OFFICIAL STATEMENT DATED NOVEMBER 18, 2025

NEW ISSUE — BOOK-ENTRY-ONLY **RATINGS: S&P: AAA**
Fitch: AA+

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 imposed on individuals 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.

$179,185,000
CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
Transportation Excise Tax Revenue Bonds, Series 2025

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

The Transportation Excise Tax Revenue Bonds, Series 2025 (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, Tempe, Arizona, as trustee (the "*Trustee*," also referred to herein as the "*Registrar*" and "*Paying Agent*"). The Bonds are being issued pursuant to a Trust Indenture, dated as of December 1, 2025 (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 July 1, 2026. 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 Loan Agreement, dated as of December 1, 2025 (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 and secured by a first priority pledge of funds received from a 0.7 percent incremental dedicated transaction privilege and use tax approved for a period of 35 years by the electors of the City at a special election held on August 25, 2015, and implemented by the Council of the City pursuant to Ordinance G-6073, passed by the Council of the City on November 18, 2015 and incorporated as part of the City Code described 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, Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. Squire Patton Boggs (US) LLP, Phoenix, Arizona, has acted as Disclosure Counsel to the City in connection with the preparation of this Official Statement. Certain legal matters may be passed upon solely for the benefit of the Underwriters by Greenberg Traurig, LLP, Phoenix, Arizona. It is expected that the Bonds will be available for delivery in book-entry-only form through the facilities of DTC on or about December 10, 2025.

BofA Securities

Jefferies **Ramirez & Co., Inc.**

Estrada Hinojosa **TD Financial Products** **Rice Financial Products Company**

MATURITY SCHEDULE

$179,185,000
CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
Transportation Excise Tax Revenue Bonds,
Series 2025

Maturity July 1	Principal Amount	Interest Rate	Yield
2026	$12,900,000	5.00%	2.59%
2027	11,705,000	5.00	2.56
2028	12,290,000	5.00	2.58
2029	12,905,000	5.00	2.57
2030	13,550,000	5.00	2.53
2031	14,225,000	5.00	2.57
2032	14,940,000	5.00	2.65
2033	15,685,000	5.00	2.73
2034	16,470,000	5.00	2.75
2035	17,295,000	5.00	2.86
2036	18,155,000	5.00	2.98*
2037	19,065,000	5.00	3.09*

* Yield calculated to July 1, 2035, the first optional redemption date.

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*

Ann O'Brien, *Vice Mayor*
District 1

Betty Guardado, *Member*
District 5

Jim Waring, *Member*
District 2

Kevin Robinson, *Member*
District 6

Debra Stark, *Member*
District 3

Anna Hernandez, *Member*
District 7

Laura Pastor, *Member*
District 4

Kesha Hodge Washington, *Member*
District 8

ADMINISTRATIVE OFFICIALS

Ed Zuercher*
City Manager

Lori Bays
Assistant City Manager

Kathleen Gitkin
Chief Financial Officer

Amber Williamson
Deputy City Manager

Julie Kriegh
City Attorney

Denise Archibald
City Clerk

Jesús Sapien
Public Transit Director

Briiana Velez
Street Transportation Department Director

SPECIAL SERVICES

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

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

PFM FINANCIAL ADVISORS LLC
San Francisco, California
Municipal Advisor

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* Ed Zuercher returned as City Manager effective November 17, 2025. Jeffrey J. Barton, the former City Manager, retired on November 14, 2025.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the Corporation 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 Municipal Advisor (as defined herein) or the Underwriters (as defined herein). 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.

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

$179,185,000
CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION
Transportation Excise Tax Revenue Bonds,
Series 2025

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 (defined below), the City of Phoenix, Arizona (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 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 Transportation Excise Tax Revenue Bonds, Series 2025 (the "*Bonds*"), are being issued by the City of Phoenix Civic Improvement Corporation (the "*Corporation*") pursuant to the terms of a Trust Indenture, dated as of December 1, 2025 (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 to provide funds for the (i) prepayment of the 2020 Loan (as defined herein) and (ii) payment of costs of issuance of the Bonds. See "PLAN OF FINANCE."

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 and will bear interest payable semiannually on January 1 and July 1 of each year (each an "*Interest Payment Date*"), commencing July 1, 2026. 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 no 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 Municipal Advisor makes any representations, warranties, or guarantees with respect to its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, totaling in the aggregate the principal amount of the Bonds, and will be deposited with DTC. The owners of book-entry interest will not receive or have the right to receive physical delivery of the Bonds.

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 a 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.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds 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, 2035 are not subject to optional redemption prior to maturity. Bonds maturing on and after July 1, 2036 are subject to redemption at the option of the Corporation, as directed by the City, on July 1, 2035 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.

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 affect 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 USES OF FUNDS

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

Sources:	
Par Amount of the Bonds	$179,185,000.00
Original Issue Premium	22,032,224.95
Total	$201,217,224.95
Uses:	
Prepayment of the 2020 Loan	$200,000,000.00
Cost of Issuance	723,751.18
Underwriters' Discount	493,473.77
Total	$201,217,224.95

PLAN OF FINANCE

The proceeds of the Bonds remaining after deduction of issuance costs will be used to prepay $200,000,000 in principal amount of a loan (the "*2020 Loan*") extended under a Revolving Credit Agreement dated June 4, 2020 with Bank of America, N.A., as amended to date (the "*Revolving Credit Agreement*"). Such outstanding principal amount was used to finance or refinance the costs of maintaining, expanding and improving the City's streets and roadways including major roadway improvements and substantial asphalt overlay citywide.

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 Loan Agreement, dated as of December 1, 2025 (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 funds received from a 0.7 percent incremental dedicated transaction privilege and use tax (the "*Transportation Excise Tax*"), which was approved at a special election held in and for the City on August 25, 2015 and subsequently adopted by the City Council of the City pursuant to Ordinance No. G-6073, enacted November 18, 2015. Unless an extension is approved by the voters, the Transportation Excise Tax will expire on December 31, 2050. The Loan Payments may also be made from Other Available Moneys of the City; such Other Available Moneys are not pledged as security for the Bonds. For a definition of "Other Available Moneys" see "APPENDIX G — Summary of Certain Provisions of the Indenture and the Loan Agreement — Certain Definitions."

The City has covenanted in the Loan Agreement that it will not diminish or reduce the types or nature of businesses to which the Transportation Excise Tax (which, together with any additional sources of revenue which the City may from time to time pledge, the "*Pledged Revenues*") is lawfully permitted to apply in any manner that would materially diminish the proceeds derived from the 0.7 percent levy. See "APPENDIX G — Summary of Certain Provisions of the Indenture and Loan Agreement."

The pledge of the Transportation Excise Tax to pay Loan Payments due under the Loan Agreement will be on parity with any future obligations secured on a parity with the Bonds (the "*Parity Obligations*") and senior to any subordinate obligations described below under "Subordinate Obligations" hereafter issued or incurred by the City. See "Parity Obligations" and "Subordinate Obligations" herein. The City has not and shall not give priority to the payment of any other obligations of the City from Pledged Revenues greater than the priority given to the obligations to make payment for the Bonds under the Loan Agreement.

As discussed in "APPENDIX B — City of Phoenix, Arizona — Financial Data — Long Term Obligations," the City has outstanding excise tax obligations that are payable from and secured by a separate excise tax and from state shared revenues. **Such excise tax obligations are not payable from or secured by the Pledged Revenues and the Pledged Revenues do not include any state-shared revenues**.

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.

Parity Obligations

After the issuance of the Bonds, the Bonds will be the only Parity Obligations outstanding and secured by a senior lien on the Pledged Revenues. The City reserves the right to incur obligations payable from the Pledged Revenues in the future on a parity with its obligation to make Loan Payments under the Loan Agreement, or to incur other obligations payable from Pledged Revenues on a parity with the payments due under the Loan Agreement, but only if the Pledged Revenues received by the City during the completed fiscal year immediately preceding the incurring of the proposed Parity Obligation are at least three times the highest combined total of the interest and principal requirements for the Bonds and Parity Obligations then outstanding and all proposed Parity Obligations to be secured by a pledge of Pledged Revenues for any succeeding 12-month period.

Subordinate Obligations

There are currently no obligations outstanding that are payable on a basis subordinate to the City's obligations under the Loan Agreement. The City reserves the right to issue or enter into obligations payable from Pledged Revenues, which are subordinate to the City's obligations under the Loan Agreement.

Future Borrowings

The City does not anticipate any additional borrowings secured by the Transportation Excise Tax through fiscal year 2029.

SCHEDULE OF ANNUAL PAYMENTS UNDER THE LOAN AGREEMENT WITH RESPECT TO THE BONDS [(1)]

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 June 30, 2026, and ending June 30, 2037. 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:

	Series 2025 Bonds		
Fiscal Year	**Principal**	**Interest**	**Total**
2025-26	$ 12,900,000	$ 5,002,248	$ 17,902,248
2026-27	11,705,000	8,314,250	20,019,250
2027-28	12,290,000	7,729,000	20,019,000
2028-29	12,905,000	7,114,500	20,019,500
2029-30	13,550,000	6,469,250	20,019,250
2030-31	14,225,000	5,791,750	20,016,750
2031-32	14,940,000	5,080,500	20,020,500
2032-33	15,685,000	4,333,500	20,018,500
2033-34	16,470,000	3,549,250	20,019,250
2034-35	17,295,000	2,725,750	20,020,750
2035-36	18,155,000	1,861,000	20,016,000
2036-37	19,065,000	953,250	20,018,250
	$ 179,185,000	$ 58,924,248	$ 238,109,248

[(1)] Represents debt service requirements on the Bonds offered herein.

TRANSPORTATION EXCISE TAX AND COVERAGE

Incremental Tax on City's 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. For additional information on the TPT see "APPENDIX C — City Sales Taxes and State-Shared Revenues."

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, who approved the plan in March 2015 and placed Prop 104 on the ballot. On August 25, 2015, voters approved a new comprehensive transportation plan ("*T-2050 Plan*") and funding tax proposal that increased the transaction privilege sales tax rate dedicated for transportation to 0.7% (being the Transportation Excise Tax). The Transportation Excise Tax became effective January 1, 2016, and expires on December 31, 2050. The Transportation Excise Tax is funding and may fund in the future expanded local bus service, new bus rapid transit service, neighborhood circulators and the construction and operation of the new and extended light rail system. The Transportation Excise 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 Transportation Excise Tax will provide for street improvements including pavement maintenance, new bicycle lanes, sidewalk installation and traffic signal enhancements.

The City's Transaction Privilege (Sales) Tax Base

The City has collected a transaction privilege (sales) tax since 1949 on a tax base which is nearly identical to the tax base subject to the Transportation Excise Tax. However, the Transportation Excise Tax is not levied on the business activities of advertising, mining, jet fuel, telecommunications and utilities. The below table shows the cumulative TPT rate including the Transportation Excise Tax.

City of Phoenix
July 1, 2025 Transaction Privilege (Sales) Tax Rates by Category

Category	Rate(1) Effective 07-01-25
Mining	0.1%
Advertising	0.5
Amusement	2.8
Contracting	2.8
Leasing/Rental of Tangible Personal Property	2.8
Printing	2.8
Publishing	2.8
Residential Real Estate Rentals	—
Restaurants and Bars	2.8
Retail	2.8(2)(3)
Transportation	2.8
Commercial Real Estate Rentals	2.9
Utilities	2.7
Short-term Motor Vehicle Rental	4.8
Telecommunications	4.7
Hotel/Motel	5.8
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 TPT 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 totaled $40.9 million in 2020-21, $49.2 million in 2021-22, $53.1 million in 2022-23, and $55.0 million in 2023-24. The estimate for fiscal year 2024-25 is $53.4 million.

On September 7, 1999, City of Phoenix voters approved a 0.1% increase in the City's TPT 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 the increase generated $40.9 million in 2020-21, $49.2 million in 2021-22, $53.1 million in 2022-23, and $55.0 million in 2023-24. The estimate for fiscal year 2024-25 is $53.4 million.

On September 11, 2007, City of Phoenix voters approved a 0.2% increase in the City's TPT 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 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 TPT categories except advertising, utilities, jet fuel, telecommunications and mining, and became effective December 1, 2007. The revenues resulting from this increase totaled $81.9 million in 2020-21, $98.3 million in 2021-22, and $106.3 million in 2022-23, and $110 million in 2023-24. The estimate for fiscal year 2024-25 is $106.8 million.

On August 25, 2015, voters approved the Transportation Excise Tax.

As a result of the passage by the State Legislature of SB 1131 (defined and described below), effective January 1, 2025, Arizona municipalities are prohibited from levying a tax or fee on the business of renting or leasing real property for residential purposes. The estimated five-month impact to the City of the loss of residential rental tax income for fiscal year 2024-25 is estimated to be approximately $19.3 million and the ongoing annual impact beginning in fiscal year 2025-26 is estimated to be approximately $47.4 million. To partially offset the impact to City revenues from SB 1131 and SB 1828 (defined and described below), on March 18, 2025, the City Council approved an increase of 0.5% to the TPT and use tax rates, increasing the current rates from 2.3% to 2.8% with an effective date of July 1, 2025.

(2) Since January 1, 2016, Retail Sales tax was applied in two levels. At Level 1, a 2.3% was applied to first amount equal to or less than $10,000 for a single item and at Level 2, 2.0% applied to amounts greater than $10,000 for a single item. Effective July 1, 2025 Level 1 was increased to 2.8%.

(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, 2024. The inflationary adjustment to the threshold amount affects sales transacted beginning with January 1, 2024 and through the present tax periods. The current threshold amount of $13,886 was adjusted by an incremental amount of $2,255 from $11,631 for "big ticket" items under corresponding retail and use tax business codes.

City Transaction Privilege (Sales) Tax Recent Legislation

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 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, the 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 revenue 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 2025-26, the City was assessed a fee of $4,127,948.42.

As a result of the passage by the State Legislature of Senate Bill 1131 ("*SB 1131*"), effective January 1, 2025, Arizona municipalities are prohibited from levying a tax or fee on the business of renting or leasing real property for residential purposes. The revised unaudited five-month impact to the City for the loss of residential rental tax income for fiscal year 2024-25 is approximately $19.3 million and the ongoing annual impact beginning in fiscal year 2025-26 is estimated to be approximately $47.4 million.

To partially offset the impact to City revenues from SB 1131 and SB 1828, on March 18, 2025, the City Council approved Ordinance G-7369 to increase the TPT rate by 0.5%. The increase affects various tax categories including amusements; construction contracting; hotel/motel; job printing; manufactured buildings; publishing; commercial real estate property rental and leasing; rental, leasing, and licensing of tangible personal property; restaurants and bars; retail sales (Level 1); timbering and other extraction; transporting for hire; and use taxable purchases and out-of-state-vendors (Level 1).

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Transaction Excise Tax Collections and Coverage

The following table shows the Transportation Excise Tax receipts for fiscal years 2015-16 through 2023-24 and preliminary unaudited amounts for fiscal year 2024-25.

City of Phoenix Actual Transportation Excise Tax Receipts

Fiscal Year	**Actual Amounts Budgetary Basis**
2015-16[1]	$ 98,593,000
2016-17	202,842,000
2017-18	215,806,000
2018-19	239,179,000
2019-20	247,593,000
2020-21	279,348,000
2021-22	335,609,000
2022-23	362,473,000
2023-24	376,179,000
2024-25[2]	365,494,000

(1) Effective January 1, 2016, the Transportation Excise Tax increased from 0.4% to 0.7%. The amounts collected in fiscal year 2015-16 reflect only the 0.7%, collection as of January 1, 2016.
(2) Fiscal year 2024-25 is preliminary unaudited and subject to adjustment.

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SCHEDULE OF TRANSPORTATION EXCISE TAX REVENUES, DEBT SERVICE REQUIREMENTS AND PROJECTED DEBT SERVICE COVERAGE

Fiscal Year	Transportation Excise Tax Revenues[1]	Debt Service Requirements on the Bonds	Projected Debt Service Coverage[1]
2025-26	$365,494,000	$17,902,248	20.4
2026-27	365,494,000	20,019,250	18.3
2027-28	365,494,000	20,019,000	18.3
2028-29	365,494,000	20,019,500	18.3
2029-30	365,494,000	20,019,250	18.3
2030-31		20,016,750	
2031-32		20,020,500	
2032-33		20,018,500	
2033-34		20,019,250	
2034-35		20,020,750	
2035-36		20,016,000	
2036-37		20,018,250	
Total:		$ 238,109,248	

(1) Actual preliminary unaudited revenues collected in fiscal year 2024-25 are used to calculate projected debt service coverage.

GENERAL FUND SUMMARY [(1)]

The table below presents the General Fund revenues by major source for fiscal years 2023-24 and 2024-25. The General Fund revenues for fiscal year 2024-25 are preliminary unaudited and are subject to adjustment. 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. The General Fund section below does not include Transportation Excise Tax revenues.

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

Revenue Source:	Actual 2023-24	Unaudited 2024-25[(1)]
Local Taxes:		
Sales Tax	$ 707,310	$ 695,243
Privilege License Fees	3,469	3,368
Other General Fund Excise Taxes	19,575	19,759
State-Shared Revenues:		
Sales Tax	249,504	252,575
State Income Tax	435,754	351,016
Vehicle License Tax	83,823	88,000
Primary Property Tax	206,394	215,419
User Fees/Other Revenues	199,572	193,969
Total General Fund	$1,905,401	$ 1,819,349

The table below presents the General Fund balance for fiscal years 2023-24 and 2024-25. The ending General Fund balance for fiscal year 2024-25 is preliminary unaudited and subject to adjustment.

GENERAL FUND BALANCE
(Budgetary Basis)
(in thousands)

Resources:	Actual 2023-24	Unaudited 2024-25[(1)]
Beginning Balance	$ 222,931	$ 293,513
Revenues	1,905,401	1,819,349
Recoveries	8,400	10,600
Transfers	1,659	19,170
Total Resources	$2,138,391	$2,142,632
Expenditures:		
Operating Expenditures	$1,810,817	$1,881,950
Capital	34,061	50,538
Total Expenditures	$1,844,878	$1,932,488
Ending Fund Balance	$ 293,513	$210,144

(1) The ending General Fund balance for fiscal year 2024-25 is preliminary unaudited and subject to adjustment.

COMBINED FINANCIAL SCHEDULES

The schedules summarized on pages B-35 through B-46 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 2021-22, 2022-23, and 2023-24 and adopted budget for fiscal year 2024-25. 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.

Recent Budget Actions

The City Manager presented a balanced Trial Budget for fiscal year 2025-26 for City Council discussion in March 2025. The City Council approved the proposed budget, which included balancing strategies to resolve the projected general fund deficit. One of the strategies was an increase to the TPT and use tax rate from 2.3 percent to 2.8 percent effective July 1, 2025. The strategies to balance the budget were necessary to preserve existing general fund programs and services, offset the revenue losses caused by state legislative action, and provide additional resources for critical priorities. The strategies result in a one-time projected 2025-26 general fund surplus of $17 million to be set-aside and available in the fund balance if necessary to balance the 2026-27 budget. On June 18, 2025, the City Council adopted the final budget, and the Property Tax Levy was adopted on July 2, 2025.

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.

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 or refinancing of municipal property and equipment.

The Corporation will enter into the Loan Agreement and the Indenture to facilitate the prepayment of the 2020 Loan. 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 Transportation 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.

Transportation Excise Tax 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 the Transportation Excise Tax, as described under "SECURITY AND SOURCE OF PAYMENT." Transportation 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 Transportation Excise Tax revenues collected by the City. For additional information relating to the Transportation Excise Tax and historic and current economic conditions in the City, County and State, see "TRANSPORTATION EXCISE TAX AND COVERAGE," "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 Transportation 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 Transportation 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. For a recent example of such potential actions by the State, see "TRANSPORTATION EXCISE TAX AND COVERAGE — City Transaction Privilege (Sales) Tax Recent Legislation." While the City cannot predict whether any such measures will become law or how they might affect Transportation Excise Tax revenues, it is possible such actions could reduce or eliminate the amount of pledged Transportation Excise Tax revenues collected by 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 special 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 imposed on individuals; 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 have 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: (1) to a federal branch profits tax imposed on certain foreign corporations doing business in the United States; (2) to a federal tax imposed on excess net passive income of certain S corporations; and (3) to the alternative minimum tax imposed under Section 55(b) of the Code on “applicable corporations” (within the meaning of Section 59(k) of the Code). 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 that was in effect at that time, 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 Premium

The Bonds (for purposes of this section, the "*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 Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of bond premium, the determination for federal income tax purposes of the amount of bond premium properly amortizable in any period with respect to the Premium Bonds, other federal tax consequences in respect of bond premium, and the treatment of 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. Squire Patton Boggs (US) LLP has acted as disclosure counsel to the Corporation and the City in connection with the preparation of this Official Statement. 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 it 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

S&P Global Ratings, ("*S&P*") has assigned to the Bonds a rating of "AAA" to the Bonds. Fitch Ratings Inc. ("*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 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 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 or Fitch if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings by S&P or Fitch may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC ("*PFM*") is employed as Municipal Advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor's compensation for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. PFM in its capacity as Municipal 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, ending or future actions taken by any legislative or judicial bodies.

UNDERWRITING

The Bonds are being purchased for reoffering by BofA Securities, Inc. and the other underwriters shown on the cover (the "*Underwriters*"). The Underwriters have agreed to purchase the Bonds, subject to certain conditions, at an aggregate purchase price of $200,723,751.18. If the Bonds are sold to produce the yields shown on the inside front cover hereof, the underwriters' compensation will be $493,473.77.

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

BofA Securities, Inc., an underwriter of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("*Merrill*"). As part of this arrangement, BofA Securities, Inc. may distribute securities to Merrill, which may in turn distribute such securities to investors through the financial advisor network of Merrill. As part of this arrangement, BofA Securities, Inc. may compensate Merrill as a dealer for their selling efforts with respect to the Bonds.

Effective August 2, 2024, Texas State Bankshares, Inc., the registered bank holding company for Texas Regional Bank (collectively, "*TRB*"), completed its acquisition of Dallas-based investment banking group Estrada Hinojosa & Company, Inc. ("*Estrada Hinojosa*"), an underwriter of the Bonds. Estrada Hinojosa operates under TRB Capital Markets, LLC, a wholly-owned subsidiary of TRB, using the assumed name of "Estrada Hinojosa."

TD Financial Products LLC, one of the Underwriters of the Bonds, has entered into two negotiated dealer agreements (the "*TD Dealer Agreements*") with Charles Schwab & Co., Inc. ("*CS&Co.*") and Revere Securities LLC ("*Revere*") for the retail distribution of certain securities offerings, including the offered Bonds at the original issue prices. Pursuant to the TD Dealer Agreements, CS&Co. and Revere may purchase Bonds from TD Financial Products LLC at the original issues prices less a negotiated portion of the selling concession applicable to any of the Bonds CS&Co. and Revere sells.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, including securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. In the ordinary course of their business, the Underwriters and their respective affiliates hold investments and trade debt and equity securities (or related derivatives) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investment and securities activities may involve obligations of the City. Further, to the extent an Underwriter or an affiliate thereof is a lender with respect to the 2020 Loan, such Underwriter or its affiliate, as applicable, would receive a portion of the proceeds of the Bonds in connection with the prepayment of the 2020 Loan.

CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the "*Undertaking*") with respect to the Bonds for the benefit of the beneficial owners of such Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board through the 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 except as set forth below, it has complied 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 February 1, 2024, filing of certain operating data for the fiscal year ending June 30, 2023, was not associated with all related CUSIP numbers until June 17, 2024.

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

The financial statements of the City as of June 30, 2024, for its fiscal year then ended have been audited by Forvis Mazars, 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: /s/ Michael R. Davis
President

CITY OF PHOENIX, ARIZONA

By: /s/ Kathleen Gitkin
Chief Financial Officer

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 Avondale, Buckeye, Chandler, El Mirage, Glendale, Goodyear, Mesa, Peoria, Scottsdale, Surprise, Tempe; the towns of Gilbert, Fountain Hills, Paradise Valley, and Queen Creek 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 6.85 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 U.S. Census Bureau estimated Phoenix population at 1,692,268 as of July 1, 2024. As of February 1, 2025, the City encompasses 519.41 square miles.

Population Statistics(1)
Phoenix, Maricopa County and Arizona

							Percent Change	
Area	**1950**	**1970**	**1990**	**2000**	**2020**	**2024**	**1950-24**	**1990-24**
Phoenix	106,818	584,303	983,403	1,321,045	1,608,139	1,692,268	1,484.3%	72.1%
Maricopa	331,770	971,228	2,122,101	3,072,149	4,420,568	4,726,247	1,324.6%	123.8%
State of Arizona	749,587	1,775,399	3,665,228	5,130,632	7,151,502	7,621,703	916.8%	107.9%

(1) Population figures for the State of Arizona, City of Phoenix, and Maricopa County are as of July 1, 2024. The 2024 population figures for Maricopa County and the State of Arizona are from the Arizona Office of Economic Opportunity. The 2024 population figure for the City of Phoenix is from the City of Phoenix Planning & Development Department. Prior figures are from the U.S. Census Bureau.

Phoenix is served by main lines of the Union Pacific and Burlington Northern Santa Fe Railroads, a bus line (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, Aeromexico, Air Canada, Air France, Alaska, Allegiant, American, Breeze Airways, British Airways, Contour, Delta, Denver Air Connection, Envoy Air (operating as American Airlines), Flair, Frontier, Hawaiian, Jazz Aviation (operating as Air Canada Express), JetBlue, Porter Airlines, SkyWest (operating as American Eagle, Delta Connection and United Express), Southern Airways 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 33 elementary school districts, 6 high school districts, 16 unified school districts, and 2 technical institutes, operating over 900 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 19 colleges and schools and has a total equivalent enrollment of more than 158,000 undergraduate, graduate and professional students. There are 4 campuses in Metro Phoenix and online. ASU's main campus is located just east of Phoenix in the city of Tempe and has enrollment of nearly 55,000 students. The Arizona State

University West campus opened in 1991, is located in northwest Phoenix, and has an enrollment of nearly 5,400 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 6,300 students. The Arizona State University Downtown Phoenix campus opened in 2006 and has an enrollment of more than 10,000 students. ASU Online has over 80,000 students. Grand Canyon University, a private university offering undergraduate and postsecondary degree programs, has a main campus located northwest of downtown Phoenix. In fall 2025, enrollment at Grand Canyon University was approximately 133,000 including both on-campus and online students. The City also contains a number of private universities, colleges, and technical institutions. The U.S. Census Bureau’s 2023 American Community Survey, the most recently available, estimated that more than 68.0% of the adult residents of Maricopa County attended college, compared to 63.8% 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 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. In addition, the City has a $5.0 million insurance policy with AIG Specialty Insurance Company, a $5.0 million policy with Resilience, a $5.0 million policy with Crum & Forster, and a $10.0 million policy with Brit, for a total of $25 million in coverage, which insures against cyber extortion and network interruption. No assurance can be given, however, that the City’s current efforts to manage cyber threats and security will, in all cases, be successful. The City cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

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.

In 2020, the City of Phoenix re-certified, updated, and expanded the boundaries of the downtown Redevelopment Area. The Downtown Redevelopment Area has been critical to the redevelopment efforts in downtown Phoenix over the past several decades. The updated boundaries will focus redevelopment efforts where they are most needed, and expanding the area of impact outside the traditional boundaries of the core.

In 2025, the City of Phoenix adopted the updated Downtown Redevelopment Area Plan. The Downtown Redevelopment Area Plan establishes planning methods to address present-day conditions and challenges within the Downtown Redevelopment Area boundary that was reestablished in 2020. The scope of the updated Downtown Redevelopment Area Plan includes demographic, economic, and housing data, barriers to development, community assets, and needs. The plan provides a framework for future redevelopment opportunities in Downtown Phoenix.

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 2002 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 2015 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 2015 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 2015 focused 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 2015 Update was unanimously approved by the Phoenix Planning Commission on January 13, 2015. The General Plan 2015 Update was approved by the City Council on March 4, 2015 and was approved by voters in the August 25, 2015 Citywide election.

In January 2023, the City Council approved the PlanPHX General Plan 2025 Update Public Participation Plan which outlined an engagement approach to re-appoint a PlanPHX 2025 Leadership Committee and work closely with Planning Commission and Village Planning Committees on a strategic and focused update to the General Plan. The General Plan 2025 Update incorporated a new Core Value to Create a Vibrant Network of Cores, Centers and Corridors while revealing several new goals while preserving and elevating several key established goals from the prior General Plan and more current city-wide policies and plans. The General Plan strengthened its purpose as a unified policy framework for the entire City. The General Plan 2025 Update was unanimously approved by all 15 Urban Village Planning Committees in January and February 2024 and unanimously approved by the Phoenix Planning Commission on March 7, 2024. The Phoenix City Council adopted the updated General Plan 2025 on April 17, 2024, and referred it to the November 2024 ballot. Phoenix residents approved the updated General Plan with nearly 80% of the votes in support.

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 members of the public. 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 894 conventions, or an average of 60 conventions per year, with an estimated 3,350,000 delegates through 2023. The Phoenix Convention Center hosted over 65 conventions in 2024 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.

Phoenix was just recognized as the number one location for manufacturing job growth in the United States and was recently named as one of the top ten best cities for corporate headquarters. 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 2024/25, CEDD attracted 20 new employers across various industries. These companies added 8,214 new jobs, with a capital investment of almost $20.7 billion. Combined with the attraction efforts, CEDD's expansion and retention efforts totaled 615 new jobs in the last fiscal year and attracted $202 million in capital investment. The workforce team also hosted 80 recruitment events this year.

Phoenix continues to see strong growth in its labor force population. According to the Bureau of Labor Statistics ("*BLS*"), between 2023 and 2024, the City's labor force grew 2.2% and has grown over 7.78% since 2020. According to the Bureau of Labor Statistics Industry Employment, as pre-pandemic routines rebound, the Phoenix metro area has seen the largest industry growth focused on accommodations, food services, arts, entertainment, recreation, and management of companies and enterprises. Phoenix continues demonstrating resilience in its economy and workforce by having an annual average unemployment rate of 3.5% between 2024 and 2025. Furthermore, Fiscal Year, 2024/25 has ended strongly, with an average 3.6% unemployment rate compared to the state unemployment rate of 4.5% in the fourth quarter, according to the latest data from BLS.

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 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 (currently Arizona Financial 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 Footprint Center) opened in June 1992.

A multi-phased renovation of City-owned multipurpose arena began in the spring 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 was 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 commits 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, currently named Chase Field, 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.

In 2022, Downtown Phoenix Inc., Artlink Inc., and the Phoenix Arts and Culture Department partnered with local artist Kayla Newnam to create a 190-foot, "Welcome to Phoenix" mural located between First and Second Street, on Adams Street. This mural will welcome visitors to Phoenix, especially during major City-wide mega events such as the upcoming 2026 NCAA Women's Final Four. Kayla Newnam is a Phoenix native that has also contributed to the emerging art and cultural development of Downtown Phoenix with other mural art pieces such as the "Not Another Bird Mural" on Roosevelt Street, and "Desert Connection" for Wexford Science and Technology on the Phoenix Biomedical Campus.

In February of 2023, the City of Phoenix hosted Super Bowl LVII with various events centered in Downtown Phoenix. This event brought over 350,000 Super Bowl fans to Downtown Phoenix to enjoy events such as the Super Bowl Experience at the Phoenix Convention Center and at Hance Park, Super Bowl Music Fest, the NFL Honors Annual Awards Show, and many more.

In 2023, the City along with the Arizona Super Bowl Host Committee, dedicated a new public art installation at the Phoenix Convention Center in downtown Phoenix. The sprawling installation, titled Flowing Alchemy by renowned local artist Katharine Leigh Simpson, was prominently displayed during the 2023 NFL Super Bowl

Experience, and helped to raise awareness about the importance of the City's recycling and resource management efforts. The suspended sculpture, which is made entirely of upcycled plastic waste, highlights the need to ensure harmony between modern society and the natural environment and is inspired by the symbiotic relationship between Arizona's native birds and the Rio Salado that allowed the ancestors of the O'odham people to make our valley inhabitable.

In October of 2023, the City of Phoenix was selected as one of eight cities across the country to receive Bloomberg Philanthropies' Public Art Challenge Grant. This is a $1 million public art grant aimed at supporting art installations that address important civic issues. Phoenix's selected project is "¡Sombra!", which will commission artists to create shading and cooling installations that help protect residents from extreme urban heat.

From October 30 through November 1, 2023, the City of Phoenix hosted the 2023 Baseball World Series at Chase Field in Downtown Phoenix. This was a historic event as it was the first time in over two decades that the World Series came to Phoenix. In addition to the increased tourism, the World Series contributed dramatically to boosting the local economy of the City of Phoenix. The event generated $107.6 million in State GDP (as defined herein) for the City of Phoenix and provided 2,561 temporary jobs. Additionally, the impact to the State of Arizona was $55.1 million in State GDP and 979 jobs.

In November of 2023, voters approved a $500 million general obligation ("*GO*") bond program of which 10% will be set aside to fund various arts and culture projects in the City of Phoenix. The top three ranked projects included in the GO Bond were the Latino Cultural Center with a total cost of $21.6 million, a permanent home for the Valley Youth Theater at $14 million, and an expansion of the Children's Museum of Phoenix at $5.3 million. Other projects featured were Phoenix Center for the Arts Theater improvements, funding for the renovation and expansion of AZ Jewish Historical Society, and various Cultural Facilities critical equipment replacements.

In late November 2023, the NCAA Men's Final Four Legacy Project was announced by the NCAA, Degree®, and the Host Committee. This project funded refurbishments of the indoor and outdoor basketball courts at Eastlake Park and Community Center in Central Phoenix. The project also includes adjustable hoops and backboards, new benches, bleachers, weight room equipment, and more. Phoenix will host the 2026 NCAA Women's Final Four.

In partnership with the Phoenix Convention Center, an Entertainment District study began in mid-2024 led by consultant HR&A Advisors, Inc. to assist in the identification, establishment, and activation of an entertainment district. The entertainment district would provide conventioneers, visitors, and residents a walkable, vibrant, safe, and navigable area, that could include hospitality amenities such as a density of restaurants, bars, attractions, street performers, public art, significant lighting and landscaping, scooter docks, and electric vehicle shuttles. This was a result of a study conducted by the Phoenix Convention Center in 2020 and 2022.

In April 2024, the City of Phoenix and City of Glendale hosted the 2024 NCAA Men's Final Four Event. This included a series of ancillary events hosted at various sites in the City of Phoenix including: the Final Four Fan Fest at the Phoenix Convention Center, NCAA March Madness Music Fest at Hance Park, and the Men's Final Four Dribble at Heritage Square and Phoenix Convention Center with thousands of youths in attendance. The NCAA will come back to Phoenix in 2026 when the City will host the NCAA Women's Final Four Event.

On March 7, 2024, the NBA announced that Phoenix had been selected to host NBA All-Star 2027. The 76th NBA All- Star game will take place at Footprint Center on February 21, 2027, and will be the fourth time Phoenix hosted the event, including in 2009, 1995, and 1975 respectively.

On July 20, 2024, Phoenix hosted the 2024 WNBA All-Star Game and had over 16,000 fans attend the game between the United States Basketball Women's National Team and the WNBA All-Star team. WNBA All-Star events took place over multiple days in Phoenix and included activities for all ages, and fans such as the Kia Skills Challenge, the STARRY 3-Point Challenge, and AT&T Slam Dunk, wrapping up with the All-Star game the final day.

Commercial Development

In the 1970s, three major commercial banks located their high-rise headquarters buildings in the downtown area. Additional banks followed, including the Citibank building (now a City owned building for the Public Transit Department and other tenants), 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 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, downtown Phoenix's first new grocery store in decades, 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 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 2019, Downtown Phoenix's Arizona Center underwent a $25 million renovation that led to several improvements such as modern shade structures, upgraded landscaping and water features, valet parking, bike racks, entertainment stage and a 60-foot LED jumbotron.

Taiwan Semiconductor Manufacturing Company ("*TSMC*") is a semiconductor manufacturing foundry company established in Taiwan in 1987. They provide services to various markets including high performance computing, smartphones, AI autonomous automotive, and IoT in consumer electronics. In 2020, TSMC announced plans to invest $12 billion and build a fab in Phoenix, Arizona. In 2022, TSMC announced an additional fab for a total investment of $40 billion and in April 2024 a third fab was announced bringing the total to $65 billion, making the site the largest foreign direct investment in Arizona history, and the largest foreign direct investment in a greenfield project in U.S. history. In March, TSMC announced an additional $100 billion for an expansion to include three new fabrication plants, two advanced packaging facilities and a major R&D team center, bringing the total to $165 billion. Total employment, excluding construction jobs, is projected to be in excess of 4,500 jobs with an average salary of $80,350 a year. TSMC's investment in Phoenix, Arizona has spurred additional investment from their suppliers such as Sunlit-AZ, JH Gases, ASML, ASM, Applied Materials, Tokyo Electron, and others creating additional high wage jobs. TSMC Arizona is pivotal to the U.S. government's plan to onshore semiconductor manufacturing to remove vulnerabilities highlighted by the COVID-19 crisis. Arizona is now known as the Silicon Desert and the U.S. hub for semiconductor manufacturing where the most leading-edge technologies are mass-produced. Creating a semiconductor supply chain cluster in this region provides a range of other benefits to the industry and the broader economy. By bringing together semiconductor manufacturers, suppliers, research institutions, universities, and other stakeholders, these regional clusters create a hub of expertise and resources that can be leveraged to broadly promote innovation and long-term growth.

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 Center, 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.

The historic, art-deco themed Ellis Building, located at 2nd Avenue and Monroe, was built in 1922 and is currently undergoing a $10 million renovation. The building's owner, Equus Corp., plans to create a mixed-use concept with office, residential, restaurants, a basement speakeasy, coworking space and more. The residential portion will occupy the 3rd through 5th floors of the building with 81 co-living style units.

The extended stay hotel project named Home2 Suites Hilton Hotels opened in February 2024 in Phoenix's historic Warehouse District. The 105,000 square-foot, 207-room hotel preserves the historic Fuller Paint Company warehouse, built in 1929. The historic warehouse serves as the hotel's lobby.

Opened in December 2023, the Moxy Phoenix Downtown Hotel is a 164-room hotel concept by Marriott Bonvoy located inside Phoenix's historic, century old Luhrs building. Moxy is just a short walk from some of Downtown Phoenix's most popular attractions such as the Phoenix Convention Center, Footprint Stadium, Chase Field, City Scape, and many more.

Phoenix's Central Station is a landmark development located at Central Avenue and Van Buren Street in Phoenix's booming Downtown area. Not only does this project bring 70,000 square-feet of office space, and 30,000 square-feet of retail space, but it was also built with public transit in mind by providing connections to bus stops, light rail, and 400 underground parking spaces. This is one of Arizona's tallest structures measuring 424 feet in height and consisting of two towers. Total investment for this project is estimated at $340 million.

In 2023, the City of Phoenix facilitated the sale of 30 N. Central Avenue located at the southeast corner of Central and Adams Street for a new boutique high-rise hotel. The hotel broke ground in September 2024 and when complete this project will include approximately 200,000 square feet of a mixed-use tower consisting of 50,000 square feet of office and commercial space, and a 200-room hotel.

In March 2024, the Phoenix Suns and Mercury teams opened new joint training facility and business headquarters in Phoenix's Downtown Warehouse District. This new state-of-the-art facility is only a few blocks away from the Footprint Center. The total investment for this new 123,000 total square-foot development exceeded $100 million. The location also feature a dedicated kitchen, hot and cold pools, cutting edge technology, lounge, film room, indoor arcade, workout facility, pickleball court, and more. It also houses hundreds of employees.

The former Firestone Building located at the northwest corner of Third Avenue and Van Buren Street in downtown Phoenix was transformed into an adaptive project. In 2025, the property opened as Phoenix's newest Goodwill store and donation center and the first to be in a nearly 100-year-old building in downtown Phoenix.

In June 2025, Kellwood Company, LLC purchased the 19-story, 111 Monroe building (located at the southwest corner of Monroe Street and 1st Ave.) for $17.08 million. Kellwood Company, LLC is a clothing manufacturer that plans to turn the 256,682 square foot building into its new headquarters.

A significant Arizona State Land Department auction occurred in June 2025 when Mortensen Development successfully acquired 217 acres in north Phoenix. With a winning bid of $136 million Mortensen is planning a mixed-use development for the area known as Paradise Ridge. They will be making a significant $30 million contribution to the Rawhide Wash project with Maricopa County Flood Control District and City of Scottsdale which makes 6,000 acres developable and brings 1,700 acres out of the flood plain.

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 renamed the Phoenix Bioscience Core ("*PBC*") in March 2022 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 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. In 2017, the cancer center came solely under Dignity Health and was renamed Dignity Health Cancer Center Institute at St. Joseph's Hospital and Medical Center. 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 which was constructed by Wexford Science and Technology. The PBC Innovation center celebrated its ribbon cutting on March 30, 2021. The building ultimately opened in the fall 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. A naming and site announcement ceremony was held in March 2025 for the new ASU Health headquarters on the PBC. The $230 million, 200,000 square-foot building will be home to ASU's School of Medicine and Advanced Medical Engineering among a number of other specialized medical and health programs and schools.

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 2018, the Mayo Clinic 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. 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 December 2021, the Mayo Clinic acquired 228 acres in an Arizona State Land Auction that is in the shape of an upside-down L around their existing north Phoenix campus. This will support the long-standing goal and vision of the Mayo Clinic, the City of Phoenix, and Arizona as an opportunity for co-creation with innovators in science and biotechnology with Mayo Clinic. The development for this corridor is called the "Discovery Oasis" replacing the former name of the Arizona Biomedical Corridor.

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 an $80+ million investment in the Arizona Biomedical Corridor.

In July 2022, the U of A announced its plans for the new Center for Advanced Molecular and Immunological Therapies ("*CAMI*") on the Phoenix Bioscience Core. CAMI is planned to be a 10-story 293,000 square-foot building located on the north side of the Biomedical Sciences Partnership Building. An immediate adjacent innovation building for public-private research and enterprises is planned to be located on the site. The estimated cost is $300 million. While planning and construction is occurring, CAMI programming has launched on the second floor of the U of A's Biomedical Sciences Partnership Building. Construction began for the Phase I building in October 2024.

In January 2023, Connect Labs by Wexford opened on the fifth floor of the 850 PBC building, formerly known as the PBC Innovation Center, on the Phoenix Bioscience Core. It is the first 'co-working' space dedicated to life science companies on the PBC. It consists of 35,000 square feet with a variety of sizes of private labs and offices for early-stage companies or research and development teams to locate and scale in place to advance their research with access to shared equipment. In May 2023, Calviri opened its 9,000 square-foot lab on the 6th floor of 850 PBC to further advance its cancer vaccine development.

In September 2023, National Institutes of Health, National Institutes of Diabetes and Digestive and Kidney Diseases signed a lease for the 7th floor of the 850 PBC building. This will be an expansion of their presence on the PBC where they are original tenants in the TGen building with their advanced genomics lab. The 35,000 square-foot space will consolidate their Epidemiology & Clinical research branch that had various locations throughout Phoenix, including at the Pima Indian Medical Center.

In 2024, the City of Phoenix partnered with Arizona State University, the University of Arizona, Northern Arizona University and SmithGroup to begin the process to update the Phoenix Bioscience Core master plan. The current effort is the first comprehensive update since 2017 and will address campus wide issues such as creating better common spaces, breaking down barriers created by the boundary of the campus, establishing campus wide signage and art programs and establishing community amenities. Preliminary results from the plan are expected in spring 2025.

In March 2025, the Mayo Clinic announced a nearly $1.9 billion investment in the continued transformation of its Phoenix campus. This 1.2-million square-foot expansion includes the construction of a new procedural building, a four-floor vertical and horizontal expansion of the Mayo Clinic Specialty Building, the integration of leading-edge technology, the addition of 11 new operating rooms and two new patient units supporting 48 additional beds.

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 was 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 newly constructed $60 million, 100,000 square-foot, four-story building at the corner of Second and Polk Streets and opened April 8, 2022.

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. Opened in June 2021, the 180,000 square-foot Phoenix campus serves 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 was constructed by the Park Central Community

Facilities District, formed for this purpose. The new ten-story parking garage has a capacity of 2,001 spaces and has 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.

In September of 2022, the Phoenix Forge, opened to the public. Housed at Gateway Community College, it is the largest community maker-space in the Southwest, serving as a free resource to Maricopa Community Colleges and Arizona State University students, as well as public monthly memberships for classes, tools and training.

In April 2023, ASU's student housing project, Taylor Place, was renamed to Gordon Commons in honor of Phoenix's former mayor Phil Gordon, a critical leader in the founding of the ASU Downtown Campus.

In October 2023, ASU's President Michael M. Crow announced that the university's headquarters for ASU Health, which includes a new medical school, will be built in downtown Phoenix. The new ASU School of Medicine and Advanced Medical Engineering will integrate clinical medicine, biomedical science, and engineering. Clinical partnerships, including the existing alliance between ASU and the Mayo Clinic, will support both research, and academic programs. ASU Health will initially be located on at the Mercado Building on the Phoenix Bioscience Core, with plans for a permanent location to be announced in 2025.

In August 2024, Tufts University graduated their first class of their Doctorate of Physical Therapy, which is part of their School of Medicine. In 2021, Tufts University opened their first location outside of the Cambridge-Boston area. They lease 20,000 square feet in the heart of Downtown Phoenix.

In March 2025, ASU announced the future site of the ASU Health headquarters, expected to open the fall 2028 semester. The headquarters will be in downtown Phoenix, bounded by Fillmore and Pierce streets to the north and south, and Fourth and Fifth streets to the east and west. The headquarters will have about 200,000 square feet and house the School of Medicine and Advanced Medical Engineering, a new kind of medical school that will produce physicians who blend medicine, engineering, technology and humanities.

In April 2025, the City of Phoenix partnered with the Greater Phoenix Chamber and its Elevate Education Workforce Development Program ("*ElevateEdAZ*"). Funded up to $750,000, this initiative aims to strengthen career pathways for high school students by working with Phoenix public schools and Career and Technical Education programs. ElevateEdAZ focuses on preparing youth for high- wage, high-demand occupations through increased dual enrollment, attainment of industry-recognized credentials, and expanded participation in work-based learning experiences such as internships and job shadowing. The program also supports educator externships, career awareness events, and incentive plans for students and teachers to drive deeper engagement and impact.

In June 2025, CEDD closed out the City's American Rescue Plan Act ("*ARPA*") funded workforce programs, marking the completion of one of the largest local workforce investments supporting Phoenix's COVID-19 recovery. Of the City's $396 million in ARPA funding, approximately $51.7 million was allocated to workforce-related initiatives, including job training, small business assistance, and education support programs. As part of this work, the City oversaw the conclusion of the Phoenix Promise Program, which enabled more than 800 residents to attend community college by covering tuition and offering wraparound supports such as childcare and transportation. ARPA funds also bolstered small business workforce efforts, including targeted training and grants for micro and small- businesses across Phoenix.

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 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 focused 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, as appropriate. 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. The units included apartments, lofts, condominiums and multi-family housing. Residential housing projects continue to be developed in downtown Phoenix. 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 2015 and was completed in the spring 2017. This luxury condominium project sits adjacent to the City's Hance Park on Portland Avenue, between 1st and 2nd Avenue. 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 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. Phase II is currently under development by Randolph Street Realty Capital LLC and will feature 110 units and 5,000 square feet of retail.

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 contains 257 rental units at a capital cost of $67.6 million and was completed in late-2019. Phase II was completed in fall 2022 and contains 234 rental units at a capital cost of $59.4 million. Currently, The Link Phase III is preparing to start construction and will feature a 32-story tower with 277 units, and 8,300 square-feet of commercial space.

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 was completed in September 2021.

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 was completed in 2022. Phase II is expected to commence construction in 2026 and will include a multifamily residential component with ground floor retail, attainable residential multifamily for rent, and for-sale townhome condominiums.

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 includes 309 rental units and 6,500 square-feet of ground level retail space. Skye on 6th opened in summer 2023. Amenities for this site include a rooftop pool with sundeck, fitness center and yoga room, outdoor terraces, co-working and social spaces, and close proximity to Roosevelt Row and the Biomedical Campus. The complex will also feature workforce/affordable housing units.

Opened in 2021, the Ryan is in one of the most popular areas in Downtown Phoenix at the corner of Jefferson and 2nd Street. This 17-story, 332-unit residential high-rise project is situated right next to Phoenix's Footprint Center, light rail, CityScape and just down the street from the Phoenix Convention Center and Chase Field.

Akara Partners completed construction on their $45 million project named Kenect in 2022. Kenect is an innovative 20-story residential high-rise project located at Central Avenue and Polk Street right next door to

ASU's downtown Campus and Central Station. With 299 units, Kenect also offers residents a rooftop pool, social and networking events, a state-of-the-art fitness center, concierge, 17,000 square-feet of ground floor retail and coworking spaces.

Moon Tower, by Lincoln Ventures, is a 24-story apartment building which opened in 2023. Located in the Roosevelt Row Arts District, the tower has 326 total units, rooftop pool deck, fitness studio, co-working and conference spaces. Present throughout the property, Moon Tower has incorporated beautiful local artwork from surrounding Roosevelt Row area and local artists. The high-rise also boasts an on-site cafe and bar named Daydreamer Coffee.

EcoPhx is proving to be one of Arizona's most sustainability friendly developments. Officially opened in 2024 at the Southwest corner of Roosevelt and 3rd Avenue, EcoPhx is a 5-story project with 70 apartment units and 3,300 square-feet of retail space on the ground floor. This unique development uses rain and reuses gray water used by residents, as water for irrigation. Additionally, the complex generates 519mWh of solar energy annually and employs several strategies to reduce energy usage. Construction for EcoPhx completed and it officially opened to the public at the end of 2025.

Saiya is a development under construction at McKinley Street and 1st Avenue in Downtown Phoenix. This will be a mixed-use project with 23-story residential high-rise tower with 389 units. There will also be 12,550 square-feet of street level retail/restaurant space. Completed in 2025, residents will be just a few minutes' walk away to the light rail and Roosevelt row. This tower also features the tallest painted mural in the State of Arizona, spanning many stories on the side of the building. The development includes a pedestrian paseo, surrounded by retail and restaurant space.

Phoenix's Central Station is a landmark development located at Central Avenue and Van Buren Street in Phoenix's booming Downtown area. This project features two residential towers of 22 and 33 stories. The 22-story tower is used for student housing with 655 beds while the 33-story residential tower holds 362 market-rate residential units. The project includes 70,000 square-feet of office space and 30,000 square-feet of retail space. The project was built between two light rail stations and was designed with public transit in mind by providing connections to bus stops, light rail, and 400 underground parking spaces. This is one of Arizona's tallest structures measuring 424 feet in height and total investment for this project is estimated at $340 million. The development also includes ground-floor retail and restaurant space.

In 2024, VeLa Development Partners started construction on the Ray Phoenix, a 26-story, 401-unit with ground floor retail. The $80 million project will include a variety of floor plans along with various highly amenitized common areas. Construction completion is expected in 2026. This location is just a short walk away from light rail, ASU's downtown campus, Roosevelt Row, the Biomedical campus, and many entrainment options. With it's unique green textured facade and shade-providing panels, this will be one of Downtown Phoenix's most recognizable and sleek landmarks.

Expected to be completed in the fourth quarter of 2025, the X Roosevelt, a 19-story tower located on Second Avenue between McKinley and Fillmore streets, will have 370 units; 37 will be workforce housing, as defined by the development agreement with the City of Phoenix. Developed by the X Company, this location will feature co-working spaces, club-style fitness center, yoga studio, rooftop pool, and many other community focused amenities.

Residential leasing of Sol Modern is scheduled to begin in the second half of 2025. This twenty-nine-story building, at 601 North Central, will be the largest residential project in downtown Phoenix, encompassing an entire city block, with 747 residential units in the main tower, eight levels of above-grade parking and nearly 30,000 square feet of retail shopping on the first level. Amenities available for residents will include resort style swimming pools, private balconies for many units, fitness center, ground-floor retail and dining, and a modern design intended to re-imagine downtown Phoenix living.

Recently opened in 2025, PALMTower is a 29-story, 352-unit luxury residential complex being built in Downtown Phoenix's Arizona Center. Amenities include outdoor swimming pool and lounge areas, an indoor/outdoor clubhouse, open-air gym, and gorgeous panoramic views of the City. The unique location of this development puts it just steps away from the nearby Biomedical campus and the many restaurants and retail spaces at Arizona Center. PALMTower will also dedicate 10% of all units as workforce housing. The completion of this project represents a $107 million investment in Downtown Phoenix.

The Henri is a new 7-story, luxury mid-rise residential development under construction at the northeast corner of Van Buren and 6th Ave. The Henri will include over 36,000 square feet of amenities including a rooftop pool and deck, a resort-style courtyard, EV charging, library with a co-working lounge, and much more. Construction is currently scheduled to be completed in early 2026.

The Astra Towers 1 & 2 are set to be one of the largest investments in Downtown Phoenix as well as the tallest tower in the State of Arizona. The planned 48-story project is expected to break ground late 2026 and is projected to be completed sometime in 2027-28. Astra will feature retail, restaurants, office, and hotel spaces, with 700 residential units. Astra is an ambitious project aimed to transform Downtown Phoenix and its skyline.

Rainbow Road is the one of the most unique residential concepts in the country that is currently under construction in Downtown Phoenix. This will be a 5-story, 36-unit mid-rise building inspired by Nintendo's Mario Cart tracks. The unique, sleek, rainbow lighting and pixelated design will make it one of Arizona's most recognizable landmarks. It will also feature ground-floor commercial space, rooftop art exhibition space and more. Currently, the project is complete and leasing available units.

Opened in 2025, The Herrera is a unique 3-story, 24-unit smaller scale housing development in the Evans-Churchill neighborhood of Downtown Phoenix. With a gorgeous facade, design and aesthetic, The Herrera will feature private entrances, outdoor patios with shade trees, and rooftop decks. The developer behind this incredible project is True North Studio, which also plans to bring several other unique housing concepts to the downtown area.

The Burton, also being constructed by True North Studio, is a 48-unit, three-story housing project located just yards away from Roosevelt Row Arts District. Each unit will have its own private entrance with a private rooftop or patio space. The Burton is expected to open in 2026.

Government Facilities and Street Transportation

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 the largest municipal court in the State and is among the top 10 busiest courts in the United States.

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 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 Maricopa County Attorney's Office occupies the space, 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 undertook its largest and most comprehensive pavement maintenance program which entailed accelerating pavement maintenance work on many of the City's major streets. During this period, more than 230 major-street miles were 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 was accomplished in conjunction with the City's pavement preservation program for local and collector streets. In total, over 690 miles of streets were repaved between January 2019 and June 2023, including accelerated and existing projects.

In 2021, the Phoenix City Council authorized the purchase of the Wells Fargo office tower, along with two associated parking garages for $46.5 million. The 27-story office building, located at 100 West Washington Street, will become the future Phoenix Police Department Headquarters. On November 2, 2023, the City of Phoenix began renovations of the new headquarters. Renovations will continue through 2025 with phased occupancy and substantial completion anticipated by November 2025. This project consolidates public services and accommodates the long-term growth needs of the Phoenix Police Department.

In May 2023, the Phoenix City Council voted unanimously to approve the Active Transportation Plan as an update to the City's Bicycle Master Plan passed in 2014. The Active Transportation plan will serve as a guide for the expansion and improvement of the City's transportation network. This will help achieve the Transportation 2050 (being the T-2050 Plan) goal of adding 1,080 miles of bike lanes in the City of Phoenix. This plan also contains a street design manual for active transportation usage to help City Staff and consultants.

In June 2023, the City of Phoenix celebrated achieving 100 miles of cool pavement seal coatings for streets located across the City of Phoenix. Cool pavement is a water-based coating that reduces street surface temperature by several degrees, thus reducing the urban heat island effect. This coating is also recyclable and non-toxic.

In January 2024, the Arizona Governor's office of Highway Safety awarded the City of Phoenix with a $140,000 grant to help the Phoenix Street Transportation Department support educational outreach efforts related to the Vision Zero Road Safety Action Plan. The fund will be used to support pedestrian and bicycle safety initiatives, the purchase of bicycle helmets for students, and LED stop sign paddles for crossing guards.

In February 2024, the City of Phoenix finalized the Downtown Phoenix Parking Master Plan. This represents a culmination of a process initiated by the City Council to study supply and demand of parking in Downtown Phoenix and include recommendations into a 10-year master plan. Kimley-Horn and Associates led the effort as the City's consultant and has provided recommendations such as updating the City's management practice of parking facilities, creating new way-finding and technology solutions, and establishing new funding sources.

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 improvement project 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, streetlights, 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 Avenue 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 Street 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.

In 2022, the Community and Economic Development department ("*CEDD*"), in collaboration with several downtown community associations, identified twenty-five locations for new trash receptacle installation. CEDD partnered with the community associations and the Office of Arts and Culture to solicit a local 'Call for Artists' which will allow each unique community to work with a local artist for an art design that will ultimately be installed via vinyl wrap on the trash receptacles in their respective areas.

In 2023, Valley Metro began the installation of public art along the new South-Central Extension/Downtown Hub which opened for operation in 2025. There are 18 artists in total and 13 are Arizona local artists. The five-mile extension will connect Baseline Road to Downtown Phoenix and to the regional light rail system. The Public art projects will reflect and celebrate the local area and beautify the transit spaces.

In 2024, the City implemented several new chilled bottle-filling stations in the heart of downtown. The water stations are located near Phoenix City Hall at the Marvin A. Andrews Plaza, Cesar Chavez Plaza, Roosevelt Mini Park, Desert West Park, and Herberger Theatre. The initiative will serve as a resource for both locals and visitors alike. The drinking water systems include two drinking fountains, and a custom-designed, state-of-the-art refillable water bottle station, and heat-mitigation technologies. The design components of the new system include an internal chiller, heat- mitigation materials and design, a purge valve to circulate water inside the units, and vandalism-resistant materials. The City is adding additional drinking water systems to expand the program at Burton Barr Library and Central Station.

Cityscape Park, also known as Patriots Park, has undergone several enhancement projects to better fit the needs of the community, and to keep the space active year-round. A new deck was added to mitigate heat, drought resistant landscaping was planned, along with planting several trees for shade.

In June 2025, the Valley Metro South Central Extension and Downtown Hub Light Rail opened and began operations. More than 5,000 community members, along with federal, state and local officials, gathered to celebrate the opening of the South-Central Extension/Downtown Hub light rail expansion in Phoenix. The extension represents a historic milestone for the City of Phoenix and Valley Metro marking the system's evolution to a 35-mile two-line rail system. The A-line now travels east/west and the B-line travels north/south with weekday service increased to 12 minutes before 7 p.m. The extension will add more than 8,000 daily riders to the light rail system, which currently serves an average of 32,000 boardings per day.

Transit/Light Rail/Transportation Excise Tax

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 2000 Sales Tax*").

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 2000 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, who approved the plan in March 2015 and placed Proposition 104 on the ballot. Voters approved a new comprehensive $31.5 billion, 35-year transportation plan (being the T-2050 Plan) and funding tax proposal that increased the existing transaction privilege and use tax dedicated for transportation from 0.4% to 0.7% (being the Transportation Excise Tax), effective January 1, 2016, with a sunset date of December 31, 2050. The voter-approved dedicated transportation sales tax is intended to fund the continued and expanded investment in street and transit improvements, including street paving and maintenance, local bus service, new bus rapid transit service, and the new and extended light rail service.

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 was originally comprised of 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 original project was approximately $9.3 million, with the Federal Transit Administration funding 80% and the City funding 20% of the project.

In October 2020, the Public Transit Department closed Central Station Transit Center and relocated the Customer Service functions to 302 N. 1st Avenue for redevelopment of the site. In June 2021, and with Federal Transit Administration ("*FTA*") concurrence, the City entered into a City Council-approved development agreement with Electric Red Ventures, LLC for the Central Station Transit Center (300 N. Central Avenue) site. The project includes two towers (22 and 33 stories each), and once complete, will return transit service to the interior of the site along with providing 9,000 square feet of office space for Public Transit's Central Station Customer Service Center. The redevelopment project is privately funded, and the City retains ownership of the land through a long-term lease with annual payments. The Central Station project represents a capital investment estimated at $340 million, with the first tenants moving into the 22-story student housing tower in September 2025. Bus service is anticipated to resume at the newly constructed Greg Stanton Central Station at the end of October 2025. The official opening is planned for November upon full completion of construction including the 33-story apartment tower plus 70,000 square feet of ground-floor retail and restaurant space.

The City completed major renovations for improvements and security upgrades to the Sunnyslope Transit Center in June 2007 and the Paradise Valley Mall Transit Center in June 2009. Five major transit capital projects funded by the American Recovery and Reinvestment Act include 1) the modernization at Central Station in July 2011 (now demolished); 2) the $1.4 million expansion of the 40th Street and Pecos Road Park-and-Ride, completed in June 2010; 3) construction of a new $3.4 million park-and-ride at the southwest corner of Interstate 17 and Happy Valley Road, completed in January 2011; 4) construction of a new $2.7 million park-and-ride at the southwest corner of 27th Avenue and Baseline Road, completed in February 2012; 5) construction of a new Desert Sky Transit Center at Thomas Road and 79th Avenue at a cost of $8.2 million in December 2015; 6) construction of a new park-and-ride at the northeast corner of 24th Street and Baseline Road in April 2015; and 7) a $4.0 million project to construct Americans with Disabilities Act related improvements at 400 bus stops in Phoenix, completed in October 2012.

The City made substantial improvements to its bus operating and maintenance facilities which are the backbone of the transit system, as they provide for 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 Proposition 104.

Improvement plans for the bus operating and maintenance facilities also include renovations of 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, and the South Transit Facility was completed in the fall of 2019, with a total cost of $28 million for design and construction.

The City purchased 25.4 acres of land near Alameda Road and the 15th Avenue alignment in North Phoenix at a cost of $31.1 million in March 2025. The land is the future site of the Deer Valley Operations and Maintenance Facility to provide more bus capacity as two of three existing operation and maintenance facilities are at capacity.

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 Central Phoenix East Valley (CPEV) light rail project was funded with federal grant funds, the Transit 2000 Sales Tax, and other local funding sources.

In 2012, the $327 million Light Rail Northwest Extension, Phase I project received approval to move ahead with capital funds from the countywide Proposition 400 transit sales tax, as well as funds from the Transit 2000 Sales Tax. The 3.2-mile light rail extension along 19th Avenue from Montebello to Dunlap Avenue opened on March 19, 2016, and includes a 415-space park-and-ride at the southwest corner of 19th Avenue and Dunlap.

The 50th Street Station, opened on April 25, 2019, at a cost of just under $20 million, was the first station built along the existing Valley Metro Rail system. This station, funded by the Transportation Excise Tax, serves the communities and future development near 50th and Washington Streets, provides access to the Ability360 facility and neighboring business community, as well as supports transit-oriented development planned for the area. The 50th Street Station features an enhanced pedestrian detection crosswalk signal, wider platforms and gently sloped entries for enhanced accessibility.

On January 27, 2024, the 1.6-mile Northwest Extension Phase II light rail corridor opened for revenue service. The extension expands light rail service farther into northwest Phoenix running west from 19th and Dunlap Avenues, then north on 25th Avenue, and finally west on Mountain View Road, crossing the I-17 freeway to the redeveloping Metrocenter area, which is part of a planned $850 million redevelopment project renamed The Metropolitan. This extension introduces unique features including the first elevated rail station, a rail-only bridge over the I-17 freeway, and seven community-driven public art installations. The project also includes the relocated Metrocenter transit center named in honor of former Phoenix Mayor and Councilmember Thelda Williams, who also served as Chair of Valley Metro Rail. Other project features include: three new light rail stations, a four-story parking garage, and 200 new trees along with enhanced landscaping. The $401.3 million Northwest Extension Phase II light rail project was made possible through $216.2 million in federal support via the FTA's Capital Investment Grant program, together with funding from the Transportation Excise Tax and regional Proposition 400 program.

City Council first approved the Capitol/I-10 West Light Rail Extensions locally preferred alignment in May 2012. Following the passage of the Transportation Excise Tax, the Council approved the phasing of the Capitol/ I-10 West project. In September 2017, Council approved staff recommendations to reconfigure the future Capitol/I-10 West Extension and South-Central Extension to create a downtown transit hub that would enhance connectivity for transit passengers and support other multimodal improvements. This change also established a two-line light rail system. The approval prompted a re-examination of the original Capitol/I-10 West Phase I LPA, which led to the project being divided into two extensions. In 2021, these were renamed the Capitol Extension ("*CAPEX*") and I-10 West Extension ("*10WEST*") to reflect their unique character, development schedules, and objectives.

The South-Central Extension/Downtown Hub ("*SCE/DH*") light rail corridor opened for revenue service on June 7, 2025. This 5.5-mile extension runs south along Central Avenue from Jefferson Street to Baseline Road and includes a new rail transfer hub in downtown Phoenix. The corridor features eight stations, a park-and-ride at the existing Ed Pastor Transit Center on Central Avenue and Broadway Road, and an end-of-line facility at Central Avenue and Baseline Road. With this extension, the light rail system in Phoenix has grown to 23.4 miles and now operates as a two-line network, providing expanded service and improved connectivity through the new downtown hub. The South-Central/Downtown Hub Light Rail expansion was funded through a mix of federal, regional, and local sources totaling $1.345 billion. The U.S. Department of Transportation awarded $740.1 million in grants, including $632.1 million from the FTA's CIG program and $108 million from the Federal Highway Administration's Congestion Mitigation and Air Quality program. An additional $102.4 million was funded through the ARPA. In addition to federal grants, the extension was funded through the Transportation Excise Tax and the regional Proposition 400 program.

In June 2022, the FTA awarded a $514,045 grant from the American Rescue Plan Route Planning Restoration Program to study potential high-capacity transit improvements in the Maryvale area of west Phoenix. In June 2024, the Phoenix City Council adopted the locally preferred alignment, advancing light rail transit with a route along Indian School Road to 75th Avenue, then south to Thomas Road, and terminating at the Desert Sky Transit Center. The next steps will involve refining the LPA to determine the best connection to the existing light rail in central Phoenix.

CAPEX will provide an important connection between the downtown core and the Arizona State Capitol area. Connecting with the existing Valley Metro Rail system at 3rd Avenue, the approximate 1.6-mile route will extend west on Washington Street, turning south on 15th Avenue before returning east on Jefferson Street, again connecting to the existing light rail system at Third Avenue and Jefferson Street. This expansion will connect state, regional and local agencies, as well as community partners and energize the downtown and State Capitol areas. The project is beginning the environmental review process and further design advancement.

The 10-mile I-10 West Extension will connect the greater West Valley to the existing Valley Metro Rail system. This project is unique and will see light rail trains traveling in the median of Interstate 10, before ultimately crossing to the north side of the freeway to a terminus at the existing Desert Sky Transit Center. The project team is currently in the planning phase working toward an updated Locally Preferred Alternative (LPA) that includes the connection to the Capitol Extension project.

Valley Metro and City of Phoenix will seek feedback on options for connecting the 10WEST and CAPEX extensions as part of the 10WEST project in summer 2025. Both projects will be funded through federal grants, Transportation Excise Tax, and other local sources.

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, providing 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 RT Sky Harbor LLC (formerly JP Morgan Chase). Other sizeable tenants at Phoenix Sky Harbor Center include First Group America d.b.a. Greyhound Lines, Charlie Case d.b.a. 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 Sky Harbor.

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. The RCC is now connected directly with all terminals and parking facilities via the PHX Sky Train® extension which was completed in December 2022.

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 (subsequently US Airways and 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 additional Terminal 4 concourse was completed in May of 2022 and all 8 additional gates are currently utilized by Southwest Airlines.

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 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. The two stages were completed at more than $45 million under the combined budget of $884 million. Phase 2, the final extension of the PHX Sky Train®, extended service from Terminal 3 to the Rental Car Center, commenced construction in February 2018, and was completed under budget and opened for service in December 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 certain CAMP projects until the projects became justified again by demand and financially feasible. Post pandemic, the Airport has seen robust demand in the mid to high single digits which led to a record 52.3 million passengers in calendar year 2024, the first time the Airport exceeded 50 million passengers. With growth expected to continue, the Airport is looking to the future with additional capital projects. A new crossfield taxiway project ("*Taxiway U*"), made possible with approximately $200 million in federal Bipartisan Infrastructure Law ("*BIL*") funds, is currently under construction and will provide enhanced efficiency on west side of the airfield. The Airport is also in the construction stage for an additional concourse on the north side of Terminal 3 (Concourse T3 N2) to provide an additional 6 gates with anticipated completion in 2028.

Property Tax Supported Bond Program

General Obligation Bond programs provide a mechanism to fund construction and rehabilitation of City facilities and infrastructure such as parks, libraries, fire stations, streets, and storm drains. At a Special Election held on November 7, 2023, the voters approved a total authorization of $500 million. The first tranche of the bond money in the amount of $250,000,000 was dispersed in fiscal year 2024-25, and the second disbursement from the remaining amount of authorization of $250,000,000 is expected to take place in fiscal year 2025-26.

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 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 are two Assistant City Managers, two Deputy City Managers, 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 40 departments/functions, 17 initiatives/projects and over 16,000 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 2024-25 through an adopted operating budget of $7,243.8 million. Of this, the general purpose funds budget totaled $2,039.9 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.

The final fiscal year 2025-26 GF budget adopted by City Council is $2,119.4 million. For all funds, which includes General, Enterprise and Special Revenue funds such as grants, and all debt service and pay-as-you-go capital costs, the fiscal year 2025-26 budget is $7,860.9 million.

Elected Officials

KATE GALLEGO, MAYOR

Mayor Gallego began her second consecutive term as Mayor in April 2025. 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 Master of Business Administration in Entrepreneurial Management from The Wharton School of Business at the University of Pennsylvania and a bachelor's degree in Environmental Studies from Harvard University.

ANN O'BRIEN, VICE MAYOR, DISTRICT 1

Councilmember Ann O'Brien began her second consecutive term in April 2025. 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. O'Brien holds a bachelor's degree from Arizona State University.

JIM WARING, COUNCILMEMBER, DISTRICT 2

Councilmember Waring began his third consecutive full term on the City Council in April 2023. 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 staff 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 and was reelected in 2020 and began serving her third consecutive term in April 2025. 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 was the President of the Arizona Chapter of the American Planning Association and served as a Board Member for the Arizona Council of the Urban Land Institute and Southwest Center for HIV/AIDS. Ms. Stark holds a Master Degree in Planning from Arizona State University and a bachelor's degree in Sociology from Western Kentucky University.

LAURA PASTOR, COUNCILMEMBER, DISTRICT 4

Councilmember Pastor was first elected in 2013. She began her third consecutive term on the City Council in April 2023. Currently she is the Community Liaison at Phoenix College. Ms. Pastor was 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 Master of Public Administration from City University of New York and bachelor's degree in Education from Arizona State University.

BETTY GUARDADO, COUNCILMEMBER, DISTRICT 5

Councilmember Betty Guardado began her second consecutive term on the City Council in April 2025. 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.

KEVIN ROBINSON, COUNCILMEMBER, DISTRICT 6

Councilmember Kevin Robinson began his first term on the City Council in April 2023. Mr. Robinson began his career with the City of Phoenix as a patrol officer in 1980 and became Assistant Police Chief in 2000. Mr. Robinson has been active in Arizona's nonprofit community for more than 20 years, and for more than a decade served on the board of Ronald McDonald House Charities of Central and Northern Arizona, including two terms as president of the board. Mr. Robinson also served on several other community boards including the Arizona Supreme Court Judicial Council, Arizona Police Officers Standards and Training Board, and the Maricopa County Attorney's Office Community Advisory Board. Mr. Robinson earned a Master of Public Administration and bachelor's degree of arts in management from Arizona State University.

ANNA HERNANDEZ, COUNCILMEMBER, DISTRICT 7

Councilmember Anna Hernandez began her first term to the City Council in April 2025. Ms. Hernandez has previously worked in the banking industry, specializing in residential and commercial lending. Ms. Hernandez also served as a ranking member of the Senate Judiciary Committee, a member of the Senate Elections Committee, co-chair of the bicameral housing workgroup, and chair of the Arizona Legislative Latino Caucus. While serving in these roles, she delivered bipartisan results on affordable housing, reproductive rights, mental health, community safety, and police accountability.

KESHA HODGE WASHINGTON, COUNCILMEMBER, DISTRICT 8

Councilmember Kesha Hodge Washington began her first term on the City Council in April 2023. Ms. Washington moved to Arizona from the U.S. Virgin Islands in 1999 and has been active in Phoenix ever since. Ms. Washington is a former Assistant Attorney General who practiced law in Phoenix and served as Special Deputy Attorney General. Ms. Washington has and continues to volunteer and serve in many areas, from voter registration and civic engagement to providing food and necessities to individuals in need. Ms. Washington maintains active membership participation in community organizations such as Cottonfields Homeowners Association, and the American Bar Association. Ms. Washington earned her law degree from Arizona State University College of Law and her bachelor's degree from the University of the Virgin Islands.

Administrative Staff

JEFF BARTON*
City Manager

Jeff Barton was appointed City Manager in October 2021 after serving as Assistant City Manager since February 2021. Prior to that he served as Deputy City Manager since March 2020 and served as the director of the City's Budget and Research Department since July 2015. 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, and Deputy Budget and Research Director. Mr. Barton holds a Master of Public Administration from Shippensburg University of Pennsylvania and a bachelor's degree in Political Science from Morehouse College.

ED ZUERCHER*
City Manager

Ed Zuercher was appointed City Manager in November 2025 after serving as Executive Director of Maricopa Association of Government since March 2023. Prior to that, he was a Managing Director at Ernst Young and worked at the City of Phoenix for 28 years, serving as City Manager from October 2013 to October 2021. Prior to his appointment as City Manager in 2013, Mr. Zuercher had been the Assistant City Manager since November 2009 and served as a Deputy City Manager since November 2007. Before working in the City Manager's Office, Mr. Zuercher served as Co-Chief of Staff to the Mayor, Executive Assistant to the City Manager, Assistant to the City Manager, Public Transit Director and Management Assistant in the City Manager's Office and Budget & Research Department. Originally from Kansas, he participated in the City of Phoenix Management Intern Program from 1993 to 1994. Mr. Zuercher served as chairperson of the Public Safety Pension Retirement System from 2005-2009 and currently serves on the Greater Phoenix Convention and Visitors Bureau board. He has a Master of Public Administration from the University of Kansas and an undergraduate degree from Goshen College.

* Ed Zuercher returned as City Manager effective November 17, 2025. Mr. Barton retired on November 14, 2025.

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 serving on the leadership team for the Racial Equity Dialogue Series. Currently, Ms. Bays oversees the Community and Economic Development Department. 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.

AMBER WILLIAMSON
Deputy City Manager

Amber Williamson was appointed Deputy City Manager in July 2025. As Deputy City Manager, Williamson oversees a wide range of departments and programs, including Aviation, Budget and Research Phoenix Convention Center and Major Events function, Public Transit, Light Rail, General Obligation (GO) Bond Liaison, and Phoenix Employment Relations Board (PERB) Liaison. Williamson brings 25 years of service with the City, beginning her career in 2000 as an Administrative Assistant in the Retirement Office. Most recently, she served as Director of the Budget and Research Department, a role she's held since August 2020. She holds a Master of Public Administration and a Bachelor of Science in Finance, both from Arizona State University.

JULIE KRIEGH
City Attorney

Julie Kriegh was named City Attorney in November 2022 after serving as Chief Assistant City Attorney since 2020. Ms. Kriegh has more than 20 years of experience representing municipal governments in Arizona in a wide range of areas. She joined the City of Phoenix Law Department in 2016, where she has served and supervised attorneys in several City departments. Prior to joining the City, Ms. Kriegh served as Deputy City Attorney in Surprise, Arizona, as an Assistant City Attorney in Mesa, Arizona, and was the Town Attorney for Camp Verde, Arizona. Ms. Kriegh is a member of the State Bar of Arizona and the State Bar of Colorado. She received her law degree from the University of Denver and her undergraduate degree in Public Administration from Northern Arizona University.

KATHLEEN GITKIN
Chief Financial Officer

Kathleen 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 Master of Business Administration from the University of Phoenix and a bachelor's degree in Accountancy from New Mexico State University.

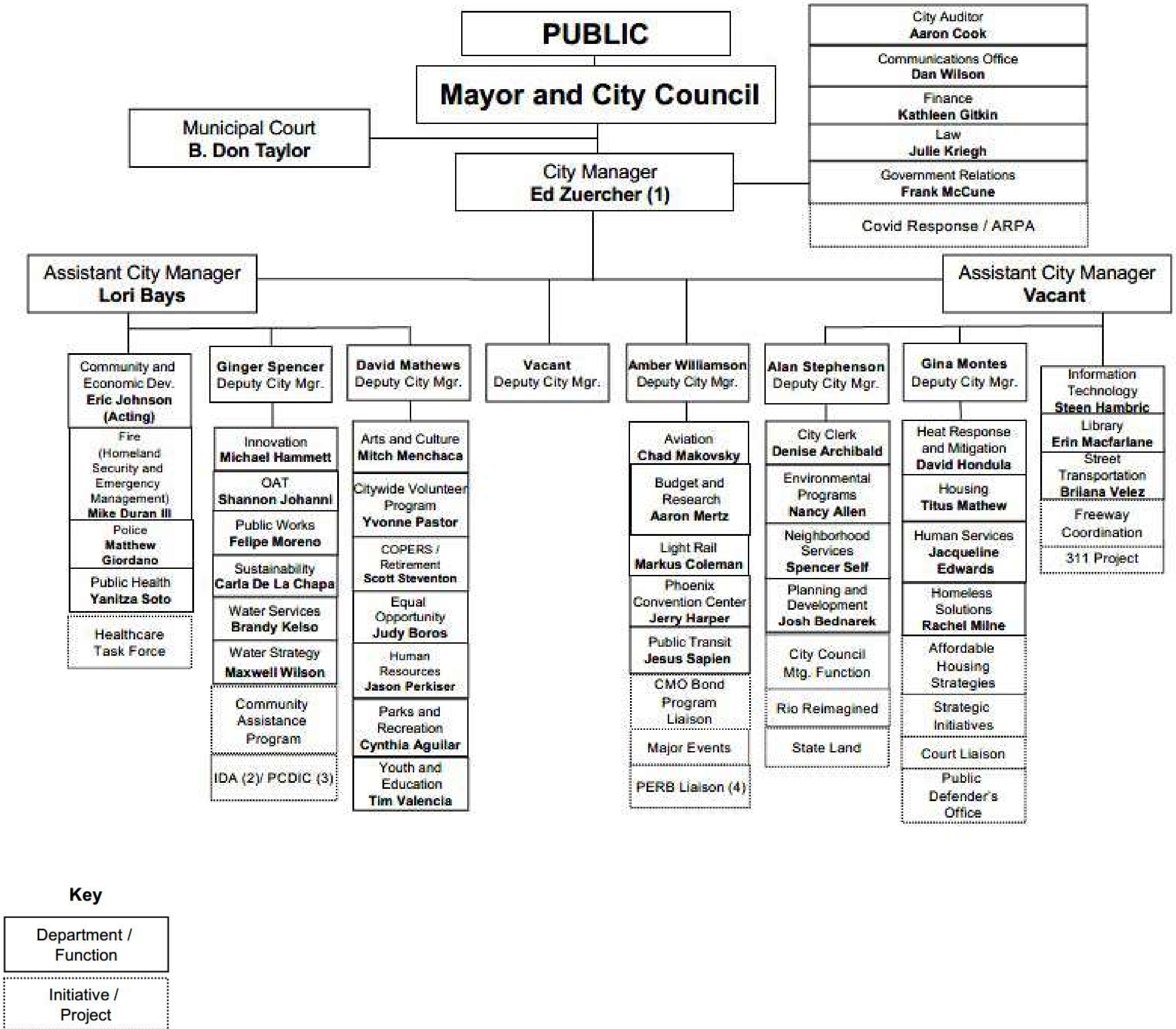
JESÚS SAPIEN
Public Transit Director

Jesús Sapien was appointed Public Transit Director in December 2018. He oversees the City of Phoenix Public Transit Department, which operates and funds over half of the region's transit services under the Valley Metro brand. Mr. Sapien began his career with the City in 2005 and has held multiple leadership roles including

Transit Superintendent, Deputy Public Transit Director, and Light Rail Administrator. He holds a Master of Public Administration and a Bachelor of Arts in English from Arizona State University.

BRIIANA VELEZ
Street Transportation Department Director

Briiana Velez was appointed Street Transportation Department Director in August 2025. She began her career in the Street Transportation Department in 2002. In 2018, Briiana became Assistant Street Transportation Director and provided leadership over several key divisions including Traffic Services, Street Maintenance, Design and Construction Management and Management Services. Briiana is a registered Professional Engineer in Arizona, a Certified Public Manager from Arizona State University and holds a Bachelor of Science in Civil Engineering. She is a member of the American Public Works Association and Institute of Transportation Engineers.



(1) Ed Zuercher returned as City Manager effective November 17, 2025. Jeffrey J. Barton, the former City Manager, retired on November 14, 2025.
(2) Phoenix Industrial Development Authority.
(3) Phoenix Community Development and Investment Corporation.
(4) Phoenix Employee Relations Board.

Effective: October 31, 2025

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 (GFOA)**

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.

- **What Works Cities Certification, Platinum**

Phoenix has been awarded the Bloomberg Philanthropies What Works Cities Certification at the Platinum Level – the highest recognition available – for establishing exceptional data capabilities to inform policy decision-making, allocate funding, improve services, evaluate program effectiveness, and engage residents. Phoenix is one of 74 cities that have achieved the What Works Cities Certification distinction. The What Works Cities Certification Standard measures a city's use of data based on 43 criteria. A city that achieves 68-84 percent is recognized as Gold and 85 percent or more is recognized as Platinum.

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

The Illuminating Engineering Society 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, and WateReuse — with input from the U.S. Environmental Protection Agency. 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.

- **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.

- **American Water Works Association, Arizona Section (AZ Water)**

– **2023 AZ Water – Award of Merit**

The City of Phoenix, 23rd Avenue Wastewater Treatment Plant, and 91st Avenue Multi-Cities Wastewater Treatment Plants were presented the Award of Merit. This award recognized outstanding safety records in the year 2022. AZ Water is an independent organization, which also manages the Arizona section of the American Water Works Association ("*AWWA*") and the Arizona member association of the Water Environment Federation ("*WEF*"). These organizations advocate for Arizona's water through engaging leadership, connecting professionals, providing education, and inspiring environmental stewardship.

– **2022 AZ Water – Award of Merit**

The City of Phoenix, Val Vista Water Treatment Plant were presented the Award of Merit. This award recognized outstanding safety records in the year 2021. AZ Water is an independent organization, which also manages the Arizona section of the AWWA and the Arizona member association of the WEF. These organizations advocate for Arizona's water through engaging leadership, connecting professionals, providing education, and inspiring environmental stewardship.

– **2020 AZ Water – System of the Year, Large System -City of Phoenix Distribution System**

The City of Phoenix, Water Distribution system was presented with the Large System - System of the Year award. This award recognized the City's efforts for the safe delivery of more than 250 acre-feet of water per year. AZ Water is an independent organization, which also manages the Arizona section of the AWWA and the Arizona member association of the WEF. These organizations advocate for Arizona's water through engaging leadership, connecting professionals, providing education, and inspiring environmental stewardship.

- **2022 Arizona Forward – Art in Public Places**

Arizona Forward presented the City of Phoenix, Water Services Department an award to recognize creative works of art visually accessible to the public that contribute to aesthetic appreciation, add to a sustainable-based culture, and encourage sustainability. The City received the award for the installation of "Neighborhood Vista," a project which upgraded an inactive well site to enhance the neighboring community. The Water Services Department in collaboration with the Phoenix Office of Arts and Culture hired local artists and landscape architects who worked with community leaders, nearby schools, volunteer groups, neighbors, and the Phoenix Police Department on the design. One requirement was to incorporate art elements and low water use landscape into the design. Another requirement was for the design to incorporate passive recreation, as well as a place to walk through and enjoy.

- **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 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 eighth 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 Awards**
  - **2021 NACWA Platinum and Gold 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, and Gold Awards. Platinum Awards recognize 100% compliance with permits over a consecutive five-year period. Gold Awards are presented to facilities with no permit violations for the entire calendar year.

– **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 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 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 Award**

– **2014 NAHRO Award**

In August 2014, the City's Neighborhood Services Department 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 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 this 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**

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.

- **2024 Arizona Forward Environmental Excellence Award**

In February 2024, the City of Phoenix Aviation Department was recognized for the implementation of the Green Curb Program and was a finalist for the Arizona Forward Environmental Excellence Awards. The Green Curb Program provides ride-share riders with a conveniently located pick-up area, making electric vehicle pickup locations easily visible in the terminals.

- **2024 WTS Metropolitan Phoenix Chapter – Employer of the Year Award**

In February 2024, Phoenix Sky Harbor International Airport was named Employer of the Year by the WTS Metropolitan Phoenix Chapter. The WTS connects and advances women and the unrepresented in the transportation industry in the pursuit of equity and access.

- **2024 Arizona Lodging and Tourism Association ("*AZLTA*") – Member of the Year Award**

In June 2024, AZLTA nominated Phoenix Sky Harbor for award-winning Dementia Friendly initiative and Aviation Director Chad Makovsky for the AZLTA Member of the Year award.

- **2024 Airport Minority Advisory Council ("*AMAC*") – Airport of the Year Award**

In August 2024, Phoenix Sky Harbor received the Airport of the Year Award from AMAC at the 39th Annual AMAC Airport Business Diversity Conference Catalyst Awards. PHX was recognized for its contribution toward DBE, ACDBE, and EEO goals and efforts at fostering growth and development through outreach efforts such as our Aviation Business Summit, holding Business Information Meetings, hosting the quarterly Business Education Series, and partnering with community and industry partners.

- **2025 International Data Corporation ("*IDC*") Smart Cities of North America Award**

The City of Phoenix was named a winner in the 2025 IDC's Smart Cities Awards for Chilled Drinking Water in Public Spaces Initiative. IDC's Smart Cities Awards recognize successful projects and initiatives that use technology innovation to solve challenges, in partnership with communities and the smart city ecosystem. Launched by the Phoenix Office of Innovation in January 2025, in partnership with Downtown Phoenix Inc., the Chilled Drinking Water Initiative is expanding access to chilled drinking water in areas where people bike, walk and use public transportation. The pilot includes three custom-designed water stations with bottle fillers located near Phoenix City Hall, Council Chambers, and along the Sonoran Bicycle Pathway into Downtown Phoenix.

ECONOMY & DEMOGRAPHICS(1)

Overview

Arizona is the sixth largest state in terms of area, and the 14th largest in terms of population in 2024, with approximately 7.6 million residents. Approximately 5.2 million of these 7.6 million residents live within the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (the "*Phoenix MSA*"), equivalent to 68.4% of the total population. 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, which attracts many visitors and out-of-state tourists, further bolstering the economy.

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.

In 2024, a total of 2,623,383 in the civilian labor force in the Phoenix MSA were employed – a 1.8% increase in the total number of people employed compared to 2023. The Phoenix MSA also accounted for 72.6% of the state's total employment in 2024.

The largest source of nonfarm employment in the MSA is education and health care (16.6%) who added 19,500 employees in 2024. The other major sources included professional and business services (15.8%), retail and wholesale trade (14.5%), government (10.8%), leisure and hospitality (10.4%), and financial activities (8.6%).

The Phoenix MSA was the 26th largest U.S. exporter in 2023, exporting more than $17.5 billion in goods. The top three export partners were Mexico ($2.8 billion), Canada ($1.6 billion) and China ($1.3 billion).

Local economists forecast the Greater Phoenix population will increase by 1.6% year-on-year in 2025. They also forecast a 1.7% increase in wage and salary employment and 5.4% increase in personal income this year.(2)

Key Phoenix MSA Statistics:

- 10th most populous MSA in the nation in 2024 with a population of 5,186,958.
- Civilian labor force of 2,709,893 million in 2024.

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(1) 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 August 2025.

(2) Greater Phoenix Blue Chip Economic Forecast, https://seidmaninstitute.com/wp-content/uploads/2025/07/GPBC-2025-Qtr-2.pdf

- Unemployment rate of 3.2% in 2024.
- High compound annual growth rates in multiple industries since 2014 including construction (5.6%), transportation, warehousing, and utilities (4.9%) and education and health services (3.4%).
- Real GDP per capita of $63,666 in 2023 (expressed in 2018 chained dollars).
- Contributed 76.2% of annual statewide Gross Domestic Product (GDP) in 2023.
- 26th largest U.S. exporter by merchandise export value ($17.5 billion) in 2023.
- Mexico, Canada, and China are the Phoenix MSA's three leading export markets.
- 30,166 new single-family and 15,349 new multi-family housing permits in 2024.
- A direct-asking ("*Triple Net Lease*" *or* "*NNN*") NNN retail lease rate that is currently 5.3% higher than 2024.
- 35.9 million square feet of industrial market tenants in 2024.

Key City of Phoenix Statistics[(1)]:

- Population of 1,673,164 in 2024 – the fifth most populous city in the nation.
- Accounts for 22.1% of the state's population and 32.3% of the population of the Phoenix MSA in 2024.
- Census Bureau classifies 50.4% of Phoenix residents as male and 49.6% as female.
- Most residents identify as either Caucasian (46.4%) or Hispanic/Latino (42.7%).
- Civilian labor force (ages 16-64) of 879,476 in 2024, 95.8% of which are employed.
- 84.9% of people ages 25 or older have at least a high school diploma or equivalent in 2024.
- 43.2% of people ages 25 or older have a Bachelor's, Graduate or Professional degree in 2024.
- In 2024, the most common employment sectors for city of Phoenix residents are office and administrative support 100,521, healthcare employing 66,359, and construction and extraction industries with 62,715 people employed.[(2)]
- Median household income of $85,246 in 2024.
- 57.6% owner-occupied housing rate in 2024.
- On average, the City had 2.60 people per unit in 2024.[(3)]

Population

The Phoenix MSA encompasses both Maricopa County and Pinal County and is therefore home to the majority of the Arizona population. The U.S. Census Bureau estimates that the Phoenix MSA had over 5.2 million residents in 2024. That equates to 68.4% of the Arizona population. Phoenix is the principal city of the Phoenix MSA, measuring 517.7 square miles. It accounts for 32.3% of the Phoenix MSA population in 2024 and 22.1% of the total Arizona population. Other cities within Phoenix MSA with populations of at least 150,000 include Mesa, Chandler, Gilbert, Glendale, Scottsdale, Peoria, and Tempe.

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(1) Source is ACS 2023 5-Year Estimates unless otherwise stated.

(2) The data is based on residential, not work address.

(3) This estimate is for owner-occupied and renter-occupied housing units combined.

In recent years, population growth in the Phoenix MSA has usually outpaced population growth within the state as a whole. In 2010, the Phoenix MSA accounted for 65.6% of the State of Arizona's total population. In 2015, it accounted for 66.8% of the State of Arizona's total population. In 2020, the Phoenix MSA accounted for 67.8% of the State of Arizona's total population. In 2024, it accounted for 68.4% of the State of Arizona's total population (a 0.1% gain on the previous year). The Tucson MSA (Pima County) was home to 14.2% of the state's residents in 2024. Prescott MSA was home to 3.3% of the state's population, Lake Havasu MSA 3.0%, Yuma MSA 2.9%, Flagstaff MSA 1.9%, and Sierra Vista MSA 1.7%. Approximately 4.6% of the state's total population in 2023 live outside the MSAs.

The following table compares the population of the Phoenix MSA with 21 peer MSAs. The peer MSAs consist of every western MSA of more than one million people, plus other Sun Belt MSAs of more than 2 million people. The population numbers for 2014 and 2024 are based on actual counts from the 2010 and 2020 decennial censuses respectively. The estimates for 2014-2018 are based on the 2010 decennial census. The estimates for 2020 through and 2024 are based on the 2020 decennial census. The Phoenix MSA ranked 6th in total population in 2024 among the 22 MSAs listed in the table. Nationwide, it is ranked 10th in total population among all 384 MSAs.

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. There have been no further geographic changes to the Phoenix MSA although the name has been subject to change, as different growth rates across cities have changed the rank of the cities within an MSA by population size.

Population Metropolitan Statistical Areas(1)
(in thousands)

	2014	2016	2018	2020	2022	2024
Phoenix-Mesa-Scottsdale, AZ	4,409.40	4,556.10	4,694.50	4,875.60	5,029.90	5,187.00
Atlanta-Sandy Springs-Roswell, GA	5,601.00	5,800.30	5,962.50	6,121.10	6,253.10	6,411.10
Austin-Round Rock-San Marcos, TX	1,944.50	2,065.00	2,169.70	2,300.20	2,430.40	2,550.60
Charlotte-Concord-Gastonia, NC-SC	2,395.70	2,492.90	2,584.40	2,668.40	2,761.30	2,883.40
Dallas-Fort Worth-Arlington, TX	6,876.20	7,175.70	7,431.50	7,667.60	7,973.60	8,344.00
Denver-Aurora-Centennial, CO	2,745.60	2,844.50	2,915.50	2,970.20	2,991.70	3,052.50
Houston-Pasadena-The Woodlands, TX	6,493.20	6,797.30	6,963.00	7,169.70	7,403.10	7,796.20
Las Vegas-Henderson-North LV, NV	2,036.10	2,113.90	2,194.30	2,276.00	2,322.00	2,398.90
Los Angeles-Long Beach-Anaheim, CA	13,186.00	13,297.40	13,287.60	13,182.90	12,906.90	12,927.60
Miami-Ft Lauderdale-West Palm Beach, FL	5,878.50	6,031.70	6,109.70	6,133.50	6,211.20	6,458.00
Orlando-Kissimmee-Sanford, FL	2,342.30	2,482.50	2,609.40	2,680.60	2,783.80	2,940.50
Portland-Vancouver-Hillsboro, OR-WA.	2,347.80	2,432.30	2,480.00	2,517.70	2,510.30	2,537.90
Riverside-San Bernardino-Ontario, CA	4,382.50	4,463.20	4,548.40	4,608.20	4,675.70	4,744.20
Sacramento-Roseville-Folsom, CA	2,245.60	2,306.70	2,362.70	2,401.70	2,423.60	2,463.10
Salt Lake City-Murray, UT	1,160.20	1,197.70	1,235.20	1,260.40	1,272.20	1,300.80
San Antonio-New Braunfels, TX.	2,318.70	2,410.90	2,492.50	2,568.90	2,660.20	2,763.00
San Diego-Chula Vista-Carlsbad, CA	3,234.10	3,283.10	3,303.00	3,301.20	3,283.80	3,298.80
San Francisco-Oakland-Fremont, CA	4,602.60	4,713.50	4,759.20	4,745.70	4,599.80	4,648.50
San Jose-Sunnyvale-Santa Clara, CA	1,959.10	2,002.10	2,012.80	1,989.30	1,951.40	1,995.50
Seattle-Tacoma-Bellevue, WA	3,680.00	3,824.60	3,943.90	4,028.00	4,040.10	4,145.50
Tampa-St. Petersburg-Clearwater, FL	2,903.20	3,014.30	3,109.40	3,188.00	3,306.30	3,424.60
Tucson, AZ	997.90	1,007.40	1,024.90	1,045.20	1,059.40	1,080.10

(1) Estimates for 2020 and 2024 are tied to the 2020 census. Estimates for 2014 through 2018 are tied to the 2010 census and therefore are not comparable.

Source: U.S. Census Bureau

The U.S. Census Bureau ranks the City of Phoenix as the 5th most populous city in the United States at 1,673,164 residents as of July 1, 2024. This is an increase in population of 1.0% (or 16,993 people) compared to the July 2023 estimate; and the estimate is tied to the 2020 decennial census. Phoenix has held the same ranking since 2016. The City of Phoenix accounted for 32.3% of the population of the Phoenix MSA, and 22.1% of the total population of the State of Arizona in 2024.

Ten Most Populous U.S. Cities, July 1, 2024

Rank	City	State	Population
1	New York	New York	8,478,072
2	Los Angeles	California	3,878,704
3	Chicago	Illinois	2,721,308
4	Houston	Texas	2,390,125
5	Phoenix	Arizona	1,673,164
6	Philadelphia	Pennsylvania	1,573,916
7	San Antonio	Texas	1,526,656
8	San Diego	California	1,404,452
9	Dallas	Texas	1,326,087
10	Jacksonville	Florida	1,009,833

Source: U.S. Census Bureau

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
2024	1,673,164	32.3%	22.1%
2023	1,656,231	32.5	22.2
2022	1,644,798	32.7	22.3
2021	1,625,132	32.8	22.3
2020 (2)	1,612,593	33.1	22.4
2019	1,680,992	35.2	23.8
2018	1,654,675	35.2	23.8
2017	1,633,560	35.3	23.8
2016	1,612,199	34.5	23.7
2015	1,583,690	35.3	23.6

(1) The 2015-2019 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 to 2024 estimates are based on the 2020 decennial census and is not directly comparable with 2010-2019 estimates.

Source: U.S. Census Bureau

Employment

Rapid population growth post-World War II has helped to diversify the Arizona economy from extraction-based operations such as copper, cattle, cotton, climate, and citrus to higher value-added sectors such as advanced manufacturing, aerospace and defense, bioscience, and financial services.

Arizona's civilian labor force grew more than 80% between 1990 and 2008, and on average, approximately 95.7% of Arizona's civilian labor force secured employment during those years. There was also steady growth in the number of people employed within the Phoenix MSA between 2015 and 2019. The total number in employment fell in 2020 due to the Covid-19 global pandemic but has increased ever since. In 2024, a total of 2,623,383 people in the civilian labor force in the Phoenix MSA were employed. This suggests that 96.8% of the total labor force in the Phoenix MSA were employed in 2024 - that's 1.8% more people than the previous year. Phoenix MSA also accounted for 72.6% of the state's total employment in 2024.

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

Year	Phoenix MSA Employment(1)	State of Arizona Employment(2)	U.S. Employment
2024	2,623,383	3,611,065	161,346,000
2023	2,576,940	3,559,340	161,037,000
2022	2,501,332	3,469,187	158,291,000
2021	2,408,915	3,350,753	152,581,000
2020	2,288,262	3,202,105	147,795,000
2019	2,328,688	3,270,898	157,538,000
2018	2,249,489	3,172,940	155,761,000
2017	2,174,381	3,082,425	153,337,000
2016	2,107,160	2,999,230	151,436,000
2015	2,076,931	2,921,239	148,834,000

(1) Phoenix MSA data for 2016 - 2024 was updated April 18, 2025.
(2) State of Arizona data for 2015-2024 was updated on March 5, 2025.

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. In 2024, the Phoenix MSA ranked 6th in terms of total labor force among the 22 MSAs examined. The five peer MSA with a total labor force higher than the Phoenix MSA in 2024 were Los Angeles-Long Beach-Anaheim (CA); Dallas-Fort Worth-Arlington (TX); Houston-The Woodlands-Sugar Land (TX); Miami-Fort Lauderdale-West Palm Beach (FL); and Atlanta-Sandy Springs-Roswell (GA).

Comparison of The Phoenix MSA's Total Labor Force
Status With 21 Peer MSAs
(Not Seasonally Adjusted)
Total Labor Force
(in thousands)

MSA	2014	2016	2018	2020	2022	2024
Phoenix-Mesa-Scottsdale, AZ	2,128.4	2,211.1	2,346.8	2,467.5	2,586.9	2,709.9
Atlanta-Sandy Springs-Roswell, GA	2,804.4	2,941.6	3,084.0	3,073.3	3,195.6	3,306.4
Austin-Round Rock-San Marcos, TX	1,046.1	1,102.9	1,182.1	1,234.0	1,393.7	1,504.0
Charlotte-Concord-Gastonia, NC-SC	1,205.4	1,267.8	1,323.8	1,341.8	1,438.6	1,481.0
Dallas-Fort Worth-Arlington, TX	3,530.2	3,644.1	3,821.7	3,933.9	4,238.5	4,488.9
Denver-Aurora-Centennial, CO	1,486.8	1,556.3	1,644.9	1,665.1	1,738.7	1,777.0
Houston-Pasadena-The Woodlands, TX	3,235.0	3,343.7	3,421.8	3,468.7	3,601.3	3,835.6
Las Vegas-Henderson-North LV, NV	1,010.1	1,032.5	1,090.8	1,102.2	1,145.7	1,218.7
Los Angeles-Long Beach-Anaheim, CA	6,547.9	6,654.4	6,756.6	6,548.0	6,615.2	6,733.0
Miami-Ft Lauderdale-West Palm Beach, FL	2,967.6	3,006.4	3,087.6	2,993.3	3,180.5	3,309.7
Orlando-Kissimmee-Sanford, FL	1,201.7	1,289.5	1,358.6	1,354.1	1,455.7	1,534.5
Portland-Vancouver-Hillsboro, OR-WA	1,206.0	1,282.0	1,313.5	1,338.8	1,369.2	1,383.8
Riverside-San Bernardino-Ontario, CA	1,912.8	1,946.1	2,014.6	2,073.4	2,140.5	2,209.1
Sacramento-Roseville-Folsom, CA	1,042.6	1,094.4	1,114.4	1,115.2	1,139.7	1,180.7
Salt Lake City-Murray, UT	599.5	626.8	651.7	675.0	706.1	738.2
San Antonio-New Braunfels, TX	1,087.4	1,137.6	1,181.6	1,192.0	1,261.1	1,337.9
San Diego-Chula Vista-Carlsbad, CA	1,537.5	1,593.7	1,609.0	1,569.6	1,609.8	1,648.5
San Francisco-Oakland-Fremont, CA	2,436.4	2,509.1	2,550.0	2,477.4	2,498.2	2,501.7
San Jose-Sunnyvale-Santa Clara, CA	1,016.7	1,043.1	1,053.9	1,033.9	1,043.0	1,057.6
Seattle-Tacoma-Bellevue, WA	1,947.4	2,021.5	2,145.6	2,160.0	2,243.3	2,328.6
Tampa-St. Petersburg-Clearwater, FL	1,431.5	1,474.0	1,513.4	1,539.5	1,642.5	1,702.2
Tucson, AZ	465.9	461.2	472.6	483.1	488.2	493.1

Source: U.S. Bureau of Labor Statistics

The table below compares wage and salary employment in the Phoenix MSA, the State of Arizona, and the nation. In 2024, the top source of total nonfarm employment, expressed as a percentage of total employment in the Phoenix MSA, was education and health services (16.6%). Other notable sources of employment were professional and business services (15.8%), retail and wholesale trade (14.3%), leisure and hospitality (10.8%), government (10.4%) and financial activities (8.6%). The industries listed in the following table are referred to as "super sectors" by the U.S. Bureau of Labor Statistics.

2024 Wage & Salary Employment:
Phoenix MSA, Arizona, and U.S.

	Total Employed (in thousands)			Percent of Employed		
Industry	**Phoenix MSA**	**State of Arizona**	**U.S.**	**Phoenix MSA**	**State of Arizona**	**U.S.**
Mining & Logging	3.7	14.8	626	0.2%	0.5%	0.4%
Construction	180.3	224.7	8,212	7.3	6.9	5.2
Manufacturing	149.5	195.1	12,817	6.1	6.0	8.1
Total Goods Producing	333.5	434.6	21,655	13.6	13.4	13.7
Retail & Wholesale Trade	348.8	463.0	21,677	14.3	14.3	13.7
Transportation, Warehousing, Utilities	123.5	156.4	7,246	5.1	4.8	4.6
Information	40.2	48.5	2,943	1.6	1.5	1.9
Financial Activities	209.2	239.1	9,169	8.6	7.4	5.8
Professional & Business Services	387.2	460.6	22,620	15.8	14.2	14.3
Education & Health Services	406.6	536.3	26,490	16.6	16.6	16.8
Leisure and Hospitality	263.8	363.7	16,818	10.8	11.2	10.6
Other Services	78.0	103.6	5,966	3.2	3.2	3.8
Government	254.6	432.8	23,375	10.4	13.4	14.8
Total Services Providing	2,111.9	2,804.0	136,304	86.4	86.6	86.3
Total Non-farm	2,445.4	3,238.6	157,959	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) were 0.2% higher as a share of total employment than the State of Arizona, but 0.1% lower than the nation in 2024. Approximately 86.4% of the employment within the Phoenix MSA in 2024 was in service providing industries.

The following table presents the number of annual employees by industry in the Phoenix MSA, 2016 through 2024. The total non-farm employment in 2024 was 2,445,400 an increase of 39,200 over 2023. The most notable increase in employment occurred in the education and health services industry, adding 19,500 employees in 2024.

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

Industry	2016	2018	2020	2022	2023	2024
Mining & Logging	3.2	3.5	2.9	3.0	3.4	3.7
Construction	104.0	123.0	135.6	154.0	170.0	180.3
Manufacturing	121.6	128.8	134.3	147.4	149.7	149.5
Retail & Wholesale Trade	305.2	315.7	312.5	344.5	348.8	348.8
Transportation, Warehousing, Utilities	79.4	87.1	101.6	116.9	120.7	123.5
Information	37.2	39.0	37.9	43.5	42.9	40.2
Financial Activities	175.4	190.7	205.5	216.2	211.5	209.2
Professional & Business Services	339.2	358.5	358.8	387.4	389.6	387.2
Education & Health Services	298.0	325.6	337.4	365.3	387.1	406.6
Leisure and Hospitality	215.6	228.1	193.4	239.0	256.3	263.8
Other Services	65.6	69.1	62.7	73.5	77.2	78.0
Government	235.4	239.4	240.6	241.4	249.1	254.6
Total Non-Farm	1,979.7	2,108.5	2,131.1	2,332.1	2,406.2	2,445.4

Source: U.S. Bureau of Labor Statistics

Non-Farm Wage and Salary Employment
Phoenix MSA
(2014 to 2024 compound annual growth rate)

Industry	Phoenix MSA	State of Arizona	U.S.
Mining & Logging	0.7%	1.0%	-2.9%
Construction	5.6	5.1	2.4
Manufacturing	1.9	1.8	0.4
Retail & Wholesale Trade	1.5	1.2	0.2
Transportation, Warehousing, Utilities	4.9	4.7	2.8
Information	0.9	0.7	0.6
Financial Activities	2.3	2.0	1.2
Professional & Business Services	1.9	1.6	1.4
Education & Health Services	3.4	2.8	1.8
Leisure and Hospitality	2.4	2.0	1.1
Other Services	1.7	1.4	0.6
Government	0.8	0.4	0.6
Total Non-Farm	2.3%	1.9%	1.1%

Source: U.S. Bureau of Labor Statistics

The compound annual growth rate for total nonfarm industries in the Phoenix MSA from 2014 to 2024 (2.3%) is shown in the table above. This compound annual growth rate of 2.3% since 2014 is higher than both the state's (1.9%) and the nation's (1.1%). The highest compound annual growth rates in the Phoenix MSA, 2014 to 2024, occurred in construction (5.6%), transportation, warehousing, and utilities (4.9%), and education and health services (3.4%). Every industry recorded a positive growth rate.

Between 2014 and 2024, the compound annual growth rate for employment in goods producing industries was 3.6% in the Phoenix MSA. This is a higher growth rate than the state's (3.3%) and the nation's (1.0%). Good producing industries encompass mining and logging, construction, and manufacturing. For service providing industries, the compound annual growth rate in the Phoenix MSA was 2.2% – a higher growth rate than the state's (1.8%) and the nation's (1.1%). Service providing industries encompass retail and wholesale trade, transportation, warehousing and utilities, information, financial activities, professional and business services, leisure and hospitality, and other (non-government) services.

The table below shows that the Phoenix MSA's annual total nonfarm job growth in percent terms (1.6%) was higher than the State of Arizona (1.3%) and the nation (1.3%) in 2024. The Phoenix MSA has consistently recorded job growth rates higher than the nation.

Comparison of Total Annual
Job Growth Rates

Year	Phoenix MSA	State of Arizona	U.S.
2024	1.6%	1.3%	1.3%
2023	3.2	2.8	2.2
2022	5.0	4.7	4.3
2021	4.6	4.1	2.9
2020	-2.6	-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	2.8	1.8
2015	3.4	2.6	2.1

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 2015. The unemployment rate in the Phoenix MSA declined each year between 2015 and 2017, with a negligible change in 2018 and 2019. In 2020, the Phoenix MSA unemployment rate increased significantly due to the global pandemic. In 2021 and 2022, it declined significantly. In 2023 and 2024, the Phoenix MSA's unemployment rate was 3.2%, which was lower than the corresponding unemployment rates in the State of Arizona and for 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
2024	86,510	3.2%	3.6%	4.0%
2023	86,398	3.2	3.7	3.6
2022	85,581	3.3	3.8	3.6
2021	116,291	4.6	5.0	5.3
2020	179,189	7.3	7.8	8.1
2019	100,806	4.1	4.8	3.7
2018	97,328	4.1	4.8	3.9
2017	97,193	4.3	5.0	4.4
2016	103,914	4.7	5.5	4.9
2015	112,274	5.2	6.1	5.3

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 MSA of more than one million people, plus other Sun Belt metros of more than 2 million people. There are 19 MSAs with higher unemployment rates than Phoenix MSA in 2024 among the 22 examined.

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

MSA	2014	2016	2018	2020	2022	2024
Phoenix-Mesa-Scottsdale, AZ	5.9%	4.7%	4.1%	7.3%	3.3%	3.2%
Atlanta-Sandy Springs-Roswell, GA	6.8	5.2	3.8	6.8	3.0	3.4
Austin-Round Rock-San Marcos, TX	4.3	3.3	3.0	6.3	3.0	3.5
Charlotte-Concord-Gastonia, NC-SC	6.0	4.8	3.8	7.2	3.5	3.6
Dallas-Fort Worth-Arlington, TX	5.1	3.9	3.6	7.1	3.6	3.9
Denver-Aurora-Centennial, CO	4.8	2.9	2.9	6.9	3.0	4.2
Houston-Pasadena-The Woodlands, TX	5.0	5.2	4.3	8.5	4.2	4.4
Las Vegas-Henderson-North LV, NV	8.2	5.9	4.6	15.5	5.6	5.8
Los Angeles-Long Beach-Anaheim, CA	7.6	5.0	4.2	11.4	4.6	5.4
Miami-Ft Lauderdale-West Palm Beach, FL	6.4	5.0	3.6	8.4	2.8	2.9
Orlando-Kissimmee-Sanford, FL	6.2	4.5	3.4	10.4	3.0	3.3
Portland-Vancouver-Hillsboro, OR-WA	6.0	4.5	3.8	7.6	3.6	4.0
Riverside-San Bernardino-Ontario, CA	8.2	6.1	4.3	9.9	4.2	5.2
Sacramento-Roseville-Folsom, CA	7.2	5.2	3.7	8.7	3.8	4.7
Salt Lake City-Murray, UT	3.6	3.2	2.9	5.3	2.4	3.2
San Antonio-New Braunfels, TX	4.7	3.8	3.3	7.3	3.7	3.8
San Diego-Chula Vista-Carlsbad, CA	6.5	4.6	3.3	9.2	3.4	4.3
San Francisco-Oakland-Fremont, CA	5.3	3.9	2.8	8.3	3.0	4.2
San Jose-Sunnyvale-Santa Clara, CA	5.3	4.0	2.8	7.4	2.9	4.2
Seattle-Tacoma-Bellevue, WA	5.1	4.2	3.5	8.8	3.8	4.2
Tampa-St. Petersburg-Clearwater, FL	6.2	4.6	3.6	7.5	2.9	3.5
Tucson, AZ	6.0	5.1	4.4	7.6	3.8	3.6

Source: U.S. Bureau of Labor Statistics

The following table estimates the top 50 major employers in the Phoenix MSA in 2023.

Phoenix MSA Top 50 Employers, 2023

Employer	Employees	Sector
State of Arizona	29,850	Government
Banner Health	29,735	Health; Business Services
Amazon	25,760	Retail; Transportation
Walmart	19,770	Retail
Maricopa County	15,180	Government
Frys Food Stores	15,150	Retail
Intel Corporation	12,990	Manufacturing
Wells Fargo	12,350	Finance; Business Services
Maricopa County Community College District	11,660	Education
Arizona State University	10,970	Education
HonorHealth	10,350	Health Care; Manufacturing
United States Department of the Air Force	9,410	Government
City of Phoenix	9,330	Government
Bank of America	9,210	Finance; Business Services
Dignity Health	9,140	Health Care; Bus. Services
Mayo Clinic	8,870	Health Care; Bus. Services
United States Postal Service	7,820	Transportation
Mesa Unified School District 4	7,750	Education
Honeywell	7,680	Manufacturing
JPMorgan Chase Bank National Association	7,450	Finance; Business Services
McDonalds	7,270	Consumer Services
Safeway	7,150	Retail
United Parcel Service	7,040	Bus. Services; Transportation
State Farm Insurance	7,000	Finance
American Express	6,880	Finance
Home Depot	6,870	Retail
Phoenix Children’s Hospital	6,540	Health Care
Marriott	6,240	Leisure
Walgreen Co	5,620	Health Care; Transportation
Target	5,430	Retail
Costco Wholesale	5,400	Retail
Grand Canyon University	5,060	Education
Chandler Unified School District 80	4,870	Education
Unitedhealth Group	4,800	Finance
SRP	4,630	Utilities
Northrop Grumman	4,370	Manufacturing
City of Mesa	4,260	Government
CVS Pharmacy	4,180	Health Care; Warehousing
Carl T Hayden VA Medical Center	4,110	Health Care
Gilbert Unified School District 41	4,010	Education
Paradise Valley Unified School District 69	3,960	Education
Abrazo Healthcare	3,950	Health Care
Kyrene School District 28	3,880	Education
Pinnacle West Capital Corporation	3,840	Utilities
The Boeing Company	3,840	Manufacturing
Circle K	3,750	Retail
Starbucks	3,620	Consumer Services
Hilton Hotels and Resorts	3,470	Leisure
Peoria Unified School District 11	3,440	Education
Deer Valley Unified School District 97	3,300	Education

Source: Maricopa Association of Governments, (2025). 2023 Employer Database.

Gross Domestic Product

Gross Domestic Product ("*GDP*"), is the monetary value of all finished goods and services produced in the U.S. on an annual 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. Since 2014, the annual GDP of the Phoenix MSA (in current dollars) has increased steadily (apart from in 2017). In 2023, the nominal GDP of the Phoenix MSA is $398.1 billion. That is 76.2% of the State of Arizona's GDP.

Phoenix MSA's
Annual Contributions to GDP
In the State of Arizona

	GDP (millions of current dollars)		Phoenix MSA Percent Contribution to State
Year	**Phoenix MSA**	**State of Arizona**	
2023	$398,129	$522,767	76.2%
2022	368,730	484,052	76.2
2021	329,621	436,779	75.5
2020	292,187	388,957	75.1
2019	281,155	375,377	74.9
2018	262,723	353,671	74.3
2017	246,068	333,099	73.9
2016	231,625	313,787	73.8
2015	220,022	298,942	73.6
2014	208,994	286,676	72.9

Source: U.S. Bureau of Economic Analysis

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 2023, private industries contributed 91.7% of GDP in the Phoenix MSA. Finance, insurance, real estate, rental, and leasing accounted for 24.8% of the Phoenix MSA's total GDP in 2023. Professional and business services accounted for 13.0% of the Phoenix MSA's total GDP. Education and health care were the third highest contributor to GDP, accounting for 9.5% of total GDP in 2023.

Phoenix MSA
GDP Contribution by Industry Sector

	GDP Contribution (in millions of dollars)					
Industry Sector	**2013**	**2015**	**2017**	**2019**	**2021**	**2023**
Private Industries -						
Agriculture, Forestry, Fishing, and Hunting	$ 895.2	$ 713.3	$ 820.0	$ 774.5	$369.2	$937.3
Mining, Quarrying, and Extraction	1,739.3	1,134.7	1,322.6	1,157.6	2,218.2	2,003.9
Utilities	3,569.2	3,918.2	4,509.2	5,347.7	6,675.5	6,275.7
Construction	8,136.0	9,366.4	12,371.9	16,028.2	19,311.1	27,411.2
Manufacturing	16,119.9	18,462.9	18,271.4	23,104.3	26,598.6	30,745.1
Wholesale Trade	14,424.3	14,908.5	16,253.5	17,587.8	20,205.7	25,496.5
Retail Trade	15,711.8	17,810.0	18,596.8	20,341.2	25,849.0	29,534.3
Transportation and Warehousing	6,007.5	7,278.5	8,211.2	9,967.7	11,557.8	14,549.0
Information	6,913.5	8,296.2	9,189.6	11,458.3	13,674.7	14,591.4
Finance, Insurance, Rental, Real Estate & Leasing	48,095.9	51,469.5	58,869.6	66,934.5	81,532.8	98,603.6
Professional & Business Services	25,620.0	28,419.1	32,207.2	36,409.8	42,687.0	51,760.1
Education & Health Care	19,306.4	21,095.4	24,211.6	27,538.0	30,597.6	37,811.5
Arts, Entertainment & Recreation, and Accommodation & Food Services	9,589.0	10,144.9	11,702.4	12,537.1	12,661.2	17,725.5
Other Services (Excluding Government)	3,989.4	4,566.2	5,044.1	5,668.4	6,220.6	7,768.3
Total Private Industries	$180,117.4	$197,583.8	$221,581.1	$254,855.1	$300,159.0	$365,213.4
Government	21,650.9	22,438.3	24,486.9	26,299.7	29,461.6	32,916.1
Total All Industries	$201,768.3	$220,022.1	$246,068.0	$281,154.8	$329,620.6	$398,129.5

Source: U.S. Bureau of Economic Analysis

The following table compares the Phoenix MSA's real GDP with 21 peer MSAs, expressed in chained 2018 dollars.[(1)] The table suggests that the Phoenix MSA's average annual real GDP from 2018 through 2023 was $290 billion in chained 2018 dollars. In 2023, the Phoenix MSA ranked 9th among the 22 MSAs examined in this report, and Tucson, AZ MSA ranked last.

(1) Chained dollars are a method of adjusting real dollar amounts for inflation over time, to facilitate year-on-year comparisons. The U.S. Department of Commerce introduced this measure in 1996, and the current tables use 2018 as the base year. The U.S. Department of Commerce is still updating pre-2018 years in chained 2018 dollars.

Real GDP
Phoenix MSA and 21 Peer MSA's

	Real GDP (millions of chained 2018 dollars)[1]					
	2018	**2019**	**2020**	**2021**	**2022**	**2023**
Phoenix-Mesa-Scottsdale, AZ	$257,410	$274,565	$274,565	$299,094	$313,597	$322,794
Atlanta-Sandy Springs-Roswell, GA	413,029	416,596	416,596	444,713	461,995	471,656
Austin-Round Rock, TX	149,307	163,581	163,581	181,070	198,524	207,470
Charlotte-Concord-Gastonia, NC-SC	171,576	179,137	179,137	190,543	197,347	206,547
Dallas-Fort Worth-Arlington, TX	506,220	520,198	520,198	562,115	594,464	613,381
Denver-Aurora-Lakewood, CO	211,193	222,808	222,808	239,062	250,312	258,989
Houston-The Woodlands-Sugar Land, TX	491,167	478,037	478,037	501,192	522,617	550,796
Las Vegas-Henderson-Paradise, NV	122,721	117,310	117,310	130,074	138,455	142,817
Los Angeles-Long Beach-Anaheim, CA	991,254	982,004	982,004	1,041,711	1,065,348	1,075,057
Miami-Fort Lauderdale-West Palm Beach, FL	359,853	353,847	353,847	391,367	415,201	431,882
Orlando-Kissimmee-Sanford, FL	141,200	140,253	140,253	156,897	167,759	175,313
Portland-Vancouver-Hillsboro, OR-WA	162,730	164,905	164,905	174,797	178,838	182,035
Riverside-San Bernardino-Ontario, CA	177,211	183,495	183,495	195,150	198,952	201,185
Sacramento-Roseville-Arden-Arcade, CA	136,934	138,904	138,904	147,352	150,430	153,783
Salt Lake City, UT	97,160	102,511	102,511	111,346	114,348	117,973
San Antonio-New Braunfels, TX	124,532	127,376	127,376	134,208	143,715	150,320
San Diego-Carlsbad, CA	230,519	233,309	233,309	250,385	258,035	261,672
San Francisco-Oakland-Hayward, CA	560,553	596,467	596,467	662,353	659,278	681,890
San Jose-Sunnyvale-Santa Clara, CA	304,610	339,383	339,383	381,618	379,656	392,456
Seattle-Tacoma-Bellevue, WA	395,709	418,381	418,381	449,527	459,470	487,774
Tampa-St. Petersburg-Clearwater, FL	158,044	165,511	165,511	179,995	190,653	198,915
Tucson, AZ	43,891	45,293	45,293	47,872	48,552	50,781

(1) Chained dollars are a method of adjusting real dollar amounts for inflation over time, to facilitate year-on-year comparisons. The U.S. Department of Commerce introduced this measurement in 1996, and the current tables use 2018 as the base year. The U.S. Department of Commerce is still updating pre-2018 years in chained 2018 dollars.

Source: U.S. Bureau of Economic Analysis

The primary measure of economic performance internationally is per capita GDP. The GDP table below compares the real GDP per capita contributions of all 22 MSAs. The average annual real GDP per capita contribution in the Phoenix MSA in 2023 was $63,666, expressed in chained 2018 dollars. On the real GDP per capita measure, the Phoenix MSA ranks 15th among the 22 MSAs examined in 2023.

Real GDP Per Capita
Phoenix MSA and 21 Peer MSAs

	Real GDP per Capita (Chained 2018 dollars)[1]					
	2018	**2019**	**2020**	**2021**	**2022**	**2023**
Phoenix-Mesa-Scottsdale, AZ	$ 54,833	$ 56,389	$ 56,318	$ 60,442	$ 62,459	$ 63,666
Atlanta-Sandy Springs-Roswell, GA	69,271	71,139	68,230	72,363	74,235	74,956
Austin-Round Rock, TX	68,814	71,284	71,118	76,769	81,928	83,885
Charlotte-Concord-Gastonia, NC-SC	66,388	67,558	67,101	70,377	71,641	73,632
Dallas-Fort Worth-Arlington, TX	68,118	69,735	67,854	72,301	74,799	75,726
Denver-Aurora-Lakewood, CO	72,437	75,571	75,017	80,275	83,823	86,182
Houston-The Woodlands-Sugar Land, TX	70,540	69,060	66,941	69,443	71,181	73,623
Las Vegas-Henderson-Paradise, NV	55,928	57,307	51,567	56,669	59,614	61,122
Los Angeles-Long Beach-Anaheim, CA	74,600	77,535	74,515	80,316	82,777	83,995
Miami-Fort Lauderdale-West Palm Beach, FL	58,898	59,963	57,692	64,067	67,624	69,848
Orlando-Kissimmee-Sanford, FL	54,113	55,487	52,324	58,132	60,716	62,213
Portland-Vancouver-Hillsboro, OR-WA	65,616	66,755	65,486	69,418	71,281	72,580
Riverside-San Bernardino-Ontario, CA	38,961	40,455	39,835	41,999	42,610	42,914
Sacramento-Roseville-Arden-Arcade, CA	57,957	59,487	57,876	61,175	62,232	63,531
Salt Lake City, UT	78,662	82,465	81,336	88,154	90,285	93,049
San Antonio-New Braunfels, TX	49,962	51,048	49,591	51,517	54,111	55,592
San Diego-Carlsbad, CA	69,791	71,764	70,801	76,467	78,737	80,023
San Francisco-Oakland-Hayward, CA	117,783	124,819	125,815	143,418	144,006	149,309
San Jose-Sunnyvale-Santa Clara, CA	151,340	159,132	170,057	195,513	195,098	201,697
Seattle-Tacoma-Bellevue, WA	100,334	104,752	103,873	111,921	113,949	120,592
Tampa-St. Petersburg-Clearwater, FL	50,828	52,127	51,920	55,725	57,926	59,503
Tucson, AZ	42,825	43,898	43,335	45,640	45,913	47,764

(1) Chained dollars are a method of adjusting real dollar amounts for inflation over time, to facilitate year-on-year comparisons. The U.S. Department of Commerce introduced this measurement in 1996, and the current tables use 2018 as the base year. The U.S. Department of Commerce is still updating pre-2018 years in chained 2018 dollars.

Source: U.S. Bureau of Economic Analysis

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 MSA area to another, for a given year. If an additional adjustment is made for regional price parity, the Phoenix MSA ranks 17th among the MSAs examined at $74,414 for nominal GDP per capita in 2023. The table below shows nominal GDP per capita among the 22 MSAs examined, adjusted for regional price parity.

Adjusted Nominal GDP Per Capita
Phoenix MSA and 21 Peer MSAs

	2023	2023 Rank
Phoenix-Mesa-Scottsdale, AZ	$ 74,414	17
Atlanta-Sandy Springs-Roswell, GA	89,852	9
Austin-Round Rock, TX	102,762	5
Charlotte-Concord-Gastonia, NC-SC	93,982	7
Dallas-Fort Worth-Arlington, TX	89,001	10
Denver-Aurora-Lakewood, CO	98,380	6
Houston-The Woodlands-Sugar Land, TX	92,961	8
Las Vegas-Henderson-Paradise, NV	78,383	14
Los Angeles-Long Beach-Anaheim, CA	87,659	11
Miami-Fort Lauderdale-West Palm Beach, FL	77,184	15
Orlando-Kissimmee-Sanford, FL	76,176	16
Portland-Vancouver-Hillsboro, OR-WA	81,862	13
Riverside-San Bernardino-Ontario, CA	50,765	22
Sacramento-Roseville-Arden-Arcade, CA	71,943	18
Salt Lake City, UT	120,693	4
San Antonio-New Braunfels, TX	71,867	19
San Diego-Carlsbad, CA	86,387	12
San Francisco-Oakland-Hayward, CA	144,256	2
San Jose-Sunnyvale-Santa Clara, CA	192,529	1
Seattle-Tacoma-Bellevue, WA	124,005	3
Tampa-St. Petersburg-Clearwater, FL	70,355	20
Tucson, AZ	61,981	21

Source: U.S. Bureau of Economic Analysis

Income

The table below shows that the per capita income for the Phoenix MSA was $43,862 in 2023. Per capita income is derived by dividing the total aggregate income by the total population. The Phoenix MSA ranked 14th out of the 22 peer MSAs on this measure.

Income Peer Metropolitan Statistical Areas

	Per Capita Income (2023 dollars)
Phoenix-Mesa-Scottsdale, AZ	$43,862
Atlanta-Sandy Springs-Roswell, GA	44,803
Austin-Round Rock, TX	56,724
Charlotte-Concord-Gastonia, NC-SC	45,768
Dallas-Fort Worth-Arlington, TX	45,033
Denver-Aurora-Lakewood, CO	57,111
Houston-The Woodlands-Sugar Land, TX	40,909
Las Vegas-Henderson-Paradise, NV	39,265
Los Angeles-Long Beach-Anaheim, CA	46,589
Miami-Fort Lauderdale-West Palm Beach, FL	43,769
Orlando-Kissimmee-Sanford, FL	39,291
Portland-Vancouver-Hillsboro, OR-WA	50,644
Riverside-San Bernardino-Ontario, CA	35,408
Sacramento-Roseville-Arden-Arcade, CA	45,878
Salt Lake City, UT	44,456
San Antonio-New Braunfels, TX	37,260
San Diego-Carlsbad, CA	51,564
San Francisco-Oakland-Hayward, CA	71,496
San Jose-Sunnyvale-Santa Clara, CA	76,793
Seattle-Tacoma-Bellevue, WA	62,137
Tampa-St. Petersburg-Clearwater, FL	42,998
Tucson, AZ	39,723

Source: American Community Survey (One-Year Estimate)

The next table shows total personal income and per capita personal income in current dollars for the Phoenix MSA for 2014 through 2023. 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)

(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

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 2023 per capita personal income estimate in the Phoenix MSA is $66,365.

Phoenix MSA
Total Personal and Per Capita Personal Income

Year	Total Personal Income (in millions of dollars)	Per Capita Personal Income (in current dollars)
2023	$336,480	$66,365
2022	314,081	62,555
2021	297,332	60,086
2020	266,582	54,681
2019	240,657	50,373
2018	223,544	47,618
2017	209,486	45,319
2016	197,152	43,272
2015	187,753	41,907
2014	177,096	40,164

Source: U.S. Bureau of Economic Analysis

Exports

In 2023, the Phoenix MSA exported more than $17.5 billion in goods. Maintaining its ranking as the 26th largest U.S. exporter by merchandise export value based on origin of movement zip code data collected by the International Trade Administration.

Mexico is the top export partner, accounting for $2.8 billion of the Phoenix MSA's total goods exports in 2023. Canada is second, accounting for $1.6 billion of the Phoenix MSA's total goods exports, and China third ($1.3 billion). The Netherlands ranks fourth ($0.9 billion) and the UK fifth ($0.9 billion).

Phoenix MSA
Annual Exports

Year	Value (dollars)	Annual Growth Rate
2023	$17,553,625,455	5.4%
2022	16,658,778,158	17.6
2021	14,165,085,400	27.9
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

Source: International Trade Administration

Real Estate Market

The number of new privately-owned housing units authorized in the Phoenix MSA in 2024 was 45,515, down 0.2% on the previous year. This compares to 59,306 for the state. Approximately 66.3% of the MSA's authorized housing is for single family units.

The City of Phoenix accounted for 8,997 new privately-owned housing units authorized in 2024. That is equivalent to 19.8% of the authorized permits in the Phoenix MSA and 15.2% of the authorized permits in the State of Arizona in 2024.

Year-to-date figures released in July 2025 estimate the number of new privately-owned housing units authorized at 24,047 in the Phoenix MSA, including 234 in the City of Phoenix.

A stronger indicator of economic conditions is housing completions because permitting occurs before housing begins. In 2024, there was an increase of 11,505 housing units in the City of Phoenix, compared to 2023.

The Maricopa Association of Governments reports that the median sale price for privately-owned housing in the Phoenix MSA has stayed fairly stable over the past two years at $434,000 for 2022-23, and $450,000 for 2023-24.(1) The Federal Reserve Bank of St Louis estimates a non-seasonally-adjusted average sale price of $508,320 for all Phoenix MSA house transactions in 2024 – a nominal increase of $22,870 on the previous year.(2)

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
2025(3)	15,711	21,961	580	708	103	174	7,661	8,752	15,713	31,595
2024	30,166	41,901	1,514	1,854	258	296	13,577	15,255	45,515	59,306
2023	24,708	34,429	1,730	2,074	142	334	19,036	21,596	45,616	58,433
2022	26,857	37,348	1,532	1,868	239	320	18,639	21,458	47,267	60,994
2021	34,347	46,561	1,066	1,322	284	336	14,884	17,105	50,581	65,334
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

Source: U.S. Census Bureau

(1) https://azmag.gov/Programs/Maps-and-Data/Land-Use-and-Housing/Housing-Data-Explorer
(2) https://fred.stlouisfed.org/series/ATNHPIUS38060Q#
(3) This is a year-to-date figure as of July 2025.

Population and Housing Units[(1)]
City of Phoenix

Year	Population[(2)]	Change in Population	Housing[(3)]	Change in Housing Units[(3)]
2024	1,679,464	67,775	670,229	11,505
2023	1,611,689	-45,346	658,724	10,341
2022	1,657,035	26,840	648,383	8,789
2021[(3)]	1,630,195	22,056	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

(1) The figures for 2021 forward are estimates as of July 1 of each year. The figures for 2020 and earlier are from the April 1 decennial census. Thus the 2020-21 change is for five quarters.
(2) Maricopa Association of Governments uses a different methodology and different data to estimate population.
(3) 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.

Source: Maricopa Association of Governments.

Value of Building Permits
City of Phoenix
(in thousands)

Year	Residential	Commercial	Industrial	Other	Total
2025[(1)]	$ 469,395	$1,460,552	$1,078,972	$2,532,935	$5,541,854
2024	1,014,180	1,033,495	613,311	3,743,598	6,404,584
2023	1,284,249	1,800,939	688,870	3,314,536	7,088,594
2022	1,179,318[(2)]	2,926,484	1,974,967	3,111,992	8,816,103
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

(1) Reflects fiscal year 2025 Building Permits issued January 1, 2025 through August 31, 2025.
(2) Reflects change in Residential Permits due to previously incomplete data.

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

New Housing Starts[1]

Year	City of Phoenix
2025[2]	5,829
2024	8,997
2023	14,468
2022	13,995
2021	11,492
2020	11,657
2019	9,898
2018	7,262
2017	6,832
2016	6,972

(1) Reflects housing permits authorized, by units, including single-family, multi-family and mobile homes.
(2) Data for 2025 is a preliminary estimate through July 2025.

Source: U.S. Census Bureau

According to CB Richard Ellis, tenant demand remains strong in the metro Phoenix retail sector. Year-to-date net absorption is 519.425 sq. ft, including nearly 300,00 sq. ft in Q2 alone. The closure of big box retailers such as Conn's Home Plus, 99 Cent Only, and Big Lots in 2024 freed up capacity for other retailers to expand, which benefited year-to-date net absorption. The East Valley and North Phoenix submarkets accounted for a large portion of tenant demand in 2025 Q2.

The vacancy rate in 2025 Q2 was 5.2%, and the metro's average asking rent increased to $18.39 per sq. ft. That is 5.3% higher than 2024. Downtown Phoenix has an average direct asking rate of $16.38 per sq. ft., North Phoenix $17.15, South Mountain $18.36, West Phoenix $18.65, and Northwest Phoenix $19.69.

Total retail space under construction at the end of 2025 Q2 was 1,273,657 sq. ft. and the total net rentable area was 153,041,347 sq. ft.[1]

Retail Real Estate Market
Phoenix MSA

Year	Vacancy Rate	Year to Date Net Absorption (Square feet)
2025(Q2)[1]	5.20%	519,425
2024	5.70	42,483
2023	5.30	1,595,588
2022	4.90	1,881,861
2021	6.70	997,019
2020	8.00	-13,286
2019	8.00	1,200,000
2018	8.40	1,181,675
2017	8.10	1,601,498
2016	8.90	1,321,833

(1) CBRE Phoenix Retail Market Report, Phoenix Office, Q2 2025.

Source: CB Richard Ellis

The metro Phoenix office market is described by CB Richard Ellis as one of the strongest secondary office markets. In 2025 Q2, the office market had negative net absorption of 8,693 sq. ft., but total absorption across the last four quarters was above 1.0 million sq. ft. The three-year average growth rate was 2.8% for the average full-service gross asking lease rate. At the end of Q2, it stood at $31.44 per sq. ft., with Camelback/Piestewa submarket the highest at $39.73 sq. ft. The availability rate is 25.6% and the vacancy rate is 22.1%. Class A leasing is projected to account for much of the forthcoming development activity in Phoenix.(1)

Office Real Estate Market
Phoenix MSA

Year	Vacancy Rate	Year to Date Net Absorption (Square feet)
2025(Q2)(1)	22.10%	432,430
2024	23.00	-322,431
2023	24.60	1,439,422
2022	23.90	-3,973,725
2021	19.80	-1,148,892
2020	17.50	-1,051,047
2019	14.10	3,210,676
2018	15.20	2,473,034
2017	16.40	2,839,559
2016	17.40	3,219,853

(1) CB Richard Ellis, Industrial Market Report, Phoenix Office, Q2, 2025.

Source: CB Richard Ellis

Industrial/Commercial Real Estate Market
Phoenix MSA

Year	Vacancy Rate	Year to Date Net Absorption (Square feet)
2025(Q2)(1)	11.90%	6,122,896
2024	11.20	13,291,764
2023	7.40	12,870,909
2022	3.00	26,526,290
2021	3.70	21,363,840
2020	6.00	13,143,535
2019	6.30	10,677,269
2018	6.50	9,781,257
2017	6.84	9,898,893
2016	8.00	9,497,677
2015	10.10	7,046,663

(1) CB Richard Ellis, Industrial Market Report, Phoenix Office, Q2, 2025.

Source: CB Richard Ellis

The year-to-date industrial vacancy rate for the Phoenix MSA stands at 11.9%, the first time it has trended negatively for 11 quarters. The average asking NNN lease rate for the metro area as whole is $1.08 per sq. ft. One of the five submarkets has a lower average asking lease rate (Southwest Valley at $0.84 per sq. ft.) but the other four submarkets range from $1.13 per sq. ft. (Northwest Valley) to $1.57 per sq. ft. (Northeast Valley). Year-to-date net absorption of 6.1 million sq. ft. includes almost 4.4 million in Q2 alone.

CBRE estimates 10.5 million sq. ft. of industrial space is currently under construction, including six properties that have begun construction in the Southeast Valley and Airport Area. There is cautious optimism about the outlook for the remainder of the year, given the reshoring focus of the current administration.(1)

Outlook/Summary

The Greater Phoenix Blue Chip, managed by Seidman Research Institute, ASU, offers forecasts by a panel of experts who track construction and general economic trends for the Phoenix metro area.(2)

The panel's consensus forecast for 2025 is a 1.6% growth in population, accompanied by a 5.4% growth in personal income, and a 1.7% rise in wage and salary employment.

For 2026, the panel currently forecasts a 1.5% growth in population, accompanied by a 5.5% growth in personal income, and a 1.9% rise in wage and salary employment. Manufacturing employment is expected to increase by 2.0%, and construction employment by 2.1%. Retail sales are also predicted to rise 3.3%.

The Greater Phoenix Blue Chip panel also offers a construction forecast for Greater Phoenix. The panel estimates 24,010 new single family and 10,559 new multi-family housing permits in 2025. For 2026, they forecast 24,090 new single family and 10,728 new multi-family housing permits. The overwhelming problem for the single-family market is affordability.(3)

CB Richard Ellis also describes Phoenix as one of the county's fastest growing metros, with a 2.9% expected five year growth rate.(4)

Eller College of Management also forecasts continued growth for the Phoenix MSA and the state at rates that will outpace the nation.(5)They forecast year-over-year increases of 6.2% in 2026 and 6.4% in 2027 for personal income in the Phoenix MSA. Eller also forecasts a 1.8% year-over-year increase total nonfarm employment each year in 2026 and 2027.

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(1) CBRE Phoenix Office Market Report, Phoenix Office, Q2, 2025
(2) Greater Phoenix Blue Chip Economic Forecast, https://seidmaninstitute.com/wp-content/uploads/2025/07/GPBC-2025-Qtr-2.pdf
(3) Greater Phoenix Blue Chip Construction Forecast, https://seidmaninstitute.com/about-us/construction/
(4) https://www.cbre.com/insights/local-response/2024-north-america-industrial-big-box-phoenix
(5) https://eller.arizona.edu/departments-research/centers-labs/economic-business-research/arizona-economic-outlook

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APPENDIX B

City of Phoenix, Arizona — Financial Data

VALUATIONS

2025-26 Fiscal Year

Limited Net Assessed Valuation .... $ 17,772,778,262[1]
Total Property Tax Levy 369,656,015
Full Cash Value ....357,601,304,233[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

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 for property unchanged from the prior year from 10% to no greater than 5% above the previous year. 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 determine full cash 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][4]	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[5]
2025	16.0%	15.0%	10.0%	10.0%	14.0%
2024	16.5	15.0	10.0	10.0	14.0
2023	17.0	15.0	10.0	10.0	14.0
2022	17.5	15.0	10.0	10.0	15.0
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

(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) Pursuant to Arizona Laws 2022, Fifty-Fifth Legislature, Second Session, Chapter 171 (Senate Bill 1093) (the "*SB 1093 Legislation*"), Section 2, which was signed by the Governor of Arizona on April 22, 2022. 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 personal property tax exemptions for commercial, industrial and agricultural property. The exemption amount is adjusted annually for inflation by the Arizona Department of Revenue. The maximum exempt amount for tax year 2025 is $269,905. Any portion of the property in excess of this amount is subject to taxation.

(4) In addition, Arizona Laws 2022, Fifty-Fifth Legislature, Second Session, Chapter 103 (House Bill 2822) (the "*HB 2822 Legislation*"), which was signed by the Governor of Arizona on March 30, 2022, updates the method of 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.

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

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 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 value 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.

Property owners may file an appeal with the Assessor of the County to request a review of the Assessor of the County's determination of the full cash valuation and legal classification of their property. Once the appeals process is complete, the Assessor of the County, if necessary, corrects the tax roll based upon the appeal decisions and send the corrected values to each taxing jurisdiction (cities, school districts, community college districts and special districts such as fire and health).

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then levied upon each non-exempt parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll due to appeals or other reasons reduces the amount of taxes received by each jurisdiction.

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 a 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
2025-26	$357,601,304,233	$1,108,916,531,170	$1,572,268,931,261
2024-25	362,082,341,677	1,127,791,115,934	1,580,318,026,214
2023-24	292,923,548,766	912,877,653,607	1,278,372,792,322
2022-23	232,423,574,149	717,773,815,395	1,019,590,781,744
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

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
2025-26	$17,772,778,262	$60,724,517,168	$92,371,826,506
2024-25	17,190,475,853	58,328,686,358	88,425,611,337
2023-24	16,265,332,852	54,722,310,149	83,026,530,244
2022-23	15,490,531,936	51,575,018,185	78,405,598,978
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

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

Fiscal Year	Commercial/ Utilities/ Industrial	Residential	Rural & Other	Total
2025-26	$6,474,750,164	$10,914,366,117	$383,661,981	$17,772,778,262
2024-25	6,499,945,510	10,302,039,608	388,490,735	17,190,475,853
2023-24	6,283,933,955	9,641,817,797	339,581,100	16,265,332,852
2022-23	6,105,702,694	9,053,200,045	331,629,197	15,490,531,936
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

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-12 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
2025-26	$34,544,910,185	$110,166,905,847	$157,397,026,499
2024-25	35,253,419,917	112,459,810,477	158,962,333,751
2023-24	28,939,043,354	91,557,158,476	129,473,530,919
2022-23	23,045,115,141	72,238,314,892	103,872,223,919
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

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
2024-25

Taxpayer	2024-25 Limited Net Assessed Valuation	As % of City Total Limited Net Assessed Valuation
Arizona Public Service	$ 568,292,670	3.31%
Southwest Gas Corporation (T&D)	127,575,308	0.74
Salt River Project (T&D)	112,588,865	0.65
Esplanade Owner LLC	34,256,144	0.20
Qwest Corporation	32,999,122	0.19
Host Kierland LP	29,682,146	0.17
Phoenix Plaza Pt LLC	29,678,664	0.17
Target Corporation	26,095,370	0.15
United Services Automobile Association	25,327,935	0.15
CRP LDF 55Th Ave LLC	22,081,970	0.13
Biltmore Center Owner LLC	21,382,520	0.12
Vestar DRM-OPCO LLC	21,026,597	0.12
Epic Apollo LLC	19,469,028	0.11
Host Camelback I LLC	19,116,028	0.11
Verizon Wireless	19,030,609	0.11
HP AZB Investments LP	18,857,905	0.11
Liberty Property LP	18,609,456	0.11
Safeway Inc.	16,354,997	0.10
TSMC Arizona Corporation	15,564,584	0.09
Prologis LP	14,954,837	0.09
Total	$1,192,944,755	6.94%

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
2025-26	$1.27	$0.81	$2.08
2024-25	1.27	0.81	2.08
2023-24	1.29	0.81	2.10
2022-23	1.30	0.81	2.11
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

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 2024-25 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
2025-26	$2.08	$369,656,015	$ 29,544,458	7.9%	$ 29,993,208	8.6%
2024-25	2.08	357,544,707	346,039,901	96.8	350,809,362	98.1
2023-24	2.10	341,441,867	334,369,317	97.9	337,574,665	98.9
2022-23	2.11	327,314,939	318,942,999	97.4	322,610,629	98.6
2021-22	2.12	313,719,398	308,465,871	98.3	312,137,012	99.5
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

(1) Reflects amounts collected on each year's levy through June 30, the end of the fiscal year, and the current fiscal year through September 2025.
(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 2024-25

Overlapping Municipality	Total Tax Rate Inside City of Phoenix
Inside Agua Fria Union High School District No. 216	
Inside Litchfield Elementary School District No. 79 (3)	$11.3831
Inside Glendale Union High School District No. 205	
Inside Washington Elementary School District No. 6 (3)	12.8424
Inside Phoenix Union High School District No. 210	
Inside Phoenix Elementary School District No. 1	14.0420
Inside Riverside Elementary School District No. 2	12.7618
Inside Isaac Elementary School District No. 5	17.1971
Inside Wilson Elementary School District No. 7	13.6967
Inside Osborn Elementary School District No. 8	13.1766
Inside Creighton Elementary School District No. 14	13.6512
Inside Murphy Elementary School District No. 21	13.2485
Inside Balsz Elementary School District No. 31	12.6105
Inside Madison Elementary School District No. 38	13.0412
Inside Laveen Elementary School District No. 59	16.1906
Inside Roosevelt Elementary School District No. 66	15.4239
Inside Alhambra Elementary School District No. 68	15.0830
Inside Cartwright Elementary School District No. 83 (3)	17.8761
Inside Tempe Union High School District No. 213	
Inside Tempe Elementary School District No. 3 (2)	11.4127
Inside Kyrene Elementary School District No. 28 (2)	10.7476
Inside Tolleson Union High School District No. 214	
Inside Tolleson Elementary School District No. 17 (3)	13.8640
Inside Fowler Elementary School District No. 45 (3)	12.9607
Inside Union Elementary School District No. 62 (3)	14.3935
Inside Littleton Elementary School District No. 65 (3)	14.2410
Inside Pendergast Elementary School District No. 92 (3)	15.2335
Inside Scottsdale Unified School District No. 48 (2)	8.2526
Inside Paradise Valley Unified School District No. 69 (3)	10.4518
Inside Cave Creek Unified School District No. 93	6.4177
Inside Deer Valley Unified School District No. 97 (3)	10.6304

(1) Included in the computation for each of the overlapping municipalities is the City of Phoenix tax rate of $2.0799, the Maricopa County tax rate of $1.1591, the Maricopa County Flood Control District tax rate of $0.1470, the Central Arizona Water Conservation District tax rate of $0.1400, the Maricopa County Library District tax rate of $0.0470, the Volunteer Fire District Assistance tax rate of $0.0080, the Maricopa Special Health Care District tax rate of $0.2665 and the Maricopa County Community College District tax rate of $1.1047.

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

(3) Includes the West Maricopa Education Center tax rate of $0.1825.

Source: Maricopa County Treasurer's Office.

STATEMENT OF BONDED INDEBTEDNESS

Direct General Obligation Bonded Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Bonds Outstanding As of 11-1-25
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	186,790,000[(1)]
06-24-14	278,015,000	Refunding	7-1-19/27	2,320,000
09-13-16	226,215,000	Refunding	7-1-18/27	139,415,000
06-21-17	68,305,000	Refunding	7-1-18/27	2,655,000
05-25-22	146,400,000	Refunding	7-1-23/34	100,290,000
08-07-24	127,820,000	Various Improvements (Tax-Exempt)	7-1-32/47	127,820,000
08-07-24	105,200,000	Various Improvements (Taxable)	7-1-28/32	105,200,000
Net Direct General Obligation Bonded Debt Outstanding				$679,210,000

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

Fiscal Year	Principal	Interest	Total
2025-26	$ 108,085,000	$ 33,278,220	$ 141,363,220
2026-27	108,600,000	28,011,561	136,611,561
2027-28	68,000,000	22,582,923	90,582,923
2028-29	63,340,000	19,580,025	82,920,025
2029-30	49,445,000	16,550,002	65,995,002
2030-31	50,590,000	14,119,336	64,709,336
2031-32	45,785,000	11,627,511	57,412,511
2032-33	47,525,000	9,293,429	56,818,429
2033-34	49,320,000	6,855,645	56,175,645
2034-35	17,500,000	4,426,000	21,926,000
2035-36	9,000,000	3,551,000	12,551,000
2036-37	9,000,000	3,101,000	12,101,000
2037-38	8,500,000	2,651,000	11,151,000
2038-39	8,250,000	2,226,000	10,476,000
2039-40	6,970,000	1,813,500	8,783,500
2040-41	6,500,000	1,465,000	7,965,000
2041-42	3,800,000	1,140,000	4,940,000
2042-43	3,800,000	950,000	4,750,000
2043-44	3,800,000	760,000	4,560,000
2044-45	3,800,000	570,000	4,370,000
2045-46	3,800,000	380,000	4,180,000
2046-47	3,800,000	190,000	3,990,000
	$ 679,210,000	$ 185,122,152	$ 864,332,152

(1) 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 years ending September 30, 2025 through and including September 30, 2031 (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.

The City Council appointed a citizen's General Obligation ("*GO*") Bond Committee on June 1, 2022 to listen to community feedback, evaluate and prioritize proposed projects, and develop a GO Bond Program recommendation. The committee concluded their work on November 14, 2022. The GO Bond Recommendations were presented to and approved by the City Council on December 13, 2022.

On June 14, 2023, the Mayor and City Council voted to propose four GO Bond questions to voters during a Special Election in November 2023. These questions total $500 million, pursuant to the recommendations of the citizen's GO Bond Executive Committee. The Executive Committee's recommendations from the Public Safety and Streets & Storm Drainage program areas were included on the ballot in Question Number 1: Enhance Community Safety through Fire, Police, Roadway and Pedestrian Infrastructure. Recommendations from the Neighborhoods & City Services and Parks & Recreation program areas were included on the ballot in Question Number 2: Improve Quality of Life in Phoenix Neighborhoods. Recommendations from the Arts & Culture, Economic Development & Education, and Environment & Sustainability program areas were included on the ballot in Question Number 3: Create an Efficient, Modern Phoenix to Live and Work. Finally, recommendations from the Housing, Human Services & Homelessness program area were included on the ballot in Question Number 4: Enhance, Preserve and Increase the Supply of Affordable Housing and Senior Centers.

On November 7, 2023 Phoenix voters passed the City Council approved $500 million GO Bond Program (the "*2023 Authorization*"). GO Bond programs help to fund critical infrastructure and rehabilitation needs of City facilities such as parks, libraries, fire and police stations, affordable housing, streets and storm drains. Approved projects will be prioritized and allocated over the five-year period of 2024-25 to 2028-29 and were included in the Preliminary Capital Improvement Program approved by City Council in June 2024.

2023 GENERAL OBLIGATION BOND PROGRAM
SUMMARY OF AUTHORIZED, ISSUED, AND UNISSUED GENERAL OBLIGATION BONDS

Purpose	Original Authorization	Bonds Issued	Remaining Authorization[(1)]
Fire, Police, Roadway and Pedestrian Infrastructure	$ 214,000,000	$ 88,900,000	$ 125,100,000
Library, Parks, and Historic Preservation	108,615,000	42,500,000	66,115,000
Education, Economic Development, Reducing Waste, Resource Management, Arts and Culture	114,385,000	74,300,000	40,085,000
Affordable Housing & Senior Centers	63,000,000	44,300,000	18,700,000
Total 2023 General Obligation Bonds	$ 500,000,000	$250,000,000	$ 250,000,000

(1) Represents the unissued portion of the 2023 General Obligation Bond Program.

1988, 2001, AND 2006 GENERAL OBLIGATION BOND PROGRAMS
SUMMARY OF AUTHORIZED, ISSUED, AND UNISSUED GENERAL OBLIGATION BONDS

Purpose	Original Authorization	Bonds Issued	Remaining Authorization[1]
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) Represents the unissued portion of the 1988, 2001, and 2006 General Obligation Bond Programs. The City does not intend to issue bonds for the remaining 1988, 2001, and 2006 authorizations.

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. 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. The City's 2025-26 full cash net assessed valuation is $34,544,910,185. Unused borrowing capacity as of November 1, 2025 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	$6,908,982,037
Less: Direct General Obligation Bonds Outstanding	558,885,000(1)
Allocable Bond Premium	15,305,000(2)
Debt Limit Reduction from Refunding	42,231,452(3)
Unused 20% Limitation Borrowing Capacity	$6,292,560,585

All Other General Obligation Bonds

6% Constitutional Limitation	$2,072,694,611
Less: Direct General Obligation Bonds Outstanding	120,325,000(1)
Allocable Bond Premium	1,675,000(2)
Debt Limit Reduction from Refunding	—(3)
Unused 6% Limitation Borrowing Capacity	$1,950,694,611

(1) Represents general obligation bonds outstanding as of November 1, 2025.

(2) This amount represents premium on the bonds which will be used to pay project costs and certain costs of issuance which under State law reduce in equal amount the borrowing capacity of the City and the principal amount of bonds authorized under the 2023 Authorization. Such capacity (but not authorization) will be recaptured as premium is amortized.

(3) 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 November 1, 2025[1]
City of Phoenix	$ 679,210,000
Maricopa County Community College District	39,957,000
Various Elementary School Districts	722,992,000
Various High School Districts	533,927,000
Various Unified School Districts	286,293,000
Total Direct and Overlapping General Obligation Bonded Debt	$2,262,379,000

(1) The total direct debt of the City of Phoenix is as of November 1, 2025. The direct debt for the other districts is as of July 1, 2024, 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, $9.1 million in 2021, $8.4 million in 2022 and 2023, $7.0 million in 2024, and estimated at $7.0 million in 2025.

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 2025 calendar year.

Net Direct And Overlapping General Obligation Bonded Debt Ratios[1]

	Per Capita Debt (Pop. Est. 1,650,070)[2]	As Percent of City's 2025-26 Limited Net Assessed Valuation	As Percent of City's 2025-26 Full Cash Valuation
Direct General Obligation Bonded Debt Outstanding	$ 411.62	3.82%	0.19%
Direct and Overlapping General Obligation Bonded Debt Outstanding	1,371.08	12.73	0.63

(1) Represents direct debt and overlapping general obligation bonds outstanding as of November 1, 2025. The direct debt for the other districts is as of July 1, 2024, the latest available data.

(2) The City of Phoenix population is as of June 30, 2023, the most recently available figure from the U.S. Census Bureau.

Overlapping General Obligation Bonded Debt, Net Assessed Valuations and Tax Rates
As of January 1, 2025
(in thousands)

Overlapping Municipality	2024-25 Limited Net Assessed Valuation	Net Bonded Debt	Approximate Applicable Percent	Net Overlapping Bonded Debt	2024-25 Tax Rate Per $100 Assessed
State of Arizona	$88,425,611	$—	19.44%	$ —	—
Maricopa County	58,328,686	—	29.47	—	—
Maricopa County Community College District	58,328,686	135,585	29.47	39,957	—
Maricopa County Special Health Care District	57,548,877	574,205	29.87	171,521	—
Elementary School Districts:					
Phoenix Elementary School District No. 1	917,013	80,500	100.00	80,500	4.7639
Riverside Elementary School District No. 2	511,925	49,440	98.05	48,478	3.4837
Tempe Elementary School District No. 3	2,026,991	141,985	13.58	19,280	4.0477
Isaac Elementary School District No. 5	185,569	—	100.00	—	7.9190
Washington Elementary School District No. 6	1,680,072	110,475	97.42	107,620	4.2508
Wilson Elementary School District No. 7	147,533	2,255	100.00	2,255	4.4186
Osborn Elementary School District No. 8	568,105	37,900	99.96	37,886	3.8985
Creighton Elementary School District No. 14	603,956	59,695	87.45	52,203	4.3731
Tolleson Elementary School District No. 17	294,963	18,780	18.98	3,565	4.0299
Murphy Elementary School District No. 21	132,663	—	100.00	—	3.9704
Kyrene Elementary School District No. 28	2,715,520	180,475	40.45	72,994	3.3826
Balsz Elementary School District No. 31	405,062	33,275	93.89	31,242	3.3324
Madison Elementary School District No. 38	1,317,975	116,265	100.00	116,265	3.7631
Glendale Elementary School District No. 40	417,676	46,630	—	—	6.0113
Fowler Elementary School District No. 45	511,663	2,985	87.95	2,625	3.1266
Laveen Elementary School District No. 59	361,823	17,025	86.54	14,733	6.9125
Union Elementary School District No. 62	125,810	9,840	97.76	9,620	4.5594
Littleton Elementary School District No. 65	442,942	44,665	16.62	7,425	4.4069
Roosevelt Elementary School District No. 66	869,011	87,890	98.91	86,934	6.1458
Alhambra Elementary School District No. 68	448,434	35,970	82.04	29,510	5.8049
Litchfield Elementary School District No. 79	1,677,502	30,250	0.02	5	2.9955
Cartwright Elementary School District No. 83	358,207	56,320	100.00	56,320	8.4155
Pendergast Elementary School District No. 92	552,883	56,075	42.94	24,078	5.3994
High School Districts:					
Glendale Union High School District No. 205	2,097,748	163,965	78.02	127,925	3.4569
Phoenix Union High School District No. 210	6,827,276	280,510	96.35	270,262	4.3259
Tempe Union High School District No. 213	4,742,511	107,905	28.96	31,252	2.3628
Tolleson Union High School District No. 214	1,928,261	214,300	48.75	104,471	4.6994
Agua Fria Union High School District No. 216	2,450,770	107,525	0.01	112	3.2529
Unified School Districts:					
Scottsdale Unified School District No. 48	7,025,019	265,741	14.08	37,423	3.2504
Paradise Valley Unified School District No. 69	4,655,224	208,250	70.42	146,657	5.3171
Cave Creek Unified School District No. 93	2,731,901	21,895	13.46	2,948	1.4655
Deer Valley Unified School District No. 97	3,607,813	176,750	56.17	99,284	5.4957
Total Overlapping General Obligation Bonded Debt				$ 1,835,250	

Source: Maricopa County Finance Department

Authorized and Unissued Bonds of Overlapping Jurisdictions
As of January 1, 2025

Jurisdictions	Authorized and Unissued Bonds
Agua Fria Union High School District No. 216	$190,000,000
Balsz Elementary School District No. 31	18,000,000
Creighton Elementary School District No. 14	85,000,000
Fowler Elementary School District No. 45	24,000,000
Glendale Elementary School District No. 40	40,000,000
Glendale Union High School District No. 205	105,000,000
Kyrene Elementary School District No. 28	161,000,000
Laveen Elementary School District No. 59	50,000,000
Litchfield Elementary School District No. 79	70,000,000
Madison Elementary School District No. 38	70,000,000
Murphy Elementary School District No. 21	2,015,000
Osborn Elementary School District No. 8	70,000,000
Paradise Valley Unified School District No. 69	340,000,000
Pendergast Elementary School District No. 92	109,090,000
Phoenix Union High School District No. 210	315,000,000
Riverside Elementary School District No. 2	8,492,971
Roosevelt Elementary School District No. 66	150,000,000
Tempe Elementary School District No. 3	157,565,000
Tempe Union High School District No. 213	48,840,000
Tolleson Elementary School District No. 17	10,000,000
Tolleson Union High School District No. 214	250,000,000
Union Elementary School District No. 62	6,495,000
Washington Elementary School District No. 6	105,000,000
Wilson Elementary School District No. 7	10,500,000

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 municipal building, a Phoenix municipal courthouse building, a 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 2020-21 totaled $1,112.3 million, in 2021-22 totaled $1,252.2 million, in 2022-23 totaled $1,432.5 million, and in 2023-24 totaled $1,595.7 million. The estimate for fiscal year 2024-25 is $1,503.6 million.

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 included expanded local bus service, new bus rapid transit service, neighborhood circulators, and the construction and operation of the new and extended light rail system. In addition, the tax provided funding for 500 bus pull-outs, 100 miles of bike lanes and left-turn arrows at all major intersections.

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 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.

To partially offset the impact to City revenues from SB 1131 and SB 1828, on March 18, 2025, the City Council approved an increase of 0.5% to the TPT and use tax rates, increasing the current rates from 2.3% to 2.8% with an effective date of July 1, 2025.

The City also entered into leases with the 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 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 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 Corporation.

The City entered into a leaseback agreement with the 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 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.

The City entered into a loan agreement with the Corporation for the purpose of financing the renovation of the 100 West Washington building, which after completion, will serve as the new Police Department Headquarters. The Corporation issued bonds to fund significant infrastructure upgrades and other build-out costs including the 911 call and dispatch center, which will be operating 24/7/365. 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.

The City entered into a loan agreement with the Corporation to finance or reimburse for costs of acquiring, constructing, expanding and improving real and personal property for technology upgrades, solid waste facilities and equipment, public safety property, systems and equipment and other municipal facilities for the City plus related financing costs. 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.

As of November 1, 2025 there are no Senior Excise Tax Obligations or Junior Excise Tax Obligations outstanding, but the senior lien priority and junior lien priority remain available for future use if necessary.

City of Phoenix Civic Improvement Corporation
Subordinated Junior Lien Excise Tax Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 11-1-25
05-12-15	$319,305,000	Municipal Facilities Refunding(1)	7-1-17/41	4.98%	$ 747,083
05-12-15	60,895,000	Municipal Facilities Refunding (Taxable)	7-1-16/35	3.34	24,970,000
06-01-17	116,835,000	Municipal Facilities	7-1-18/32	4.39	34,135,000
06-01-17	101,895,000	Municipal Facilities Refunding	7-1-19/29	4.64	27,935,000
08-25-20	131,595,000	Municipal Facilities(2)	7-1-21/45	4.68	112,130,000
08-25-20	150,000,000	Municipal Facilities-Arena (Taxable)	7-1-21/45	2.36	125,330,000
08-25-20	116,685,000	Municipal Facilities Refunding (Taxable)	7-1-23/36	1.50	74,415,000
08-03-22	131,650,000	Municipal Facilities	7-1-25/47	5.00	128,470,000
07-17-24	180,000,000	Municipal Facilities	7-1-25/44	5.00	174,780,000
07-16-25	138,950,000	Municipal Facilities	7-1-28/45	5.00	138,950,000
07-16-25	26,000,000	Municipal Facilities (Taxable)	7-1-28/45	5.30	26,000,000
07-16-25	219,115,000	Municipal Facilities Refunding(3)	7-1-26/41	5.00	219,115,000
Total City of Phoenix Civic Improvement Corporation Subordinated Junior Lien Bonded Debt					$1,086,977,083

(1) Debt service requirements on $277,708 of these obligations are supported by solid waste revenues.
(2) Debt service requirements on $25,175,000 of these obligations are supported by solid waste revenues.
(3) Debt service requirements on $6,170,000 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
2025-26	$ 51, 872,083	$ 46,988,156	$ 98,860,239
2026-27	58,775,000	45,454,546	104,229,546
2027-28	65,200,000	43,253,887	108,453,887
2028-29	62,270,000	40,808,877	103,078,877
2029-30	53,670,000	38,419,316	92,089,316
2030-31	55,915,000	36,186,117	92,101,117
2031-32	57,645,000	33,824,108	91,469,108
2032-33	55,755,000	31,351,485	87,106,485
2033-34	55,610,000	28,884,940	84,494,940
2034-35	58,145,000	26,348,266	84,493,266
2035-36	57,735,000	23,686,143	81,421,143
2036-37	49,855,000	21,011,006	70,866,006
2037-38	52,175,000	18,695,398	70,870,398
2038-39	54,590,000	16,268,710	70,858,710
2039-40	57,140,000	13,726,191	70,866,191
2040-41	59,805,000	11,060,474	70,865,474
2041-42	41,375,000	8,256,023	49,631,023
2042-43	43,250,000	6,377,517	49,627,517
2043-44	45,220,000	4,408,746	49,628,746
2044-45	32,825,000	2,345,942	35,170,942
2045-46	8,855,000	907,500	9,762,500
2046-47	9,295,000	464,750	9,759,750
	$1,086,977,083	$498,728,098	$1,585,705,181

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 three-year loan of $200,000,000 to finance transportation improvements. In May 2023, the City extended the term of the Transportation Excise Tax Revolving Credit Agreement for an additional two years. On February 28, 2025, the City amended the original agreement to extend the loan to December 31, 2025.

City of Phoenix
Transportation Excise Tax
Revolving Loan Outstanding

Loan Issue Date	Loan Amount	Purpose	Loans Outstanding As of 11-1-25(1)
06-04-2020	$200,000,000	Transportation Improvements	$200,000,000

(1) Represents the 2020 Loan being prepaid by the Bonds.

The City entered into a loan agreement with the 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 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 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. For the calendar year ended December 31, 2023, the Arizona Auditor General report released on June 26, 2025, concluded that events held at the Phoenix Convention Center generated $42.3 million in tax revenues for the State, which is more than the $25.5 million the State contributed toward the Convention Center's expansion. As a result, the City of Phoenix owes no monies back to the State for fiscal year 2025. 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 11-1-25
10-06-05	$275,362,351.75	Convention Center Expansion	7-1-12/44	4.72%	$234,791,699.60
Total State of Arizona Distribution Revenue Bonded Debt					$234,791,699.60

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
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
	$234,791,699.60	$219,721,975.00	$101,433,300.40	$555,946,975.00

The City entered into city purchase agreements with the 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 11-1-25
11-21-17	$ 190,930,000	Airport Improvements	7-1-18/47	5.00%	$164,420,000
11-21-17	173,440,000	Airport Improvements Refunding	7-1-21/38	5.00	140,710,000
11-28-18	226,180,000	Airport Improvements	7-1-19/48	4.87	201,085,000
06-07-23	96,540,000	Airport Improvements Refunding	7-1-24/32	5.00	78,840,000
Total Senior Lien Airport Revenue Bonded Debt					$585,055,000

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

Fiscal Year	Principal	Interest	Total
2025-26	$ 26,460,000	$ 29,052,750	$ 55,512,750
2026-27	27,780,000	27,729,750	55,509,750
2027-28	29,170,000	26,340,750	55,510,750
2028-29	30,625,000	24,882,250	55,507,250
2029-30	32,160,000	23,351,000	55,511,000
2030-31	33,765,000	21,743,000	55,508,000
2031-32	35,455,000	20,054,750	55,509,750
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
	$585,055,000	$323,863,750	$908,918,750

The City entered into a city purchase agreement with the 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 11-1-25
09-01-10	$ 21,345,000	Airport Improvements	7-1-40	6.60%	$ 21,345,000(1)(2)
12-21-17	474,725,000	Airport Refunding	7-1-21/40	4.67	388,110,000(1)
12-11-19	341,095,000	Airport Improvements	7-1-41/49	4.48	341,095,000(3)
12-11-19	392,005,000	Airport Improvements	7-1-20/49	4.63	365,945,000
06-11-25	84,635,000	Airport Refunding	7-1-26/45	4.38	84,635,000
Total Junior Lien Airport Revenue Bonded Debt					$1,201,130,000

(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, 2025 (the "S*equester 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) 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
2025-26	$ 30,215,000	$ 56,591,223	$ 86,806,223
2026-27	31,955,000	54,845,376	86,800,376
2027-28	33,560,000	53,247,626	86,807,626
2028-29	35,230,000	51,569,627	86,799,627
2029-30	36,995,000	49,808,126	86,803,126
2030-31	38,835,000	47,958,376	86,793,376
2031-32	40,795,000	46,016,627	86,811,627
2032-33	42,830,000	43,976,876	86,806,876
2033-34	43,625,000	41,835,376	85,460,376
2034-35	47,045,000	39,833,470	86,878,470
2035-36	49,395,000	37,481,220	86,876,220
2036-37	51,865,000	35,011,470	86,876,470
2037-38	54,310,000	32,562,320	86,872,320
2038-39	56,525,000	30,354,020	86,879,020
2039-40	58,820,000	28,055,270	86,875,270
2040-41	51,970,000	24,981,950	76,951,950
2041-42	54,375,000	22,583,850	76,958,850
2042-43	56,875,000	20,075,500	76,950,500
2043-44	59,500,000	17,452,700	76,952,700
2044-45	62,240,000	14,709,750	76,949,750
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	3,171,138	73,636,138
	$1,201,130,000	$779,320,391	$1,980,450,391

(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 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 11-1-25
12-05-19	$244,245,000	Rental Car Facility	7-1-28/45	4.71%	$244,245,000
12-05-19	60,485,000	Rental Car Facility Refunding	7-1-20/28	2.49	18,915,000
Total Rental Car Facility Charge Bonded Debt					$263,160,000

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

Fiscal Year	Principal	Interest	Total
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
	$263,160,000	$147,687,185	$410,847,185

The City entered into city purchase agreements with the 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 11-1-25
12-17-14	$445,085,000	Water System Refunding	7-1-16/29	4.67%	$ 181,030,000
01-10-17	375,780,000	Water System Refunding	7-1-17/39	4.99	315,625,000
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	17,025,000
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					$1,308,090,000

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
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
	$1,308,090,000	$628,943,165	$1,937,033,165

The City entered into loan agreements 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 and pursuant to the Infrastructure and Investment Jobs 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 agreements are as follows:

City of Phoenix
Junior Lien Water System Revenue Bonded Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 11-1-25
09-14-11	$ 1,496,737	Water System Improvements	7-1-24/29	2.97%	$ 1,188,132
03-13-24	9,325,000(1)	Water System Improvements	7-1-26/47	3.28	9,325,000
03-13-24	30,575,418(2)	Water System Improvements	7-1-26/47	3.28	30,575,418
Total Junior Lien Water System Revenue Bonded Debt					$ 41,088,550

(1) Amount does not include $1,532,000 loaned to the City but not required to be repaid pursuant to the American Recovery and Reinvestment Act and Bipartisan Infrastructure Law (the "*Forgivable Principal*"). Failure by the City to comply with all requirements of the loan agreement may result in a default under the loan agreement and cause the Forgivable Principal to be owed by the City. As of November 1, 2025 the City has not drawn any funds.

(2) Amount does not include $10,000,000 loaned to the City "as Forgivable Principal." Failure by the City to comply with all requirements of the loan agreement may result in a default under the loan agreement and cause the Forgivable Principal to be owed by the City. As of November 1, 2025 the City has not drawn any funds.

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

Fiscal Year	Principal	Interest	Total
2025-26	$ 1,552,192	$ 1,343,000	$ 2,895,192
2026-27	1,602,179	1,293,012	2,895,191
2027-28	1,653,778	1,241,413	2,895,191
2028-29	1,698,536	1,188,150	2,886,686
2029-30	1,440,342	1,133,421	2,573,763
2030-31	1,487,549	1,086,213	2,573,762
2031-32	1,536,303	1,037,459	2,573,762
2032-33	1,586,656	987,106	2,573,762
2033-34	1,638,658	935,104	2,573,762
2034-35	1,692,365	881,397	2,573,762
2035-36	1,747,833	825,930	2,573,763
2036-37	1,805,118	768,645	2,573,763
2037-38	1,864,281	709,482	2,573,763
2038-39	1,925,382	648,380	2,573,762
2039-40	1,988,487	585,276	2,573,763
2040-41	2,053,659	520,103	2,573,762
2041-42	2,120,968	452,794	2,573,762
2042-43	2,190,483	383,280	2,573,763
2043-44	2,262,276	311,486	2,573,762
2044-45	2,336,422	237,340	2,573,762
2045-46	2,412,998	160,764	2,573,762
2046-47	2,492,085	81,678	2,573,763
	$ 41,088,550	$16,811,433	$57,899,983

* Subject to change per WIFA Loan Agreement.

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 time 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.

The City entered into a first amendment with the Water Credit Agreement Provider, dated March 27, 2025 and effective April 25, 2025. The City and the Water Credit Agreement Provider agree to amend that certain Water Revolving Credit Agreement dated as of April 28, 2022, pursuant to the original agreement. The commitment termination date was extended to April 23, 2027.

City of Phoenix
Junior Subordinate Lien
Water Revolving Loan Outstanding

Issue Date	Loan Amount	Purpose	As of 11-1-25
04-29-2022	$200,000,000	Water System Improvements	$200,000,000[(1)]

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.

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(1) Represents the Revolving Loan which is fully drawn.

The City entered into city purchase agreements with the 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 Wastewater Treatment Plant ("*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 11-1-25
04-15-14	$127,810,000	Wastewater System Refunding	7-1-15/29	4.84%	$ 44,830,000
11-16-16	225,325,000	Wastewater System Refunding	7-1-17/35	5.00	147,600,000
06-19-18	133,270,000	Wastewater System Revenue	7-1-25/43	4.64	128,880,000
11-15-23	381,620,000	Wastewater System Revenue	7-1-28/47	5.10	381,620,000
Total Junior Lien Wastewater System Revenue Bonded Debt					$ 702,930,000

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
2025-26	$ 26,470,000	$ 35,051,375	$ 61,521,375
2026-27	27,850,000	33,727,875	61,577,875
2027-28	40,840,000	32,335,375	73,175,375
2028-29	42,940,000	30,293,375	73,233,375
2029-30	32,515,000	28,146,375	60,661,375
2030-31	34,210,000	26,520,625	60,730,625
2031-32	35,995,000	24,810,125	60,805,125
2032-33	37,875,000	23,010,375	60,885,375
2033-34	39,855,000	21,116,625	60,971,625
2034-35	41,935,000	19,123,875	61,058,875
2035-36	24,540,000	17,027,125	41,567,125
2036-37	25,770,000	15,800,125	41,570,125
2037-38	27,055,000	14,511,625	41,566,625
2038-39	28,410,000	13,158,875	41,568,875
2039-40	29,745,000	11,825,275	41,570,275
2040-41	31,105,000	10,463,625	41,568,625
2041-42	32,660,000	8,908,375	41,568,375
2042-43	34,290,000	7,275,375	41,565,375
2043-44	25,165,000	5,715,675	30,880,675
2044-45	26,485,000	4,394,513	30,879,513
2045-46	27,880,000	3,004,050	30,884,050
2046-47	29,340,000	1,540,350	30,880,350
	$ 702,930,000	$ 387,760,988	$1,090,690,988

The City entered into loan agreements with WIFA to finance the replacement of the Broadway Road Interceptor, rehabilitate approximately 41,000 linear feet of small diameter sewer, construct relief sewers in the southwest portion of the City and finance sewer line replacements. 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 and pursuant to the Infrastructure and Investment Jobs 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	Bonds Outstanding As of 11-1-25
08-03-10	$6,286,996	Wastewater System Improvements	7-1-18/26	2.97%	$ 88,114
06-01-11	3,909,270	Wastewater System Improvements	7-1-26/29	2.97	3,909,270
03-13-24	9,170,000(1)	Wastewater System Improvements	7-1-26/47	3.28	9,170,000
Total Junior Lien Wastewater System Revenue Bonded Debt					$13,167,384

(1) Amount does not include $1,000,000 loaned to the City but not required to be repaid as Forgivable Principal. Failure by the City to comply with all requirements of the loan agreement may result in a default under the loan agreement and cause the Forgivable Principal to be owed by the City. As of November 1, 2025 the City has not drawn any funds.

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

Fiscal Year	Principal	Interest	Total
2025-26	$ 1,259,750	$ 419,189	$ 1,678,939
2026-27	1,298,040	380,899	1,678,939
2027-28	1,337,496	341,444	1,678,940
2028-29	1,324,419	300,786	1,625,205
2029-30	331,022	260,485	591,507
2030-31	341,872	249,636	591,508
2031-32	353,077	238,431	591,508
2032-33	364,649	226,859	591,508
2033-34	376,600	214,908	591,508
2034-35	388,943	202,565	591,508
2035-36	401,691	189,817	591,508
2036-37	414,856	176,652	591,508
2037-38	428,453	163,055	591,508
2038-39	442,496	149,012	591,508
2039-40	456,998	134,509	591,507
2040-41	471,976	119,531	591,507
2041-42	487,445	104,062	591,507
2042-43	503,421	88,086	591,507
2043-44	519,921	71,586	591,507
2044-45	536,962	54,546	591,508
2045-46	554,560	36,947	591,507
2046-47	572,737	18,771	591,508
	$ 13,167,384	$ 4,141,776	$17,309,160

* Subject to change per WIFA Loan Agreement.

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 Water Revolving Loan. For details on the Water Revolving Loan see page B-27.

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, 2024 were $236,953,748, of which 29% was reimbursed by other local governmental entities that have contracted for service. The estimated liability for all contracts for 2024-25 is $265,044,723, of which approximately 24.87% is to be reimbursed by other local governmental entities that have contracted for service.

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.

2025-30 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 2025-26 capital budget, which is the first year of the CIP: (1) authorization for the 2025-26 capital projects financed with bonds and bond-related funds; and (2) authorization for all 2025-26 pay-as-you-go projects financed with operating funds.

The 2025-30 CIP, which is summarized on pages B-32 and B-33, totals $13.3 billion, and will be funded primarily with operating funds, Federal aid and other long-term financings. The CIP was adopted by the City Council on June 14, 2024.

Summary of 2025-30 Capital Improvement Program
By Program
(in thousands)

	2025-26	2026-27	2027-28	2028-29	2029-30	Total 5-Year
Arts Cultural Facilities	$29,617	$1,718	$19,716	$—	$—	$51,051
Aviation	1,530,907	450,824	423,634	354,990	370,180	3,130,535
Economic Development	38,183	19,915	9,284	7,400	8,150	82,932
Environmental Programs ...	1,331	1,250	250	250	250	3,331
Facilities Management	80,500	24,791	22,965	22,694	16,775	167,725
Finance	10,270	-	-	-	-	10,270
Fire Protection	59,335	50,767	68,820	20,118	-	199,040
Historic Preservation & Planning	16,422	1,000	1,000	1,000	-	19,422
Housing	176,699	22,248	12,318	9,615	2,870	223,750
Human Services	17,173	6,933	-	-	-	24,106
Information Technology	62,567	37,680	26,598	19,098	12,595	158,538
Libraries	8,584	19,734	9,405	-	-	37,723
Municipal Court	4,944	2,910	-	-	-	7,854
Neighborhood Services	2,180	-	-	-	-	2,180
Non-Departmental Capital .	231,281	106,120	105,719	107,120	105,823	656,063
Parks, Recreation & Mountain Preserves	154,594	65,383	62,797	64,221	58,750	405,745
Phoenix Convention Center	28,082	12,155	7,940	7,455	6,352	61,984
Police Protection	19,079	35,001	1,658	1,020	-	56,758
Public Art Program	15,996	6,262	2,149	-	-	24,407
Public Transit	411,627	164,876	474,246	189,629	168,580	1,408,958
Regional Wireless Cooperative.....................	8,192	8,924	8,654	8,654	6,666	41,090
Solid Waste Disposal	63,121	37,388	13,017	28,343	14,284	156,153
Street Transportation & Drainage	490,781	273,882	193,408	187,070	162,666	1,307,807
Sustainability	1,000	-	-	-	-	1,000
Wastewater	461,477	642,633	296,283	243,304	202,067	1,845,764
Water	679,185	868,664	604,425	563,756	547,601	3,263,631
Total Operating Funds	$4,603,127	$2,861,058	$2,364,286	$1,835,737	$1,683,609	$13,347,817

Summary of 2025-30 Capital Improvement Program
By Sources of Funds
(in thousands)

Sources of Funds	2025-26	2026-27	2027-28	2028-29	2029-30	5-Year Total
Operating Funds:						
General Funds:						
General Fund	$ 70,027	$ 33,648	$ 32,238	$ 30,738	$ 30,738	$ 197,389
Library	1,020	-	-	-	-	1,020
Parks	3,119	-	-	-	-	3,119
Special Revenue Funds:		-				
Arizona Highway User Revenue	131,352	75,655	76,096	75,528	84,988	443,619
Capital Construction	25,960	7,143	8,544	8,794	7,044	57,485
Community Reinvestment	5,315	3,915	3,665	3,665	5,065	21,625
Development Services	7,080	292	292	292	292	8,248
Golf	2,000	-	-	500	500	3,000
Grants	218,735	79,718	105,420	109,443	105,112	618,428
Other Restricted Funds	74,493	4,802	3,572	1,535	1,235	85,637
Parks and Preserves	102,054	48,160	50,600	56,150	58,250	315,214
Regional Transit	15,066	5,708	16,942	17,829	18,196	73,741
Regional Wireless Cooperative	2,192	2,924	2,654	2,654	666	11,090
Sports Facilities	8,531	4,000	2,100	2,100	2,100	18,831
Transportation 2050	395,422	123,884	404,777	105,985	80,685	1,110,753
Enterprise Funds:						
Aviation	638,870	146,686	194,422	137,158	55,645	1,172,781
Convention Center	10,285	10,419	8,103	7,618	6,515	42,940
Solid Waste	10,877	1,208	1,256	1,306	1,359	16,006
Wastewater	277,088	106,143	110,447	102,280	82,436	678,394
Water	334,181	232,145	230,431	302,228	326,512	1,425,497
Total Operating Funds:	2,333,667	886,450	1,251,559	965,803	867,338	6,304,817
Bond Funds:						
General Obligation Funds:						
2001 General Obligation	902	-	-	-	-	902
2006 General Obligation	428	-	-	-	-	428
2023 General Obligation	150,233	148,573	79,295	33,114	-	411,215
Nonprofit Corporation Bonds:						
Aviation	389,601	184,058	83,750	78,750	-	736,159
Convention Center	810	-	-	-	-	810
Other	150,270	57,698	66,840	8,919	-	283,727
Solid Waste	52,925	38,601	14,393	27,899	12,875	146,693
Transportation 2050	900	-	-	-	-	900
Wastewater	102,098	432,419	120,686	79,318	82,562	817,083
Water	239,810	625,116	356,063	239,442	209,487	1,669,918
Total Bond Funds:	1,087,977	1,486,465	721,027	467,442	304,924	4,067,835
Other Capital Sources:						
Capital Gifts	451	-	-	-	-	451
Capital Grants	484,338	71,296	96,857	100,477	265,600	1,018,567
Capital Reserves	2,487	14,220	-	-	-	16,707
Customer Facility Charges	121,947	38,062	50,558	45,559	20,562	276,688
Federal, State and Other Participation	175,871	140,631	71,283	60,839	61,054	509,678
Impact Fees	207,797	21,366	17,861	36,560	-	283,584
Other Capital	835	-	-	-	-	835
Other Cities' Share in Joint Ventures	85,632	110,615	77,364	81,279	56,344	411,234
Passenger Facility Charge	100,007	91,508	77,326	77,323	107,320	453,484
Solid Waste Remediation	2,118	446	451	455	468	3,938
Total Other Capital Sources	1,181,483	488,144	391,700	402,492	511,347	2,975,166
TOTAL CIP SOURCES	$4,603,127	$2,861,059	$2,364,286	$1,835,737	$1,683,609	$13,347,818

COMBINED FINANCIAL SCHEDULES

The schedules summarized on pages B-35 through B-46 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 2021-22 through 2023-24 and adopted budget amounts for fiscal year 2024-25. 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	**2022**	**2023**	**2024**	**2025**
City Taxes				
Sales, Use and Franchise	$ 1,327,822	$ 1,442,366	$ 1,491,730	$ 1,518,172
Property-Primary-Operating	192,215	201,050	206,393	215,419
Property-Secondary-Debt Service	119,973	126,148	131,014	138,549
Other City Taxes	5,060	5,267	5,215	2,248
Other				
Licenses and Permits	20,746	16,922	17,800	19,914
Charges for Services	233,854	256,239	259,419	229,063
Fines and Forfeitures	7,877	7,674	8,518	8,256
Parks, Recreation and Library	5,008	7,054	7,608	19,356
Dwelling Rentals	3,581	3,038	2,328	3,506
Interest	7,687	42,910	79,781	47,668
Regional Transit	7,249	42,177	74,619	85,278
Other	33,038	46,231	55,787	123,542
State-Shared Revenues				
Highway User Tax	155,465	152,748	157,357	160,147
State Sales Tax	240,387	254,007	261,511	259,787
State Income Tax	213,294	308,183	435,754	353,170
Vehicle License Tax	78,719	80,593	83,824	86,148
Local Transportation Assistance	4,711	4,320	17,169	—
Grant and Federal Revenues				
Human Resources Federal Trust	133,406	101,684	64,769	79,071
Federal Transit Administration	168,794	37,870	41,621	121,894
Community Development	17,004	32,273	22,846	54,547
Public Housing Grants	94,475	110,327	223,624	238,784
Other Grants and Participation	165,507	167,041	24,609	379,162
Federal Administrative Cost Recovery	82	45	31	—
Enterprise Funds				
Aviation	505,112	500,285	622,136	595,697
Phoenix Convention Center	21,361	30,796	38,792	35,575
Water System and Val Vista	492,275	498,458	617,254	715,025
Wastewater and SROG	266,859	269,240	306,279	310,694
Solid Waste	199,650	203,589	211,935	208,591
Total Revenues	4,721,211	4,948,535	5,469,723	6,009,263
RECOVERIES				
Prior Year Expenditures	51,743	36,710	49,088	12,123
TRANSFERS (TO) FROM OTHER FUNDS				
Capital Projects Funds	86,304	21,800	(79,457)	39,424
General Obligation Reserve Fund	4,251	74,587	(489)	—
Infrastructure Repayment Agreement Trust	(4,003)	(2,917)	(4,403)	—
Community Facilities Districts	(50)	—	—	—
Aerial Fleet Capital Reserve Fund	(7,000)	(7,000)	(7,000)	—
City Improvement Debt Service	74	—	—	—
Trust and Gift Funds	(16,500)	—	—	(14,881)
Deposit to PSPRS Pension Stabilization Reserve	—	(1,000)	—	—
FUND BALANCES, BEGINNING OF YEAR	1,728,717	2,177,716	2,602,548	2,810,370
Total Resources Available for Expenditures	$ 6,564,747	$ 7,248,431	$ 8,030,010	$ 8,856,299

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
	2022	**2023**	**2024**	**2025**
EXPENDITURES AND ENCUMBRANCES				
Operating Expenditures				
General Government	$ 207,381	$ 221,434	$ 227,604	$ 250,567
Criminal Justice	41,977	44,351	45,162	73,089
Public Safety	1,228,308	1,351,572	1,474,784	1,542,706
Transportation				
Streets and Traffic	106,220	114,418	113,038	121,044
Transit	236,076	268,118	308,960	350,032
Community and Economic Development				
Planning and Development Services	73,355	82,045	90,241	101,520
Neighborhood Services and Housing	143,175	163,814	207,998	332,696
Other Economic Development	15,765	18,376	21,375	20,578
Community Enrichment				
Parks and Recreation	119,186	129,947	145,319	156,535
Libraries	41,683	45,957	49,893	52,776
Other Community Enrichment	8,810	11,672	10,951	10,043
Human Services	185,690	183,386	177,895	168,029
Environmental Services	51,300	34,826	33,988	191,884
Contingencies	—	—	19,451	236,375
Coronavirus Relief Fund	—	—	—	15,000
Total Governmental Expenditures	2,458,926	2,669,916	2,926,659	3,622,874
Enterprise Funds				
Aviation	348,986	301,735	321,698	410,810
Phoenix Convention Center	43,366	48,508	59,219	81,480
Water System and Val Vista	233,934	263,824	297,905	333,992
Wastewater and SROG	111,153	124,233	138,378	150,802
Solid Waste	158,151	159,401	170,575	188,517
Total Operating Expenditures	3,354,516	3,567,617	3,914,434	4,788,475
Capital Improvement Program				
Governmental Funds				
General Government	14,436	8,752	10,820	52,223
Public Safety	1,950	1,951	1,953	5,689
Transportation	277,279	182,155	211,391	767,871
Public Works	11,899	24,158	20,558	42,757
Community and Economic Development	40,663	66,099	74,730	168,173
Community Enrichment	13,381	38,827	87,502	130,998
Enterprise Funds				
Aviation	18,398	38,593	92,395	359,150
Phoenix Convention Center	9,281	1,008	7,251	13,110
Water System and Val Vista	96,389	115,561	165,211	212,974
Wastewater and SROG	66,084	44,184	87,905	102,283
Solid Waste	13,877	14,644	6,788	31,017
Total Capital Improvement Program	$ 563,637	$ 535,932	$ 766,504	$1,886,245

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
	2022	**2023**	**2024**	**2025**
EXPENDITURES AND ENCUMBRANCES (Continued)				
Debt Service				
General Obligation Bonds				
Various Purpose				
Principal	$ 147,845	$ 167,495	$ 102,280	$ 99,430
Interest	41,362	37,913	31,711	39,513
Transfer to (from) Early Redemption Fund	—	—	—	—
Arbitrage Rebate and Other	1,293	1,451	1,010	902
Solid Waste				
Principal	930	600	600	—
Interest	16	—	—	—
Lease-Purchase				
Airport				
Principal	—	442	42,662	44,839
Interest	3,035	6,565	54,039	56,854
Other	—	—	—	28
Solid Waste				
Principal	—	—	—	8,155
Interest	—	—	—	1,992
Other	—	—	—	1
Convention Center				
Principal	—	—	—	10,730
Interest	—	—	—	12,955
Other	—	—	—	5
Water				
Principal	58,020	71,487	75,100	73,090
Interest	73,733	76,388	76,613	73,107
Other	—	—	—	16
Sanitary Sewer				
Principal	47,007	49,277	51,714	26,346
Interest	24,362	27,468	37,085	36,960
Other		—	—	24
Lease-Purchase Excise Tax Bonds	71,275	103,248	104,836	84,178
Total Debt Service Expenditures	468,878	542,334	577,650	569,125
Total Expenditures	4,387,031	4,645,883	5,258,588	7,243,845
FUND BALANCES, END OF YEAR	$2,177,716	$2,602,548	$2,771,422	$1,612,454

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

	Actual			Adopted Budget
	2022	2023	2024	2025
GENERAL FUND	$ 224,446	$ 222,931	$ 293,513	$ —
SPECIAL REVENUE FUNDS				
Highway User Revenue	69,581	76,491	87,081	20,286
Parks and Preserves	99,459	116,985	91,963	30,021
Golf Courses	3,025	4,945	7,236	7,184
Planning & Development	64,623	68,650	35,854	2,559
Community Reinvestment	20,134	22,296	21,356	20,816
Grants	3,288	3,676	(47,306)	33,748
Transit(1)	(12,338)	(4,892)	(2,247)	3,730
Transportation Tax 2050	328,239	433,887	451,819	197,784
Public Housing	43,462	43,138	35,710	—
Court Awards(1)	(66)	(104)	(775)	23
Sports Facilities	68,708	86,799	104,267	116,091
Capital Construction	25,176	27,988	25,900	3,465
Regional Wireless Cooperative	2,501	2,394	3,723	2,924
Other Restricted	139,116	207,720	223,093	209,375
Neighborhood Protection	27,920	25,428	24,487	25,157
Public Safety Enhancement	21,148	25,924	26,838	11,610
Public Safety Expansion	43,522	46,335	48,408	31,477
DEBT SERVICE FUNDS				
Secondary Property Tax	100	100	100	100
ENTERPRISE FUNDS				
Aviation	509,729	654,306	754,130	412,156
Phoenix Convention Center	75,795	128,949	169,706	177,364
Water System and Val Vista	167,395	124,765	120,023	106,721
Wastewater and SROG	213,040	242,631	242,373	193,555
Solid Waste	39,713	41,206	54,170	6,308
Total Operating Fund	$2,177,716	$2,602,548	$2,771,422	$1,612,454

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

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, Solid Waste Enterprise Funds, and the Public Housing Special Revenue Fund. A schedule detailing all operating transfers is shown on the following pages.

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

	Actual			Adopted Budget
GENERAL FUND	**2022**	**2023**	**2024**	**2025**
Transfers From				
Excise Tax	$1,018,277	$1,205,151	$1,366,603	$1,296,782
Library	—	—	—	3,953
Development Services	5,261	6,528	6,528	6,528
Public Housing	153	145	122	—
Neighborhood Protection	519	726	748	748
Sports Facilities	103	63	89	89
Public Safety Enhancement	419	535	514	514
Public Safety Expansion	1,148	1,639	1,709	1,709
Other Restricted	287	382	522	1,262
Transportation 2050	1,048	1,228	1,551	1,551
Community Reinvestment	2,065	2,066	2,064	2,067
Aviation	10,233	13,634	15,052	15,052
Phoenix Convention Center	2,721	3,144	3,524	3,524
Water System and Val Vista	27,302	29,993	32,102	33,530
Wastewater and SROG	17,147	18,807	20,141	20,659
Solid Waste	10,167	11,930	12,371	12,407
Grants	—	—	—	150
Cable Communications	—	—	—	1,507
Total	1,096,850	1,295,971	1,463,640	1,402,032
Transfers To				
Library	—	—	—	10,961
Parks (General Fund)	—	—	—	117,410
Development Services	—	—	86	—
Highway User Revenue	—	3,000	—	—
Capital Projects/Reserve Fund	3,731	11,009	7,158	—
City Improvement Debt Service	39	118	129	—
Public Safety Expansion	—	10,061	—	—
Public Safety Enhancement	—	1,826	—	—
Federal Operating Trust Grants	—	—	626	—
PSPRS Pension Reserve Trust Fund	—	1,000	—	—
Aerial Fleet Capital Reserve Fund	7,000	7,000	7,000	—
Trust and Gift Funds	16,500	—	—	10,705
Infrastructure Repayment Agreement Trust	1,369	972	3,132	—
Other Restricted	59,798	85,267	24,984	22,825
Aviation	189	209	372	250
Total	88,626	120,462	43,487	162,151
EXCISE TAX				
Transfers To				
General Fund	1,018,277	1,205,151	1,366,603	1,296,782
Parks and Preserves	49,173	53,148	55,007	56,005
Transportation 2050	335,609	362,473	376,179	381,630
Sports Facilities	27,040	32,000	29,932	32,668
Capital Construction	6,210	6,292	7,328	7,502
Other Restricted	18,618	21,228	22,616	23,709
Neighborhood Protection	49,173	53,146	55,008	56,003
Public Safety Enhancement	26,537	30,097	31,258	33,131
Public Safety Expansion	98,347	106,294	110,016	112,007
City Improvement Debt Service	77,755	45,229	48,739	53,062
Phoenix Convention Center	77,786	92,516	89,191	95,516
Total	1,784,525	2,007,574	2,191,877	2,148,015

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

	Actual			Adopted Budget
LIBRARY	**2022**	**2023**	**2024**	**2025**
Transfers From				
General Fund	$—	$—	$—	$10,961
Transfers To				
General Fund	—	—	—	3,953
City Improvement Debt Service	—	—	—	129
Total	—	—	—	4,082
PARKS				
Transfers From				
General Fund	—	—	—	117,410
CABLE COMMUNICATIONS				
Transfers To				
General Fund	—	—	—	1,507
HIGHWAY USER REVENUE				
Transfers From				
General Fund	—	3,000	—	—
Other Restricted	—	—	7,076	—
Capital Projects/Reserve Fund	3,741	4,969	—	—
Total	3,741	7,969	7,076	—
Transfers To				
City Improvement Debt Service	161	3,721	4,244	4,475
Streets and Highways Debt Service	10	—	—	—
Total	171	3,721	4,244	4,475
PARKS AND PRESERVES				
Transfers From				
Excise Tax	49,173	53,148	55,007	56,005
Community Reinvestment	—	156	—	—
Total	49,173	53,304	55,007	56,005
Transfers To				
Infrastructure Repayment Agreement Trust	173	126	81	—
Other Restricted	7	8	21	107
Trust and Gift Funds	—	—	—	132
Total	180	134	102	239
DEVELOPMENT SERVICES				
Transfers From				
General Fund	—	—	86	—
Transfers To				
General Fund	5,261	6,528	6,528	6,528
FEDERAL TRANSIT GRANTS				
Transfers From				
Transportation 2050	—	500	—	—
Transfers To	—	—	56	—
Other Restricted				
OTHER AGENCY TRANSIT GRANTS				
Transfers From				
Transportation 2050	—	7,595	—	—

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

	Actual			Adopted Budget
TRANSPORTATION 2050	**2022**	**2023**	**2024**	**2025**
Transfers From				
Excise Tax	$335,609	$362,473	$376,179	$381,630
Capital Projects/Reserve Fund	11,274	—	—	—
Total	346,883	362,473	376,179	381,630
Transfers To				
Infrastructure Repayment Agreement Trust	1,212	885	649	—
General Fund	1,048	1,228	1,551	1,551
City Improvement Debt Service	1,523	6,085	8,629	8,701
Capital Projects/Reserve Fund	—	—	115,173	—
Other Restricted	—	54	150	749
Community Facility Districts	50	—	—	—
Trust and Gift Funds	—	—	—	922
Federal Transit Grants	—	500	—	—
Transit - Other Agency Special Revenue Fund	—	7,595	—	—
Total	3,833	16,347	126,152	11,923
COMMUNITY REINVESTMENT				
Transfers To				
General Fund	2,065	2,066	2,064	2,067
Parks and Preserves	—	156	—	—
Total	2,065	2,222	2,064	2,067
PUBLIC HOUSING				
Transfers To				
General Fund	153	145	122	—
City Improvement Debt Service	74	73	571	—
Total	227	218	693	—
FEDERAL TRUST GRANTS				
Transfers From				
General Fund	—	—	626	—
SPORTS FACILITIES				
Transfers From				
Excise Tax	27,040	32,000	29,932	32,668
City Improvement Debt Service	1,026	1,026	1,022	—
Total	28,066	33,026	30,954	32,668
Transfers To				
General Fund	103	63	89	89
City Improvement Debt Service	15,116	15,563	15,692	16,493
Infrastructure Repayment Agreement Trust	5	3	—	—
Total	15,224	15,629	15,781	16,582

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

	Actual			Adopted Budget
	2022	2023	2024	2025
CAPITAL CONSTRUCTION				
Transfers From				
Excise Tax	$ 6,210	$ 6,292	$ 7,328	$ 7,502
OTHER RESTRICTED				
Transfers From				
General Fund	59,798	85,267	24,984	22,825
Parks and Preserves	7	8	21	107
Capital Projects/Reserve Fund	40	—	—	—
Excise Tax	18,618	21,228	22,616	23,709
Federal Transit Grants	—	—	56	—
Transportation 2050	—	54	150	749
Phoenix Convention Center	35	31	85	487
Public Safety Expansion SRF	16	15	3,196	214
Neighborhood Protection SRF	7	8	21	107
Public Safety Enhancement	—	—	—	3,750
Total	78,521	106,611	51,129	51,948
Transfers To				
Highway User Special Revenue Fund	—	—	7,076	—
General Fund	287	382	522	1,262
Total	287	382	7,598	1,262
NEIGHBORHOOD PROTECTION				
Transfers From				
Public Safety Enhancement	—	—	—	7,500
Excise Tax	49,173	53,146	55,008	56,003
Total	49,173	53,146	55,008	63,503
Transfers To				
Infrastructure Repayment Agreement Trust	173	126	89	—
General Fund	519	726	748	748
Other Restricted	7	8	21	107
Trust and Gift Funds	—	—	—	131
Total	699	860	858	986
PUBLIC SAFETY ENHANCEMENT				
Transfers From				
Excise Tax	26,537	30,097	31,258	33,131
General Fund	—	1,826	—	—
Total	26,537	31,923	31,258	33,131
Transfers To				
General Fund	419	535	514	514
Neighborhood Protection	—	—	—	7,500
Other Restricted	—	—	—	3,750
Public Safety Expansion	—	—	—	3,750
Total	419	535	514	15,514

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

	Actual 2022	Actual 2023	Actual 2024	Adopted Budget 2025
PUBLIC SAFETY EXPANSION				
Transfers From				
Excise Tax	$ 98,347	$106,294	$110,016	$ 112,007
General Fund	—	10,061	—	—
Public Safety Enhancement	—	—	—	3,750
Total	98,347	116,355	110,016	115,757
Transfers To				
Infrastructure Repayment Agreement Trust	346	253	177	—
General Fund	1,148	1,639	1,709	1,709
Trust and Gift Funds	—	—	—	265
Other Restricted	16	15	3,196	214
Total	1,510	1,907	5,082	2,188
CITY IMPROVEMENT DEBT SERVICE				
Transfers From				
General Fund	39	118	129	—
Library	—	—	—	129
Sports Facilities	15,116	15,563	15,692	16,493
Aviation	173	963	1,094	458
Excise Tax	77,755	45,229	48,739	53,062
Transportation 2050	1,523	6,085	8,629	8,701
Public Housing	74	73	571	—
Water	100	202	202	202
Solid Waste	176	755	840	431
Wastewater and SROG	70	141	141	141
Phoenix Convention Center	27	96	106	85
Capital Projects/Reserve Funds	3,817	301	—	—
Highway User	161	3,721	4,244	4,475
Total	99,031	73,247	80,387	84,177
Transfers To				
Sports Facilities	1,026	1,026	1,022	—
SECONDARY PROPERTY TAX				
Transfers From				
General Obligation Reserve Fund	4,251	74,587	—	—
Transfers To				
General Obligation Reserve Fund	—	—	489	—
Trust and Gift Funds	—	—	—	2,256
Total	—	—	489	2,256
AVIATION				
Transfers From				
General Fund	189	209	372	250
Capital Projects/Reserve Fund	12,500	3,465	20	19,674
Total	12,689	3,674	392	19,924
Transfers To				
General Fund	10,233	13,634	15,052	15,052
Capital Projects/Reserve Fund	—	—	2,438	—
City Improvement Debt Service	173	963	1,094	458
Total	10,406	14,597	18,584	15,510

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

	Actual			Adopted Budget
PHOENIX CONVENTION CENTER	**2022**	**2023**	**2024**	**2025**
Transfers From				
Excise Tax	$77,786	$ 92,516	$ 89,191	$ 95,516
Capital Projects/Reserve Fund	—	25	—	—
Total	77,786	92,541	89,191	95,516
Transfers To				
General Fund	2,721	3,144	3,524	3,524
Infrastructure Repayment Agreement Trust	725	552	275	—
City Improvement Debt Service	27	96	106	85
Trust and Gift Funds	—	—	—	470
Other Restricted	35	31	85	487
Total	3,508	3,823	3,990	4,566
WATER SYSTEM AND VAL VISTA				
Transfers From				
Capital Projects/Reserve Fund	14,000	10,934	21,498	5,000
City Improvement Debt Service	84	—	—	—
Total	14,084	10,934	21,498	5,000
Transfers To				
General Fund	27,302	29,993	32,102	33,530
Capital Projects/Reserve Fund	—	396	1,063	—
City Improvement Debt Service	100	202	202	202
Total	27,402	30,591	33,367	33,732
WASTEWATER AND SROG				
Transfers From				
Capital Projects/Reserve Fund	46,000	15,333	26,209	16,000
Transfers To				
General Fund	17,147	18,807	20,141	20,659
City Improvement Debt Service	70	141	141	141
Capital Projects/Reserve Fund	—	477	—	—
Total	17,217	19,425	20,282	20,800
SOLID WASTE				
Transfers To				
General Fund	10,167	11,930	12,371	12,407
Capital Projects/Reserve Fund	1,337	1,345	1,352	1,250
City Improvement Debt Service	176	755	840	431
Total	11,680	14,030	14,563	14,088

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

	Actual			Adopted Budget
	2022	**2023**	**2024**	**2025**
CAPITAL PROJECTS/RESERVE FUNDS				
Transfers From				
General Fund	$ 3,731	$ 11,009	$ 7,158	$ —
Transportation 2050	—	—	115,173	—
Aviation	—	—	2,438	—
Water System and Val Vista	—	396	1,063	—
Wastewater and SROG	—	477	—	—
Solid Waste	1,337	1,345	1,352	1,250
Capital Reserve Fund	55	—	—	—
Total	5,123	13,227	127,184	1,250
Transfers To				
Transportation 2050	11,274	—	—	—
Highway User Revenue	3,741	4,969	—	—
Other Restricted	40	—	—	—
City Improvement Debt Service	3,817	301	—	—
Aviation	12,500	3,465	20	19,674
Phoenix Convention Center	—	25	—	—
Water System and Val Vista	14,000	10,934	21,498	5,000
Wastewater and SROG	46,000	15,333	26,209	16,000
Capital Reserve Fund	55	—	—	—
Total	91,427	35,027	47,727	40,674
GENERAL OBLIGATION RESERVE FUND				
Transfers From				
Secondary Property Tax	—	—	489	—
Transfers To				
Secondary Property Tax	4,251	74,587	—	—
INFRASTRUCTURE REPAYMENT AGREEMENT TRUST				
Transfers From				
General Fund	1,369	972	3,132	—
Parks and Preserves	173	126	81	—
Transportation 2050	1,212	885	649	—
Sports Facilities	5	3	—	—
Neighborhood Protection	173	126	89	—
Public Safety Expansion	346	253	177	—
Phoenix Convention Center	725	552	275	—
Total	4,003	2,917	4,403	—

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

	Actual			Adopted Budget
	2022	2023	2024	2025
PSPRS PENSION STABILIZATION RESERVE				
Transfers From				
General Fund	$—	$1,000	$—	$—
COMMUNITY FACILITIES DISTRICTS				
Transfers From				
Transportation 2050	50	—	—	—
AERIAL FLEET CAPITAL RESERVE FUND				
Transfers From				
General Fund	7,000	7,000	7,000	—
DEBT SERVICE FUND				
Transfers From				
Highway User Revenue	10	—	—	—
Transfers To				
Water System and Val Vista	84	—	—	—
TRUST AND GIFT FUNDS				
Transfers From				
General Fund	16,500	—	—	10,705
Public Safety Expansion	—	—	—	265
Transportation 2050	—	—	—	922
Parks and Preserves	—	—	—	132
Neighborhood Protection	—	—	—	131
Secondary Property Tax	—	—	—	2,256
Phoenix Convention Center	—	—	—	470
Total	16,500	—	—	14,881
GRANTS				
Transfers To				
General Fund	—	—	—	150
Total	—	—	—	150
Total Transfers From	$2,070,028	$2,369,625	$2,545,060	$2,509,295
Total Transfers To	$2,070,028	$2,369,625	$2,545,060	$2,509,295

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 ("*TPT*") for most business activity categories is currently 2.8%, while the rate for utilities is 2.7%, advertising is 0.5%, transient room rental is 5.8%, short-term car rental is 4.3%, telecommunications is 4.7%, and commercial real estate rental is 2.9%. The City collected $1,252,223,000 from all transaction privilege tax categories in fiscal year 2021-22, $1,432,513,000 in 2022-23 and $1,595,667,000 in 2023-24. The preliminary unaudited total for fiscal year 2024-25 is $1,503,633,000. The estimate for fiscal year 2025-26 is $1,634,309,000.

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 TPTs 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 ("*ADOR*") 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 2025-26, the City of Phoenix was assessed a fee of $4.1 million.

As a result of the passage by the State Legislature of SB 1131, effective January 1, 2025, Arizona municipalities are prohibited from levying a tax or fee on the business of renting or leasing real property for residential purposes. The revised unaudited five-month impact to the City for the loss of residential rental tax income for fiscal year 2024-25 is approximately $37.0 million and the ongoing annual impact beginning in fiscal year 2025-26 is estimated to be approximately $90.7 million.

To partially offset the impact to City revenues from SB 1131 and SB 1828, on March 18, 2025, the City Council approved Ordinance G-7369 to increase the TPT rate by 0.5%. The increase affects various tax categories including amusements; construction contracting; hotel/motel; job printing; manufactured buildings; publishing; commercial real estate property rental and leasing; rental, leasing, and licensing of tangible personal property;

restaurants and bars; retail sales (Level 1); timbering and other extraction; transporting for hire; and use taxable purchases and out-of-state-vendors (Level 1).

On March 6, 2025, prior to the City Council's approval of Ordinance G-7369, the Mayor and City Council received a letter from the Goldwater Institute urging them not to approve the proposed tax increase. According to the Goldwater Institute, such tax increase as it relates to services is unconstitutional. The issue of whether a sales tax increase is unconstitutional as it relates to services is currently pending in the Arizona Tax Court (Superior Court) in a lawsuit to which the City is not a party. As of the date of this Official Statement, no further action has been taken by the Goldwater Institute against the City regarding the tax increase. Any potential reduction in forecasted Excise Tax collections would not have a material adverse effect on the City's ability to comply with the requirements of the Loan Agreement.

City of Phoenix
July 1, 2025 Transaction Privilege Tax Rates by Category

Category	Rate[(1)] Effective 07-01-25
Mining	0.1%
Advertising	0.5
Amusement	2.8
Contracting	2.8
Leasing/Rental of Tangible Personal Property	2.8
Printing	2.8
Publishing	2.8
Residential Real Estate Rentals	—
Restaurants and Bars	2.8
Retail	2.8[(2)(3)]
Transportation	2.8
Commercial Real Estate Rentals	2.9
Utilities	2.7
Short-term Motor Vehicle Rental	4.8
Telecommunications	4.7
Hotel/Motel	5.8
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 TPT 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 totaled $40.9 million in 2020-21, $49.2 million in 2021-22, $53.1 million in 2022-23, and $55.0 million in 2023-24. The estimate for fiscal year 2024-25 is $53.4 million.

On September 7, 1999, City of Phoenix voters approved a 0.1% increase in the City's TPT 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 the increase generated $40.9 million in 2020-21, $49.2 million in 2021-22, $53.1 million in 2022-23, and $55.0 million in 2023-24. The estimate for fiscal year 2024-25 is $53.4 million.

On March 14, 2000, City of Phoenix residents approved a 0.4% increase in the City's TPT rate to be levied for a 20-year period dedicated to transit improvements (the "*Transit Sales Tax*"). Transit improvements include expanded local bus service, new bus rapid transit service, neighborhood circulators, and the construction and operation of the new and extended 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 the increase totaled $279.3 million in 2020-21, $335.6 million in 2021-22, $362.5 million in 2022-23 and $376.2 million in 2023-24. The estimate for fiscal year 2024-25 is $365.5 million.

On September 11, 2007, City of Phoenix voters approved a 0.2% increase in the City's TPT 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 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 TPT categories except advertising, utilities, jet fuel, telecommunications and mining, and became effective December 1, 2007. The revenues resulted from this increase totaled $81.9 million in 2020-21, $98.3 million in 2021-22, and $106.3 million in 2022-23, and $110 million in 2023-24. The estimate for fiscal year 2024-25 is $106.8 million.

As a result of the passage by the State Legislature of SB 1131, effective January 1, 2025, Arizona municipalities are prohibited from levying a tax or fee on the business of renting or leasing real property for residential purposes. The unaudited five-month impact to the City for the loss of residential rental tax income for fiscal year 2024-25 is approximately $19.3 million and the ongoing annual impact beginning in fiscal year 2025-26 is estimated to be approximately $47.4 million. To partially offset the impact to City revenues from SB 1131 and SB 1828, on March 18, 2025, the City Council approved an increase of 0.5% to the TPT and use tax rates, increasing the current rates from 2.3% to 2.8% with an effective date of July 1, 2025.

(2) Since January 1, 2016 Retail Sales tax was applied in two levels. At Level 1 a 2.3% was applied to first amount equal to or less than $10,000 for a single item and at Level 2, 2.0% applied to amounts greater than $10,000 for a single item. Effective July 1, 2025 Level 1 was increased to 2.8%. The criteria for Level 1 and Level 2 will be adjusted again on January 1, 2026.

(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, 2024. The inflationary adjustment to the threshold amount affects sales transacted beginning with January 1, 2024 and through the present tax periods. The current threshold amount of $13,886 was adjusted by an incremental amount of $2,255 from $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 $597,310,000 in 2019-20, $674,518,000 in 2020-21, $691,895,000 in 2021-22, $799,597,000 in 2022-23, and $942,512,000 in 2023-24. The estimate for fiscal year 2024-25 is $871,487,212.

As part of the State's fiscal year 2021-22 budget, on June 30, 2021, the then-Governor of the State signed SB 1828, 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 in 2022. Legislative reports produced at the time SB 1828 was signed indicate that such a rate consolidation will result in an estimated $1.3 billion or greater annual reduction in income tax receipts by the State, with a 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, SB 1828 increased, beginning in fiscal year 2023-24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%. The estimated revenue loss to the City from the reduction in State-Shared Income Taxes as a result of SB 1828 for fiscal years 2024-2025 and 2025-26 compared to the amounts previously estimated by the Legislature's Joint Legislative Budget Committee is approximately $84.7 million, and $22.7 million, respectively.

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
2024-25 (Unaudited)	$252,575,000
2023-24	249,504,000
2022-23	241,813,000
2021-22	229,901,000
2020-21	201,292,000
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

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 18.0% of income tax revenues collected.

State Income Tax Receipts

Fiscal Year	Amount
2024-25 (Unaudited)	$351,016,000
2023-24	435,754,000
2022-23	308,183,000
2021-22	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

Legislation Regarding Withholding of State Shared Revenues

On March 17, 2016, the Governor signed 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.**

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 was 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**
2024-25 (Unaudited)	$162,148,000	2024-25 (Unaudited)	$88,000,000
2023-24	157,357,000	2023-24	83,823,000
2022-23	152,748,000	2022-23	80,593,000
2021-22	155,466,000	2021-22	78,695,000
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

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 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 $4,220,195 in fiscal year 2018-19, $4,220,195 in 2019-20, $4,220,195 in 2020-21, $4,052,686 in 2021-22, $4,067,212 in 2022-23, and $4,067,212 in 2023-24. The estimate for 2024-25 is $4,050,000.

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
2024-25 (Unaudited)	$110.5	$145.1	$255.6
2023-24	108.1	142.0	250.1
2022-23	104.0	136.5	240.5
2021-22	95.7	125.7	221.4
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

In 2023, the Arizona Legislature passed SB 1102, which referred the expiring Prop 400 transportation tax to Maricopa County voters for approval at the November 2024 general election. The new proposition 479 ("*Prop 479*") contains several modifications to the existing tax, including percentages that will go towards freeways and highways, major roads and intersections and public transportation. Maricopa County voters passed Prop 479, which extended the transportation excise (sales) tax in Maricopa County for twenty years. Revenues may not be used for light rail expansion or projects that would reduce lanes of traffic.

CITY OF PHOENIX TRANSPORTATION EXCISE TAX

On March 14, 2000, City of Phoenix residents approved a 0.4% increase in the City's TPT 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 transaction privilege and use tax dedicated for transportation from 0.4% sales tax rate to 0.7%, effective January 1, 2016, with a sunset date of December 31, 2050 (being the Transportation Excise Tax). The increased Transportation Excise Tax will continue to fund expanded local bus, new bus rapid transit service, neighborhood circulators and the operation of the new and extended light rail system. The increased Transportation Excise 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 Transportation Excise Tax will provide for street improvements including pavement maintenance, new bicycle lanes, sidewalk installation and traffic signal enhancements.

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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 2025-26 expenditure limit supplied by the Economic Estimates Commission was $2,038,263,256. The City increased this limit to $14,445,768,000 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 current home rule option, approved by the voters on November 5, 2024, will be in effect for four fiscal years from 2025-26 and expire at the end of 2028-29. Residents of the City of Phoenix, after obtaining community input, will be able to control local expenditures on the proposed spending plan and set the limit at the City's annual budget meeting.

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.

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 https://www.phoenix.gov/administration/departments/finance/financial-reporting/annual- -financial-report.html under Administration-City Departments-Financial Reporting Annual Comprehensive Financial Report 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://www.phoenix.gov/administration/departments/retirement/pension-plan-reports.html.

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

Active Members	**June 30**	
	2024	**2023**
Tier 1	3,545	3,769
Tier 2	509	521
Tier 3	4,712	4,117
Total	8,766	8,407
Deferred Vested Members	1,144	1,149
In Pay Members		
Service Retirees	6,620	6,547
Beneficiaries	1,222	1,226
Disabled Retirees	223	213
Terminated Members with Refunds Due	3,013	—
Total	11,078	7,986
Total Members	20,988	17,542

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 15-year period. For the fiscal year ended June 30, 2024, the total contribution rate was 35.24% 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 $193.1 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
2024	$192,538	$210,701	($18,163)	109%	$750,171	28.09%
2023	179,616	193,136	(13,520)	108	653,263	29.56
2022	167,843	178,319	(10,476)	107	595,304	29.95

The actuarially determined recommended pension contribution rate is 25.82% for fiscal year 2024-25 and 24.59% for fiscal year 2025-26.

The following schedule shows the funding progress of the plan for the last three fiscal years. The total pension liability increased $160,871,000 from 2022 to 2023 and $263,132,000 from 2023 to 2024.

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

	Fiscal Year End 2024	Fiscal Year End 2023	Fiscal Year End 2022
Total Pension Liability			
Service cost	$ 89,016	$ 81,561	$ 79,869
Interest on the total pension liability	335,308	324,026	311,636
Differences between expected and actual experience of the total pension liability	119,160	28,788	52,647
Changes of assumptions	—	—	—
Benefit payments, including refunds of employee contributions	(280,352)	(273,504)	(262,660)
Net change in total pension liability	263,132	160,871	181,492
Total pension liability—beginning	4,884,162	4,723,291	4,541,799
Total pension liability—ending	$5,147,294	$4,884,162	$ 4,723,291
Plan Fiduciary Net Position			
Employer contributions	$210,701	$193,136	$178,319
Employee contributions	57,067	47,749	53,350
Pension plan net investment income (loss)	249,173	175,400	(161,785)
Benefit payments, including refunds of employee contributions	(280,352)	(273,504)	(262,660)
Pension plan administrative expense	(4,870)	(1,373)	(2,564)
Net change in plan fiduciary net position	231,719	141,408	$ (195,340)
Plan fiduciary net position—beginning	3,384,095	3,242,687	3,438,027
Plan fiduciary net position—ending	$3,615,814	$3,384,095	$ 3,242,687
Net pension liability	1,531,480	$1,500,067	$ 1,480,604
Plan fiduciary net position as a percentage of the total pension liability	70.25%	69.29%	68.65%
Covered payroll	$750,171	$ 653,263	$595,304
Net pension liability as a percentage of covered payroll	204.15%	229.63%	248.71%

Actuarial assumptions used to determine the total pension liability in the June 30, 2024 valuation were based on the results of the actuarial experience study covering the period from July 1, 2014 through June 30, 2019. 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	2.80% plus merit component based on service ranging from 4.20% at 1 year of service to 0.0% for members with 15 or more years of 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, 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, 2024, the required employer contribution rates were as follows:

	Police	**Fire**
Tier 1	81.45%	67.70%
Tier 2	81.45%	67.70%
Tier 3	9.65%	9.98%
Tier 3 Legacy	67.43%	50.91%

For Fiscal year ended June 30, 2024, the City chose to contribute $260.1 million and $136.0 million for Police and Fire, respectively and were based on the following contribution rates:

	Police	Fire
Tier 1	90.88%	74.74%
Tier 2	90.88%	74.74%
Tier 3	9.65%	9.98%
Tier 3 Legacy	76.86%	57.95%

The City's APSPRS membership data is as follows:

	June 30, 2023	
	Police	Fire
Retirees and Beneficiaries	2,961	1,292
Inactive and Non-Retired Members	945	279
Active Members	2,210	1,483
Total	6,116	3,054

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

	POLICE		
	Fiscal Year End 2024	**Fiscal Year End 2023**	**Fiscal Year End 2022**
Total Pension Liability			
Service cost	$ 50,051	$ 51,950	$ 51,687
Interest on the total pension liability	283,256	274,353	265,180
Differences between expected and actual experience of the total pension liability	212,929	34,170	23,801
Changes of assumptions	—	44,315	—
Benefit payments, including refunds of employee contributions	(228,135)	(225,952)	(204,565)
Net change in total pension liability	318,101	178,836	136,103
Total pension liability—beginning	3,998,129	3,819,293	3,683,190
Total pension liability—ending	$4,316,230	$3,998,129	$3,819,293
Plan Fiduciary Net Position			
Employer contributions	$ 236,868	$183,098	$172,800
Employee contributions	24,586	25,362	23,096
Pension plan net investment income	129,063	(69,084)	379,441
Benefit payments, including refunds of employee contributions	(228,134)	(225,952)	(204,565)
Pension plan administrative expense	(1,012)	(1,246)	(1,780)
Other[1]	5	52	4
Net change in plan fiduciary net position	161,376	(87,770)	368,996
Plan fiduciary net position—beginning	1,652,104	1,739,874	1,370,878
Plan fiduciary net position—ending	$1,813,480	$1,652,104	$1,739,874
Net pension liability	$2,502,750	$2,346,025	$2,079,419
Plan fiduciary net position as a percentage of the total pension liability	42.02%	41.32%	45.55%
Covered payroll	$ 259,384	$ 222,342	$ 229,875
Net pension liability as a percentage of covered valuation payroll	964.88%	1055.14%	904.59%

(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 2024	**Fiscal Year End 2023**	**Fiscal Year End 2022**
Total Pension Liability			
Service cost	$ 38,641	$ 35,322	$ 32,998
Interest on the total pension liability	154,988	149,188	143,726
Differences between expected and actual experience of the total pension liability	61,321	12,208	2,186
Changes of assumptions	—	23,529	—
Benefit payments, including refunds of employee contributions	(118,825)	(110,412)	(102,431)
Net change in total pension liability	136,125	109,835	76,479
Total pension liability–beginning	2,173,382	2,063,547	1,987,068
Total pension liability–ending	$2,309,507	$2,173,382	$2,063,547
Plan Fiduciary Net Position			
Employer contributions	$ 125,294	$ 107,767	$ 106,126
Employee contributions	15,087	14,300	13,566
Pension plan net investment income	75,270	(39,442)	212,684
Benefit payments, including refunds of employee contributions	(118,825)	(110,412)	(102,431)
Pension plan administrative expense	(514)	(711)	(994)
Other(1)	(47)	2	12
Net change in plan fiduciary net position	96,265	(28,496)	228,963
Plan fiduciary net position–beginning	956,467	984,963	756,000
Plan fiduciary net position–ending	$1,052,732	$ 956,467	$ 984,963
Net pension liability	$1,256,775	$1,216,915	$1,078,584
Plan fiduciary net position as a percentage of the total pension liability	45.58%	44.01%	47.73%
Covered payroll	$ 164,128	$ 151,969	$ 148,348
Net pension liability as a percentage of covered payroll	765.73%	800.77%	727.06%

(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, 2021 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	3.25% to 15.00% including inflation
Tier 1 and 2 Investment Rate of Return	7.20%, net of investment and administrative expense
Tier 3 Investment Rate of Return	7.00%, net of investment and administrative expense
Tier 3 Compensation Limit	$115,868 for 2021. Assumed increases of 2.00% per year
Retirement Rates	Rates based on a 2022 experience study using actual plan experience
Mortality Rates	All rates were updated to reflect the PubS-2010 tables. The mortality assumptions sufficiently accommodate future mortality improvements.

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 2.00%.

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	2024	$ —	$260,075	$ —	$ —	—%
	2023	189,040	236,868	(47,828)	259,384	91.32
	2022	154,979	183,098	(28,119)	222,342	82.35
	2021	153,644	172,800	(19,156)	229,875	75.17
	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
Fire	2024	$ —	$135,973	$ —	$ —	—%
	2023	102,404	125,294	(22,890)	164,128	76.34
	2022	96,217	107,767	(11,550)	151,969	70.91
	2021	89,913	106,126	(16,213)	148,348	71.54
	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

(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 2024 actual contributions represent contributions made subsequent to the measurement date.

The actuarially determined recommended pension contribution rates for Police were 67.32% for fiscal year 2021-22, 73.34% for fiscal year 2022-23, and is 81.45% for fiscal year 2023-24. The actuarially determined recommended pension contribution rates for Fire were 63.29% for fiscal year 2021-22, 63.38% for fiscal year 2022-23, and is 67.70% for fiscal year 2023-24.

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 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 percent 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/administration/departments/finance/financial-reporting/annual-comprehensive-financial-report.html under City Administration-City Departments-Finance-Annual Comprehensive Financial Report 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, 2023, the effective date of the biennial OPEB valuation, are:

	2023
Plan Members Currently Receiving Benefits	10,148
Active Plan Members	1,832
Total Plan Members	11,980

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, 2024, the City contributed $15.5 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
2024	$15,541	$15,541	$—	$125,255	12.41%
2023	19,750	19,750	—	170,892	11.56

The City's net OPEB liability for MERP was measured as of June 30, 2023, 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, 2023. 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 6.5% was used to measure the total MERP OPEB liability as of June 30, 2024. This single discount rate was based on an expected rate of return on MERP OPEB plan investments of 6.5%. 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 $2,473,000 from 2023 to 2024.

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

	MERP	
	Fiscal Year End 2024	**Fiscal Year End 2023**
Total OPEB Liability		
Service cost	$ 2,967	$ 2,673
Interest on the total OPEB liability	21,769	23,719
Differences between expected and actual experience	—	(26,599)
Changes of assumptions	—	(2,501)
Benefit payments, including refunds of employee contributions	(27,209)	(27,676)
Net change in total OPEB liability	(2,473)	(30,384)
Total OPEB liability–beginning	347,030	377,414
Total OPEB liability–ending	$344,557	$347,030
Plan Fiduciary Net Position		
Employer contributions	$ 15,541	$ 19,750
OPEB plan net investment income	23,582	17,964
Benefit payments, including refunds of employee contributions	(27,209)	(27,676)
Other	(666)	(605)
Net change in plan fiduciary net position	11,248	9,433
Plan fiduciary net position–beginning	208,686	199,253
Plan fiduciary net position–ending	$219,934	$208,686
Net OPEB liability–ending	$124,623	$138,344
Plan fiduciary net position as a percentage of the total OPEB liability	63.83%	60.13%
Covered payroll	$125,255	$170,892
Net OPEB liability as a percentage of covered payroll	99.50%	80.95%

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, 2023, the effective date of the biennial OPEB valuation, follows:

	Police	Fire	General City	Total
Active Employees	2,666	1,748	8,468	12,882
Disabled Employees	15	12	287	314
Total Covered Participants	2,681	1,760	8,755	13,196

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. Although the LTD Plan is fully funded, the City elected to contribute $1,688,000 for the year ended June 30, 2024, and $912,000 for the year ended June 30, 2023.

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
2024	$3,266	$1,688	$1,578	$1,005,338	0.17%
2023	2,617	912	1,705	980,817	0.09

The City's net OPEB liability for LTD was measured as of June 30, 2023, and the total LTD OPEB liability used to calculate the net LTD OPEB liability was determined by an actuarial valuation as of June 30, 2023. 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 6.5% was used to measure the total OPEB liability for LTD as of June 30, 2024. This single discount rate was based on an expected rate of return on LTD OPEB plan investments of 6.5%. 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 increased $3,115,000 from 2023 to 2024.

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

	Fiscal Year End 2024	Fiscal Year End 2023
Total OPEB liability/(asset)		
Service cost	$ 4,524	$ 3,964
Interest on the total OPEB liability/(asset)	3,367	3,230
Differences between expected and actual experience	—	227
Changes of assumptions	—	(582)
Benefit payments, including refunds of employee contributions	(4,776)	(5,231)
Net change in total OPEB liability/(asset)	3,115	1,608
Total OPEB liability/(asset)–beginning	51,929	50,321
Total OPEB liability/(asset)–ending	$ 55,044	$ 51,929
Plan Fiduciary Net Position		
Employer contributions	$ 1,687	$ 912
OPEB plan net investment income	8,623	6,859
Benefit payments, including refunds of employee contributions	(4,776)	(5,231)
OPEB plan administrative expense	(590)	(539)
Other	(11)	(14)
Net change in plan fiduciary net position	4,933	1,987
Plan fiduciary net position–beginning	79,464	77,477
Plan fiduciary net position–ending	$ 84,397	$ 79,464
Net OPEB liability/(asset)–ending	$ (29,353)	$ (27,535)
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	153.33%	153.02%
Covered payroll	$1,005,538	$980,817
Net OPEB liability/(asset) as a percentage of covered payroll	(2.92)%	(2.81)%

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, 2023	
	Police	Fire
Retirees and Beneficiaries	2,961	1,292
Inactive, Non-Retired Members	399	234
Active Members	2,210	1,483
Total	5,570	3,009

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.

Employees are not required to contribute to the APSPRS OPEB plan. The City makes both the employee and employer contribution when an APSPRS employee is covered under industrial leave.

The APSPRS actuarially determined contribution, actual contribution and covered payroll is calculated as of June 30, one year prior to the beginning of the fiscal year in which contributions are reported.

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	2023	$119	$119	$ —	$259,384	0.05%
Fire	2023	$ 47	$ 47	$ —	$164,128	0.03%

The following schedule shows the funding of the APSPRS OPEB plan for the last fiscal year. The City's net OPEB liability for APSPRS was measured as of June 30, 2023, 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 2024	Fire 2024
Total OPEB Liability		
Service cost	$ 878	$ 567
Interest on the total OPEB liability	3,471	1,904
Differences between expected and actual experience of the Total OPEB Liability	(1,943)	(2,349)
Benefit payments, including refunds of employee contributions	(3,826)	(1,924)
Changes of assumptions	—	—
Net change in total OPEB liability	(1,420)	(1,802)
Total OPEB liability–beginning	49,239	26,837
Total OPEB liability–ending	$ 47,819	$ 25,035
Plan Fiduciary Net Position		
Contributions-employer	$ 119	$ 47
Contributions-employee	119	47
Net Investment Income	5,406	3,074
Benefit payments, including refunds of employee contributions	(3,826)	(1,924)
OPEB Plan administrative expense	(45)	(22)
Net change in plan fiduciary net position	1,772	1,222
Plan fiduciary net position–beginning	72,041	40,862
Plan fiduciary net position–ending	$ 73,813	$ 42,084
Net OPEB liability/(asset)	(25,994)	$ (17,049)
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	154.36%	168.10%
Covered payroll	$259,384	$164,128
Net OPEB liability/(asset) as a percentage of covered payroll	(10.02%)	(10.39%)

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.

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.

"*Additional Pledged Revenues*" means any sources of revenues that the City may from time to time lawfully pledge, and has affirmatively pledged, including but not limited to excise tax levies specifically designated for transportation purposes not inconsistent with maintaining, expanding and improving the City's public transportation and streets and roadways.

"*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 Trust Indenture, dated as of December 1, 2025, 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 July 1, 2026.

"*Loan Agreement*" means the Loan Agreement, dated as of December 1, 2025, 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.

"*Other Available Monies*" means monies, including, but not limited to, Qualified Counterparty payments under Derivative Products as described in the Loan Agreement, available to the City to be applied to the City's obligations hereunder which monies are not funds from the Pledged Revenues and which are neither pledged hereby nor required to be applied by the City for the repayment of the Loan.

"*Parity Obligations*" means, collectively, following the issuance of the Bonds, (i) the Bonds, and (ii) obligations issued or incurred pursuant to the Loan Agreement on a parity with the Bonds.

"*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.S. Export-Import Bank (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership;
2. Farmers Home Administration (FmHA)
   Certificates of beneficial ownership;
3. Federal Financing Bank;
4. Federal Housing Administration Debentures (FHA);
5. General Services Administration
6. Participation certificates;
7. 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);
8. U.S. Maritime Administration
   Guaranteed Title XI financing; and
9. 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 permitted 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.

"*Pledged Revenues*" means, collectively, the revenues collected from the Transportation Excise Tax and the Additional Pledged Revenues.

"*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.

"*Prior Projects*" means the projects actually funded with proceeds of the 2020 Loan and refinanced with the proceeds of the Bonds, including the Prior Projects described in 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.

"*Revolving Credit Agreement*" means the Revolving Credit Agreement dated as of June 4, 2020, as amended to date, between the City and the Revolving Credit Agreement Provider.

"*Revolving Credit Agreement Provider*" means Bank of America, N.A., as credit provider under the Revolving Credit Agreement.

"*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.

"*Transportation Excise Tax*" means the 0.7 percent incremental dedicated transaction privilege and use tax approved for a period of 35 years by the electors of the City at a special election held on August 25, 2015, and implemented by the Council of the City pursuant to Ordinance G-6073, passed by the Council of the City on November 18, 2015.

"*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.

"*2020 Loan*" means the outstanding amount under the Revolving Credit Agreement on the date of issuance of the Bonds.

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 Y)* 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. 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 Prior Projects 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 payment of the fees, charges and expenses due to the Trustee, Registrar or Paying Agent pursuant to the Indenture, and after any required deposit into the Rebate Fund, all monies received by the Trustee, shall be applied, subject to certain Sections of the Indenture, as follows: Unless the principal of all of the Bonds shall have become due and payable, all of those monies 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 committed 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 Prior Projects has been refinanced pursuant to the loan from the Corporation to the City. The Loan Agreement contains the terms and conditions under which the Prior Projects is refinanced.

Representations, Covenants and Warranties. The City covenants and agrees that, while the Loan Agreement or any other Parity Obligations are Outstanding, it will not amend Chapter 14 of the City Code to diminish or reduce the types or nature of businesses to which the Transportation Excise Tax is legally permitted to apply in any manner that would materially diminish the proceeds derived from the 0.7 percent levy.

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 Pledged Revenues. 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 Pledged Revenues, 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 Pledged Revenues 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:

(i) The Pledged Revenues received by the City during the completed fiscal year immediately preceding the incurring of the proposed Parity Obligation are at least three times the highest combined total of the interest and principal requirements for the Bonds and Parity Obligations then outstanding and all proposed Parity Obligations to be secured by a pledge of Pledged Revenues for any succeeding 12-month period using the applicable maximum interest rates where variable rate obligations are involved in such computations; and

(ii) 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.

Subordinate Obligations. The City reserves the right to issue or enter into obligations payable from Pledged Revenues, which are subordinate to the City's obligations under the Loan Agreement.

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 Prior Projects 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.

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APPENDIX H

Proposed Form of Legal Opinion of Bond Counsel

Letterhead of Squire Patton Boggs (US) LLP

December 10, 2025

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*") in connection with the issuance by the Corporation of its $179,185,000_ City of Phoenix Civic Improvement Corporation Transportation Excise Tax Revenue Bonds, Series 2025 (the "*Bonds*"), dated the date of this letter.

The Bonds are issued pursuant to a Trust Indenture dated as of December 1, 2025 (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 Loan Agreement dated as of December 1, 2025 (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 a 0.7 percent incremental dedicated transaction privilege and use tax levied and collected by the City, which such tax was approved by the electors of the City at a special election held on August 25, 2015, and implemented by the Council of the City pursuant to Ordinance G-6073, passed by the Council of the City on November 18, 2015. 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 money raised by taxation other than the specified 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 imposed on individuals. 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 tax laws 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 December 10, 2025 (the "*Undertaking*" or the "*Agreement*"), is executed and delivered by the City of Phoenix, Arizona (the "*City*"), in connection with the issuance of $179,185,000 Transportation Excise Tax Revenue Bonds, Series 2025 (the "*Bonds*"). The Bonds are being issued pursuant to a Trust Indenture, dated as of December 1, 2025 (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 December 1, 2025, 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:

Transportation Excise Tax Revenue Bonds,
Series 2025

Maturity Date	CUSIP No.*	Coupon	Maturity Date	CUSIP No.*	Coupon
07/01/2026	71885KAA4	5.00%	07/01/2032	71885KAG1	5.00%
07/01/2027	71885KAB2	5.00	07/01/2033	71885KAH9	5.00
07/01/2028	71885KAC0	5.00	07/01/2034	71885KAJ5	5.00
07/01/2029	71885KAD8	5.00	07/01/2035	71885KAK2	5.00
07/01/2030	71885KAE6	5.00	07/01/2036	71885KAL0	5.00
07/01/2031	71885KAF3	5.00	07/01/2037	71885KAM8	5.00

* 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© 2025 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Municipal 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 November 18, 2025 (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: Ed Zuercher
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 — Parity Obligations," "Subordinate Obligations," "TRANSPORTATION EXCISE TAX AND COVERAGE – Actual Transportation Excise Tax Receipts," 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, 2026. 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.