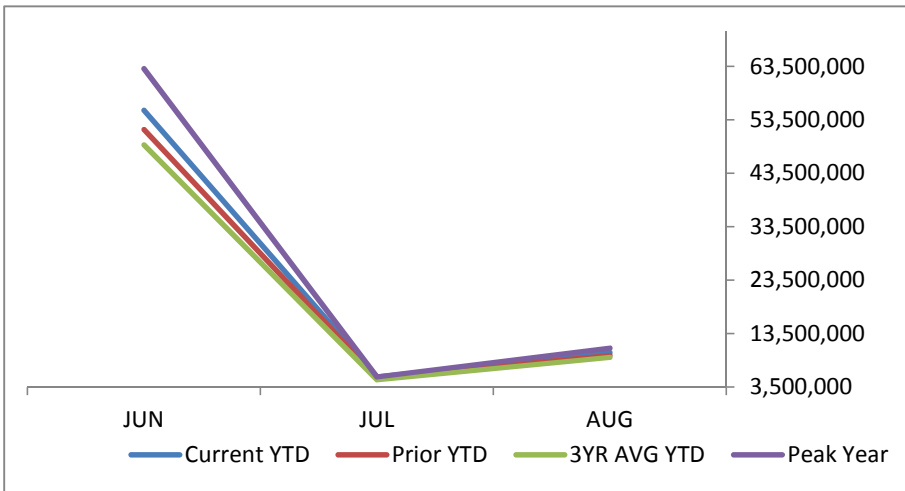
Totals

CYTD	\$21,809,000
PYTD	\$20,559,000
3YRAVG	\$19,659,333
Peak Year (FY2005-06)	\$22,323,000

Current Year: August FY2015-16 State sales tax was \$21.8 million, representing 6.1% growth over FY2014-15. The retail category grew at 10.1%. Current cumulative data displayed crosses two fiscal years: FY2014-15 (June 2015), and FY2015-16 (July - August 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

State Vehicle License Tax

Significance: State Vehicle License tax accounts for approximately 15.2% of Total State Shared Revenues based on the FY15/16 Budget. Total State Shared revenue is approximately 35% of total General Fund Revenue. The Peak Year (2005-06) reflects a time when the City received a higher percentage share (46.1%) of state-shared revenues. State shared vehicle license tax revenues are distributed to cities and towns based on relative population share. The population share in FY 2000-01 was 48.5% and the current population share in FY 2015-16 is 40.95%.



Current YTD Compared to:

Prior Year	+ 5.9%
3 Year Avg.	+ 10.2%
Peak Year (FY2005-06)	-7.8%

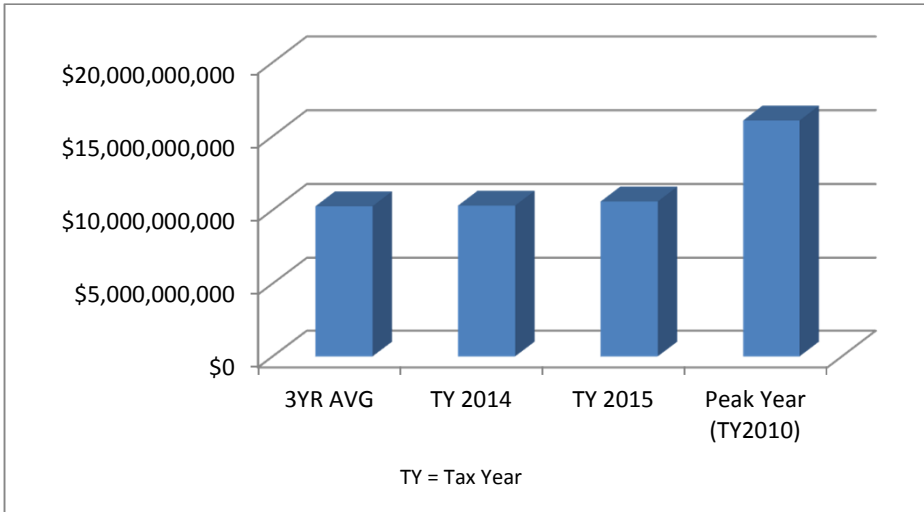
Totals

CYTD	\$9,934,112
PYTD	\$9,377,669
3YRAVG	\$9,017,027
Peak Year (FY2005-06)	\$10,780,268

Current Year: Current cumulative data displayed crosses two fiscal years: FY2014-15 (June 2015), and FY2015-16 (July - August 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

Phoenix Assessed Valuation

Significance: Phoenix's assessed valuation is based on the Primary Net Assessed Value (PNAV) which beginning in FY2015-16 is the single value used for calculating both Primary Property Taxes and Secondary Property Taxes. The assessed valuation provides an indicator of the basis for City property tax revenue.



Calendar Year Compared to:

Prior Year	+ 2.7%
3 Year Avg.	+ 3.1%
Peak Year (TY2010)	-34.2%

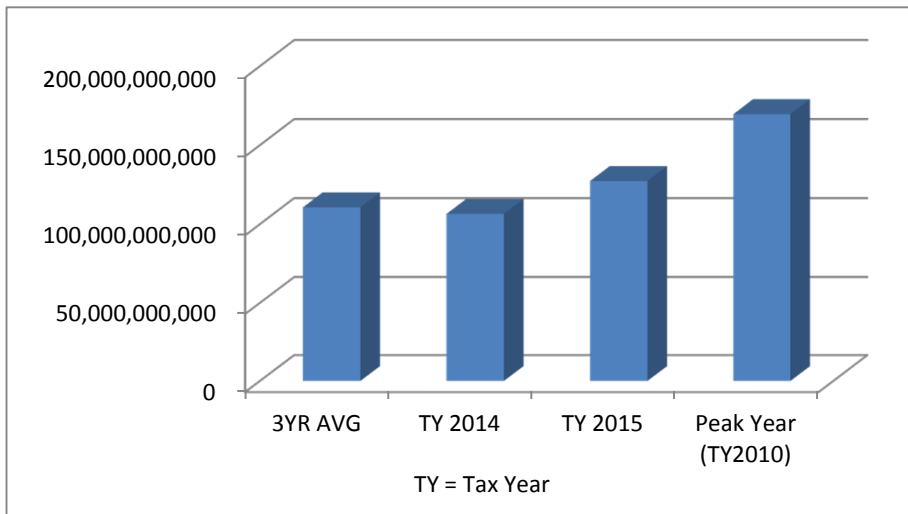
Totals

2015	\$10,577,031,724
2014	\$10,298,185,184
3YRAVG	\$10,255,005,231
Peak Year (TY2010)	16,063,200,689

Current Year: Tax Year 2015 (FY15-16) PNAV grew by 2.7% over the prior year; 1.8% of this is attributable to new property, and 0.9% is attributable to appreciation in previously-taxed property. Ongoing reductions in assessment ratios for commercial property, which will continue to occur through Tax Year 2016, played a large part in limiting real property appreciation to 2.9% rather than the theoretical maximum of 5.0%. Additionally, commercial personal property depreciated by 23.2%, and centrally valued property depreciated by 3.6%.

Phoenix Full Cash Value

Significance: Full cash value is an indicator of both commercial and residential property values, an important indicator of one facet of economic health. This statistic is updated once per year in February and lag market conditions by approximately one year. Due to assessed valuation growth limits and statutory changes in assessment ratios, however, trends in full cash value do not correlate to trends in the tax base for property taxes.



Calendar Year Compared to:

Prior Year	+ 19.5%
3 Year Avg.	+ 15.0%
Peak Year (TY2010)	-25.0%

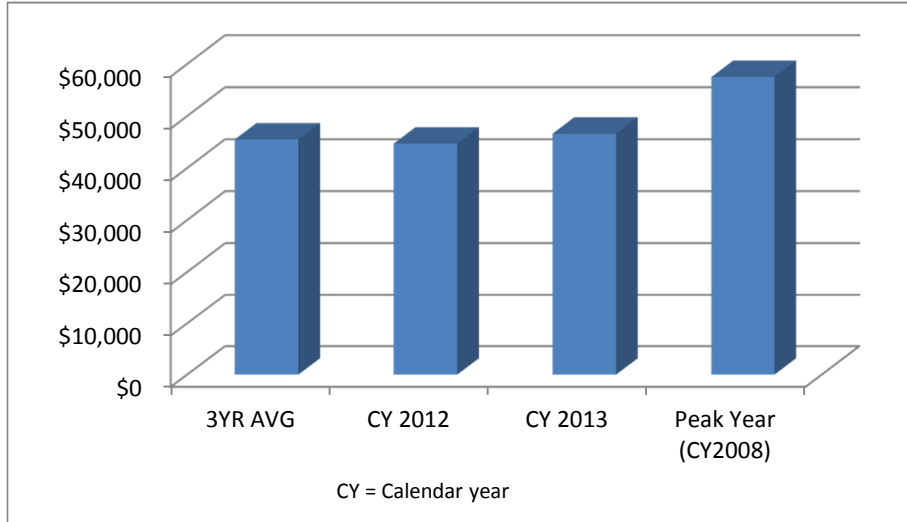
Totals

2015	\$127,280,069,634
2014	\$106,487,248,298
3YRAVG	\$110,653,274,620
Peak Year (TY2010)	169,661,389,554

Current Year: From tax year 2014 to tax year 2015, single and multi-family residential property values grew by 29%, while commercial property values grew by 8%.

Phoenix Median Household Income

Significance: This measure includes the income of the householder and all other individuals 15 years old and over in the household. Median income is the amount that divides the income distribution into two equal groups, half at income levels above that amount, and half at income levels below that amount. This statistic is updated once per year in October.



Calendar Year Compared to:

Prior Year	+ 4.3%
3 Year Avg.	+ 2.4%
Peak Year (CY2008)	-19.0%

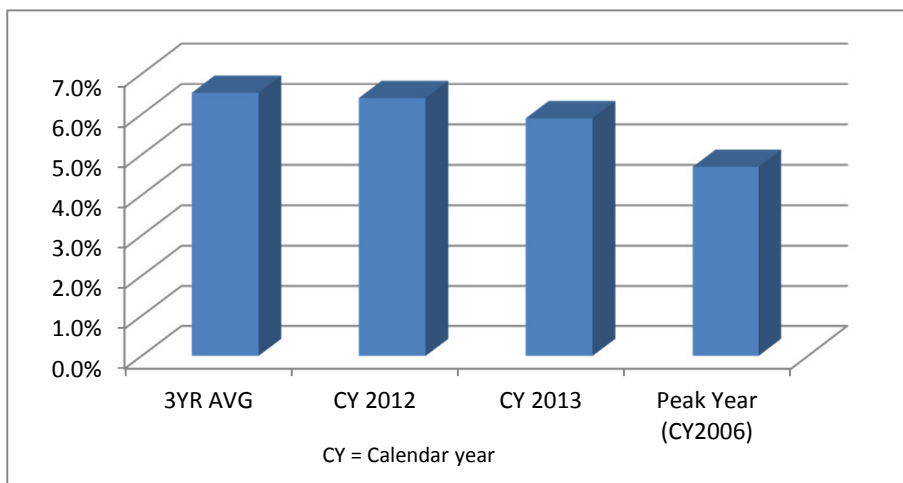
Totals

2013	\$46,601
2012	\$44,688
3YR AVG	\$45,496
Peak Year (CY2008)	\$57,507

Current Year: The increase in 2013 over prior years is an indication of the slow to moderate recovery from the 2008 recession. Data is from the American Community Survey (U.S. Census Bureau) and reflects the highest since 2005 (the oldest readily available data set).

Phoenix Unemployment Rate

Significance: This measures the percentage of the labor force that are unemployed. People are classified as unemployed if they do not have a job, have actively looked for work in the prior 4 weeks, and are currently available for work. This statistic is updated once per year in October.



Calendar Year Compared to:

Prior Year	-7.8%
3 Year Avg.	-9.6%
Peak Year (CY2006)	25.5%

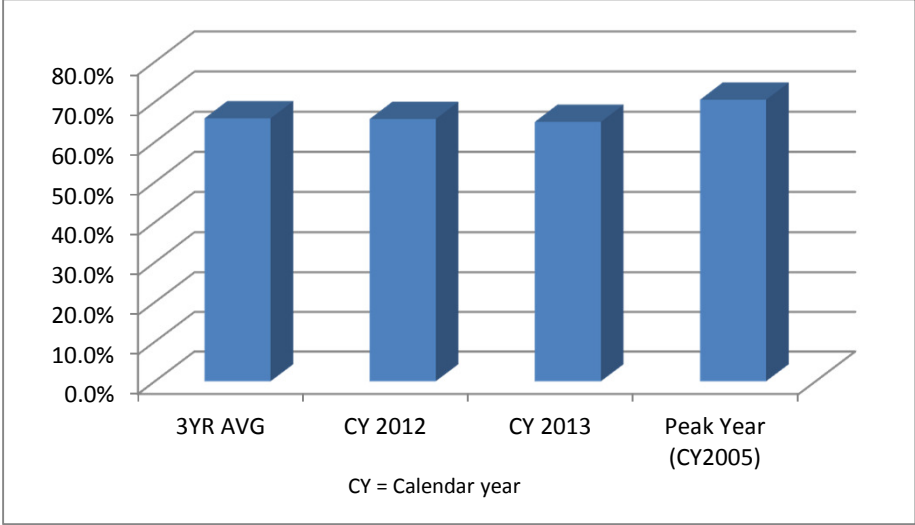
Totals

2013	5.9%
2012	6.4%
3YR AVG	6.5%
Peak Year (CY2006)	4.7%

Current Year: The decrease in the unemployment rate over prior years may indicate growth in jobs and/or that fewer people who are available to work have been actively looking for work in the prior 4 weeks of the survey. Data is from the American Community Survey (U.S. Census Bureau) and reflects the highest since 2005 (the oldest readily available data set).

Phoenix Labor Force Participation

Significance: This measures the percentage of the population (16 and older) that is in the labor force. The labor force is defined as the total population of employed and unemployed people (16 and older). People are classified as unemployed if they do not have a job, have actively looked for work in the prior 4 weeks, and are currently available for work. This statistic is updated once per year in October.



Calendar Year Compared to:

Prior Year	-1.1%
3 Year Avg.	-1.3%
Peak Year (CY2005)	-7.8%

Totals

2013	65.0%
2012	65.7%
3YR AVG	65.9%
Peak Year (CY2005)	70.5%

Current Year: The decrease in the labor force participation rate indicates a decline in the percentage of the population that is either employed or unemployed and actively looking for work. Data is from the American Community Survey (U.S. Census Bureau) and reflects the highest since 2005 (the oldest readily available data set).