NEW ISSUES — BOOK-ENTRY-ONLY

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

OFFICIAL STATEMENT DATED AUGUST 4, 2020

In the opinion of Greenberg Traurig, LLP, Bond Counsel, assuming compliance with certain tax covenants, interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that assuming interest is so excludable for federal income tax purposes, the interest on the Tax-Exempt Bonds is exempt from income taxation under the laws of the State of Arizona. See "TAX EXEMPTION — Original Issue Premium" herein. Bond Counsel expresses no opinion as to the exclusion from gross income of interest on the Taxable New Money Bonds and the Taxable Refunding Bonds for federal and State of Arizona income tax purposes. See "CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS WITH RESPECT TO THE TAXABLE BONDS" herein.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

\$131,595,000 Subordinated Excise Tax Revenue Bonds Series 2020A	**\$150,000,000 Subordinated Excise Tax Revenue Bonds Series 2020B (Taxable)**	**\$116,685,000 Subordinated Excise Tax Revenue Refunding Bonds Series 2020C (Taxable)**

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

The Subordinated Excise Tax Revenue Bonds, Series 2020A (the "Tax-Exempt Bonds") and the Subordinated Excise Tax Revenue Bonds, Series 2020B (Taxable) (the "Taxable New Money Bonds" and together with the Tax-Exempt Bonds the "New Money Bonds") and the Subordinated Excise Tax Revenue Refunding Bonds, Series 2020C (Taxable) (the "Taxable Refunding Bonds" and, together with the New Money Bonds, 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 National Association, Phoenix, Arizona, as trustee (the "Trustee," also referred to herein as the "Registrar" and "Paying Agent"). The Bonds are being issued pursuant to a Subordinated Trust Indenture, dated as of August 1, 2020, (the "Indenture"), between the Corporation and the Trustee.

Interest on the Bonds is payable semiannually on January 1 and July 1 of each year, commencing January 1, 2021. The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS — Redemption Provisions" herein.

The principal of and premium, if any, and interest on the Bonds are payable solely from payments to be made by the City of Phoenix, Arizona (the "City"), to the Corporation pursuant to a Subordinated Loan Agreement, dated as of August 1, 2020 (the "Loan Agreement"), between the City and the Corporation. The obligations of the City to make payments under the Loan Agreement are absolute and unconditional but do not constitute a pledge of the full faith and credit or the ad valorem taxing power of the City. Except to the extent the City appropriates other lawfully available funds for such payments, the City's payments under the Loan Agreement are payable solely from Excise Taxes (defined herein). The pledge of Excise Taxes to amounts due under the Loan Agreement and other Subordinated Junior Obligations (defined herein) of the City are junior and subordinate to amounts due under other Senior Obligations and Junior Obligations (each as defined herein). See "SECURITY AND SOURCE OF PAYMENT" herein.

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

The Bonds are offered when, as and if issued and received by the Underwriters, and subject to the legal opinions of Greenberg Traurig, LLP, Bond Counsel, as to validity and, with respect to the Tax-Exempt Bonds, tax exemption. Certain legal matters will be passed upon for the Underwriters by Kutak Rock LLP, Scottsdale, Arizona, counsel to the Underwriters. It is expected that the Bonds will be available for delivery in book-entry-only form through the facilities of DTC on or about August 25, 2020.

Piper Sandler

Goldman Sachs & Co. LLC **Ramirez & Co., Inc.** **UBS**

Estrada Hinojosa **Raymond James**

MATURITY SCHEDULES

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

$131,595,000
Subordinated Excise Tax Revenue Bonds, Series 2020A

Maturity July 1	Principal Amount	Interest Rate	Yield	Maturity July 1	Principal Amount	Interest Rate	Yield
2021	$1,160,000	4.000%	0.150%	2031	$ 7,920,000	5.000%	0.940%*
2022	1,410,000	5.000	0.170	2032	8,315,000	5.000	1.020*
2023	5,355,000	5.000	0.190	2033	8,725,000	5.000	1.110*
2024	5,625,000	5.000	0.220	2034	9,170,000	5.000	1.160*
2025	5,915,000	5.000	0.290	2035	9,620,000	5.000	1.210*
2026	6,200,000	5.000	0.400	2036	10,100,000	5.000	1.240*
2027	6,510,000	5.000	0.550	2037	2,270,000	4.000	1.500*
2028	6,845,000	5.000	0.670	2038	2,360,000	4.000	1.540*
2029	7,185,000	5.000	0.760	2039	2,450,000	4.000	1.580*
2030	7,540,000	5.000	0.830	2040	2,550,000	4.000	1.620*

$14,370,000 4.00% Term Bonds Due July 1, 2045, Yield 1.74%*

$150,000,000
Subordinated Excise Tax Revenue Bonds, Series 2020B (Taxable)

Maturity July 1	Principal Amount	Interest Rate	Price	Maturity July 1	Principal Amount	Interest Rate	Price
2021	$4,275,000	0.457%	100.00%	2029	$5,410,000	1.585%	100.00%
2022	5,050,000	0.557	100.00	2030	5,495,000	1.665	100.00
2023	5,080,000	0.679	100.00	2031	5,590,000	1.835	100.00
2024	5,110,000	0.879	100.00	2032	5,690,000	1.965	100.00
2025	5,155,000	0.959	100.00	2033	5,800,000	2.065	100.00
2026	5,205,000	1.157	100.00	2034	5,920,000	2.155	100.00
2027	5,265,000	1.257	100.00	2035	6,050,000	2.205	100.00
2028	5,335,000	1.455	100.00				

$32,540,000 2.564% Term Bonds Due July 1, 2040, Price 100.00

$37,030,000 2.704% Term Bonds Due July 1, 2045, Price 100.00

$116,685,000
Subordinated Excise Tax Revenue Refunding Bonds, Series 2020C (Taxable)

Maturity July 1	Principal Amount	Interest Rate	Price	Maturity July 1	Principal Amount	Interest Rate	Price
2023	$13,635,000	0.679%	100.00%	2030	$4,960,000	1.665%	100.00%
2024	16,260,000	0.879	100.00	2031	5,040,000	1.835	100.00
2025	12,375,000	0.959	100.00	2032	4,505,000	1.965	100.00
2026	12,460,000	1.157	100.00	2033	4,605,000	2.065	100.00
2027	13,490,000	1.257	100.00	2034	2,080,000	2.155	100.00
2028	14,075,000	1.455	100.00	2035	2,125,000	2.205	100.00
2029	8,905,000	1.585	100.00	2036	2,170,000	2.255	100.00

* Yield to July 1, 2030, 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

Betty Guardado, *Vice Mayor*
District 5

Thelda Williams, *Member*
District 1

Jim Waring, *Member*
District 2

Debra Stark, *Member*
District 3

Laura Pastor, *Member*
District 4

Sal DiCiccio, *Member*
District 6

Michael Nowakowski, *Member*
District 7

Carlos Garcia, *Member*
District 8

ADMINISTRATIVE OFFICIALS

Ed Zuercher
City Manager

Milton Dohoney, Jr.
Assistant City Manager

Denise M. Olson
Chief Financial Officer

Cris Meyer
City Attorney

Denise Archibald
City Clerk

SPECIAL SERVICES

GREENBERG TRAURIG, LLP
Phoenix, Arizona
Bond Counsel

FRASCA & ASSOCIATES, LLC
New York, New York
Financial Advisor

U.S. BANK NATIONAL ASSOCIATION
Phoenix, Arizona
Trustee, Bond Registrar, Paying Agent and Escrow Agent

SAMUEL KLEIN AND COMPANY
in conjunction with
PUBLIC FINANCE PARTNERS, LLC
Newark, New Jersey
Escrow Verification Agent

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 person has been authorized by the Corporation, the City, the Financial Advisor or the Underwriters (each as defined herein) to give any information or to make any representation other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the Corporation, the City, the Financial Advisor or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, and there shall not be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful 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 made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the Corporation or the City since the date hereof. There is no obligation on the part of the City or the Corporation to provide any continuing secondary market disclosure other than as described herein under the heading "CONTINUING DISCLOSURE and in "APPENDIX I — Form of Continuing Disclosure Undertaking."

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

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

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

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OFFICIAL STATEMENT
Relating to

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

$131,595,000 Subordinated Excise Tax Revenue Bonds Series 2020A	$150,000,000 Subordinated Excise Tax Revenue Bonds Series 2020B (Taxable)	$116,685,000 Subordinated Excise Tax Revenue Refunding Bonds Series 2020C (Taxable)

INTRODUCTION

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

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

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

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

THE BONDS

Authorization and Purpose

The Subordinated Excise Tax Revenue Bonds, Series 2020A (the "Tax-Exempt Bonds"), the Subordinated Excise Tax Revenue Bonds, Series 2020B (Taxable) (the "Taxable New Money Bonds" and, together with the Tax-Exempt Bonds, the "New Money Bonds") and the Subordinated Excise Tax Revenue Refunding Bonds, Series 2020C (Taxable) (the "Taxable Refunding Bonds" and together with the New Money Bonds, the "Bonds") are being issued by the City of Phoenix Civic Improvement Corporation (the "Corporation") pursuant to the terms of a Subordinated Trust Indenture, dated as of August 1, 2020 (the "Indenture"), between the Corporation and U.S. Bank National Association, as trustee (together with any successor, referred to herein as the "Trustee," the "Registrar" and the "Paying Agent," as applicable). The Taxable New Money Bonds and the Taxable Refunding Bonds are collectively referred to herein as the "Taxable Bonds".

The New Money Bonds are being issued for the purpose of funding, or reimbursing the City for (a) the costs of certain projects, property and equipment and for acquiring, repairing, equipping and improving real and personal property for the City and (b) prepaying the Loan with respect to the Hotel (each as defined herein). See “PLAN OF FINANCE — Tax-Exempt Bonds” and “— Taxable New Money Bonds”. The Taxable Refunding Bonds are being issued for the purpose of refunding and refinancing all or a portion of certain issues of the Corporation’s outstanding excise tax revenue bonds. See “PLAN OF FINANCE — Taxable Refunding Bonds.” Allocable costs of issuance of the Bonds will be paid from each series of the Bonds.

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 CAPTIONS “TAX EXEMPTION” AND “CERTAIN UNITED STATES FEDERAL TAX CONSEQUENCES WITH RESPECT TO THE TAXABLE BONDS”) WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS. PRINCIPAL, PREMIUM, IF ANY, AND INTEREST PAYMENTS ON THE BONDS ARE TO BE MADE TO DTC AND ALL SUCH PAYMENTS WILL BE VALID AND EFFECTIVE TO SATISFY FULLY AND TO DISCHARGE THE OBLIGATIONS OF THE CORPORATION AND THE CITY WITH RESPECT TO, AND TO THE EXTENT OF, THE AMOUNTS SO PAID.

The Bonds will be dated the date of initial delivery thereof, will bear interest payable semiannually on January 1 and July 1 of each year (each an “Interest Payment Date”), commencing January 1, 2021. 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 amount of Bonds upon two day prior written notice to the Trustee specifying a wire transfer address of a bank or trust company in the United States.

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

Book-Entry-Only System

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with Direct Participants, "Participants"). DTC has a rating from Standard & Poor's 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 of Tax-Exempt Bonds. Tax-Exempt Bonds maturing on or prior to July 1, 2030 are not subject to optional redemption prior to maturity. Tax-Exempt Bonds maturing on and after July 1, 2031 are subject to redemption at the option of the Corporation, as directed by the City, on July 1, 2030 and thereafter, in whole or in part at any time, in increments of $5,000, in any order of maturity within a series of Tax-Exempt 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 Tax-Exempt Bond called for redemption plus accrued interest to the date fixed for redemption, but without premium.

Optional Redemption of Taxable New Money Bonds. Taxable New Money Bonds maturing on and after July 1, 2031 are subject to redemption at the option of the Corporation, as directed by the City, on July 1, 2030 ("Par Call Date") and thereafter, in whole or in part at any time, in increments of $5,000, in any order of maturity, as directed by the City, and by lot within a maturity, by payment of a redemption price equal to the principal amount of each Taxable New Money Bond called for redemption plus accrued interest to the date fixed for redemption, but without premium.

Make-Whole Redemption of Taxable New Money Bonds. From the date of issuance, the Taxable New Money Bonds will be subject to redemption prior to their stated maturity dates, at the option of the Corporation, as directed by the City, from any source of available funds, as a whole or in part prior to the Par Call Date, on any date, at a redemption price equal to the greater of: (i) one hundred percent (100%) of the principal amount of such Taxable New Money Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the earlier of the Par Call Date or the maturity date of such Taxable New Money Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Taxable Bonds are to be redeemed, discounted to the date on which such Taxable New Money Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 15 basis points with respect to the 2021- 2030 maturities; at the Treasury Rate, plus 25 basis points with respect to the 2031- 2035 maturities; at the Treasury Rate, plus 20 basis points with respect to the 2040 and 2045 maturities, plus, in each case, accrued interest on such Taxable New Money Bonds to be redeemed to the redemption date.

The term "Treasury Rate" as such term is used in the foregoing paragraph, means, with respect to any redemption date for a particular Taxable New Money Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) (the "Statistical Release") that has become publicly available at least two business days prior to the redemption date (excluding inflation for indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Taxable New Money Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Calculation of Make-Whole Optional Redemption Price of Taxable New Money Bonds. At the request of the Corporation, as directed by the City, the redemption price of the Taxable New Money Bonds to be redeemed at the option of the Corporation as described above will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Corporation at the Corporation's expense to calculate such redemption price. The Corporation may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

Optional Redemption of Taxable Refunding Bonds. Taxable Refunding Bonds maturing on and after July 1, 2031 are subject to redemption at the option of the Corporation, as directed by the City, on July 1, 2030 ("Par Call Date") and thereafter, in whole or in part at any time, in increments of $5,000, in any order of maturity, as directed by the City, and by lot within a maturity, by payment of a redemption price equal to the principal amount of each Taxable Refunding Bond called for redemption plus accrued interest to the date fixed for redemption, but without premium.

Make-Whole Redemption of Taxable Refunding Bonds. From the date of issuance, the Taxable Refunding Bonds will be subject to redemption prior to their stated maturity dates, at the option of the Corporation, as directed by the City, from any source of available funds, as a whole or in part prior to the Par Call Date, on any date, at a redemption price equal to the greater of: (i) one hundred percent (100%) of the principal amount of such Taxable Refunding Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the earlier of the Par Call Date or the maturity date of such Taxable Refunding Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Taxable Refunding Bonds are to be redeemed, discounted to the date on which such Taxable Refunding Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 15 basis points with respect to the 2023- 2030 maturities; at the Treasury Rate, plus 25 basis points with respect to the 2031- 2036 maturities, plus, in each case, accrued interest on such Taxable Refunding Bonds to be redeemed to the redemption date.

The term "Treasury Rate" as such term is used in the foregoing paragraph, means, with respect to any redemption date for a particular Taxable Refunding Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) (the "Statistical Release") that has become publicly available at least two business days prior to the redemption date (excluding inflation for indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Taxable Refunding Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Calculation of Make-Whole Optional Redemption Price. At the request of the Corporation, as directed by the City, the redemption price of the Taxable Refunding Bonds to be redeemed at the option of the Corporation as described above will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Corporation at the Corporation's expense to calculate such redemption price. The Corporation may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

Mandatory Sinking Fund Redemption. Tax-Exempt Bonds maturing on July 1, 2045 and Taxable New Money Bonds maturing on July 1, 2040 and July 1, 2045 collectively, the "Term Bonds") are subject to mandatory redemption and will be redeemed on July 1 of the respective years set forth below (the "Sinking Fund Retirement Dates") and in the amounts set forth below (the "Sinking Fund Requirements"), by payment of a redemption price equal to the principal amount of such Term Bonds called for redemption plus the interest accrued to the date fixed for redemption, but without premium, as follows:

Tax-Exempt Term Bonds Maturing July 1, 2045

Sinking Fund Retirement Date	Sinking Fund Requirement
2041	$2,650,000
2042	2,760,000
2043	2,870,000
2044	2,985,000
2045*	3,105,000
	$14,370,000

* Maturity

Taxable New Money Term Bonds Maturing July 1, 2040

Sinking Fund Retirement Date	Sinking Fund Requirement
2036	$6,185,000
2037	6,340,000
2038	6,505,000
2039	6,670,000
2040*	6,840,000
	$32,540,000

* Maturity

Taxable New Money Term Bonds Maturing July 1, 2045

Sinking Fund Retirement Date	Sinking Fund Requirement
2041	$7,015,000
2042	7,205,000
2043	7,400,000
2044	7,600,000
2045*	7,810,000
	$37,030,000

* Maturity

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

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

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

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

Sources and Applications of Funds

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

	Subordinated Excise Tax Revenue Bonds, Series 2020A	Subordinated Excise Tax Revenue Bonds, Series 2020B (Taxable)	Subordinated Excise Tax Revenue Refunding Bonds, Series 2020C (Taxable)	Total
Sources:				
Par Amount of the Bonds	$131,595,000.00	$150,000,000.00	$116,685,000.00	$398,280,000.00
Original Issue Premium	39,180,125.80	—	—	39,180,125.80
Other Available Funds	171,333.90	1,028,357.51	589,947.28	1,789,638.69
Total	$170,946,459.70	$151,028,357.51	$117,274,947.28	$439,249,764.49
Applications:				
Cost of Projects	$128,963,089.13	$150,000,000.00	$ —	$278,963,089.13
Prepayment of Loan	41,111,333.90	—	—	41,111,333.90
Escrow Accounts for Bonds Being Refunded.	—	—	116,562,914.61	116,562,914.61
Cost of Issuance	338,315.68	406,047.00	296,953.50	1,041,316.18
Underwriters' Discount	533,720.99	622,310.51	415,079.17	1,571,110.67
Total	$170,946,459.70	$151,028,357.51	$117,274,947.28	$439,249,764.49

PLAN OF FINANCE

Tax-Exempt Bonds

The proceeds of the Tax-Exempt Bonds will be loaned to the City pursuant to the Loan Agreement to be used, together with other available monies, to fund, or to reimburse the City for, the costs of repairing, renovating, replacing and improving the City's convention center and various other City facilities or equipment and to prepay the Loan with respect to the Hotel. The City may substitute alternative equipment or real property in accordance with the provisions set forth in the Loan Agreement.

Taxable New Money Bonds

The proceeds of the Taxable New Money Bonds will be loaned to the City pursuant to the Loan Agreement to be used, together with other available monies, to fund or to reimburse the City for, the costs of repairing, renovating and improving a City-owned multipurpose arena. The City may substitute alternative equipment or real property in accordance with the provisions set forth in the Loan Agreement.

Taxable Refunding Bonds

The net proceeds of the Taxable Refunding Bonds remaining after deduction of issuance costs, together with certain other legally available funds of the City, will be placed in an irrevocable escrow account (the "Escrow Account") with U.S. Bank National Association, Phoenix, Arizona, as escrow agent (the "Escrow Agent"). The Escrow Account will consist of two subaccounts (the "Senior Subaccount" and the "Subordinate Subaccount", respectively) and each will be applied to the payment or redemption of the bonds of the applicable lien (collectively, the "Bonds Being Refunded") listed below in the applicable Schedule of Maturities and Call Dates of Bonds Being Refunded.

Schedule of Maturities and Call Dates of Bonds Being Refunded

Senior Lien Bonds

Issue Series	Maturity Date July 1	Principal Amount Outstanding	Principal Amount Being Refunded	Coupon	Call Date	Call Premium as a Percentage of Principal	Refunded CUSIPs†
Series 2011A	2023	$ 360,000	$ 360,000	3.600%	07/01/21	0.0%	71884AUB3
	2024	375,000	375,000	3.750	07/01/21	0.0	71884AUC1
	2025	390,000	390,000	3.900	07/01/21	0.0	71884AUD9
	2026	405,000	405,000	4.000	07/01/21	0.0	71884AUE7
	2027	420,000	420,000	4.125	07/01/21	0.0	71884AUF4
	2028	440,000	440,000	4.250	07/01/21	0.0	71884AUG2
	2029	455,000	455,000	4.350	07/01/21	0.0	71884AUH0
	2030	475,000	475,000	4.400	07/01/21	0.0	71884AUJ6
	2031	495,000	495,000	4.500	07/01/21	0.0	71884AUK3
		$ 3,815,000	$ 3,815,000				
Series 2011B (Taxable)	2021	$ 3,195,000	$ 3,195,000	4.257%	N/A	0.0%	71884AVA4
	2022	3,325,000	3,325,000	4.507	07/01/21	0.0	71884AVE6
	2023	1,545,000	1,545,000	4.757	07/01/21	0.0	71884AVF3
	2024	1,495,000	1,495,000	4.907	07/01/21	0.0	71884AVG1
	2025	1,570,000	1,570,000	4.957	07/01/21	0.0	71884AVH9
	2026	1,655,000	1,655,000	5.007	07/01/21	0.0	71884AVB2
	2027	1,725,000(1)	1,725,000	5.315	07/01/21	0.0	71884AVC0
	2028	1,815,000(1)	1,815,000	5.315	07/01/21	0.0	71884AVC0
	2029	1,960,000(1)	1,960,000	5.315	07/01/21	0.0	71884AVC0
	2030	2,055,000(1)	2,055,000	5.315	07/01/21	0.0	71884AVC0
	2031	2,160,000(1)	2,160,000	5.315	07/01/21	0.0	71884AVC0
	2032	2,170,000(2)	2,170,000	5.565	07/01/21	0.0	71884AVD8
	2033	2,295,000(2)	2,295,000	5.565	07/01/21	0.0	71884AVD8
	2034	2,420,000(2)	2,420,000	5.565	07/01/21	0.0	71884AVD8
	2035	2,555,000(2)	2,555,000	5.565	07/01/21	0.0	71884AVD8
	2036	2,695,000(2)	2,695,000	5.565	07/01/21	0.0	71884AVD8
		$34,635,000	$34,635,000				
Series 2011C	2021	$ 4,260,000	$ 4,260,000	5.000%	07/01/21	0.0%	71884AUL1
	2022	4,335,000	4,335,000	5.000	07/01/21	0.0	71884AUM9
	2023	4,500,000	4,500,000	5.000	07/01/21	0.0	71884AUN7
	2024	4,630,000	4,630,000	5.000	07/01/21	0.0	71884AUP2
	2025	2,335,000	2,335,000	5.000	07/01/21	0.0	71884AUQ0
	2026	2,415,000	2,415,000	5.000	07/01/21	0.0	71884AUR8
	2027	895,000	895,000	4.125	07/01/21	0.0	71884AUS6
	2028	935,000	935,000	4.250	07/01/21	0.0	71884AUT4
		$24,305,000	$24,305,000				
Series 2012	2023	$ 2,205,000	$ 2,205,000	5.000%	07/01/22	0.0%	71884AW28
	2027	2,540,000	2,540,000	5.000	07/01/22	0.0	71884AXA2
	2028	3,085,000	3,085,000	5.000	07/01/22	0.0	71884AXB0
	2029	245,000	245,000	3.500	07/01/22	0.0	71884AXC8
	2029	425,000	425,000	3.000	07/01/22	0.0	71884AXD6
		$ 8,500,000	$ 8,500,000				

(1) Represents mandatory sinking fund payment of a term bond maturing in 2031.

(2) Represents mandatory sinking fund payment of a term bond maturing in 2036.

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Schedule of Maturities and Call Dates of Bonds Being Refunded (continued)

Subordinated Lien Bonds

Issue Series	Maturity Date July 1	Principal Amount Outstanding	Principal Amount Being Refunded	Coupon	Call Date	Call Premium as a Percentage of Principal	Refunded CUSIPs†
Series 2012A	2023	$ 1,365,000	$ 1,365,000	5.000%	07/01/22	0.0%	71884AXP9
	2024	1,435,000	1,435,000	5.000	07/01/22	0.0	71884AXQ7
		$ 2,800,000	$ 2,800,000				
Series 2012B (Taxable)	2023	$ 1,680,000	$ 1,680,000	3.460%	07/01/22	0.0%	71884AWQ8
	2024	1,735,000	1,735,000	3.610	07/01/22	0.0	71884AWR6
	2025	1,800,000	1,800,000	3.710	07/01/22	0.0	71884AWS4
	2026	1,865,000(1)	1,865,000	4.110	07/01/22	0.0	71884AWT2
	2027	1,940,000(1)	1,940,000	4.110	07/01/22	0.0	71884AWT2
	2028	2,020,000(1)	2,020,000	4.110	07/01/22	0.0	71884AWT2
	2029	2,105,000(1)	2,105,000	4.110	07/01/22	0.0	71884AWT2
	2030	2,340,000(2)	2,340,000	4.394	07/01/22	0.0	71884AWU9
	2031	2,445,000(2)	2,445,000	4.394	07/01/22	0.0	71884AWU9
	2032	2,550,000(2)	2,550,000	4.394	07/01/22	0.0	71884AWU9
	2033	2,665,000(2)	2,665,000	4.394	07/01/22	0.0	71884AWU9
		$23,145,000	$23,145,000				
Series 2017A	2022	$12,145,000	$12,145,000	5.000%	N/A	0.0%	71884AZN2

(1) Represents mandatory sinking fund payment of a term bond maturing in 2029.

(2) Represents mandatory sinking fund payment of a term bond maturing in 2033.

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The escrow funds held by the Escrow Agent will be used to acquire obligations issued or guaranteed by the United States of America *("Government Obligations")* the principal of and interest on which, when due, are calculated to be sufficient, together with the initial cash balance in each of the Senior Subaccount and the Subordinate Subaccount, to provide moneys to pay the principal, premium, if any, and interest to become due on the applicable Bonds Being Refunded. (See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.)

Such Government Obligations will be held by the Escrow Agent irrevocably in trust for the payment of such principal on the Bonds Being Refunded pursuant to the terms of an Escrow Agent Agreement between the City and the Escrow Agent dated as of August 1, 2020 (the *"Escrow Agent Agreement").* Upon issuance of the Taxable Refunding Bonds and the establishment of the Escrow Account, the Bonds Being Refunded will no longer be outstanding under the respective bond indentures pursuant to which they were issued and will no longer be secured by Excise Taxes.

SECURITY AND SOURCE OF PAYMENT

General

The Bonds are special revenue obligations of the Corporation. The Bonds are payable as to both principal and interest solely from payments required under a Subordinated Loan Agreement, dated as of August 1, 2020 (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 the Loan Payments all excise, transaction, privilege, business and franchise taxes, state-shared sales and income taxes, and receipts from licenses and permits, which the City presently or in the future imposes or receives from other entities and which are not earmarked by the contributor for a contrary or inconsistent purpose (all such taxes and receipts are herein referred to as "Excise Taxes").

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

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

Outstanding Senior Obligations

As of July 1, 2020, there are presently outstanding $74,200,000 principal amount of Senior Obligations.

The following issues of Senior Obligations are outstanding:

Issue Date	Original Issuance	Purpose	Obligations Outstanding As of 7-1-20
06-07-11	$ 27,530,000	Municipal Facilities (1)	$ 4,505,000
06-07-11	59,195,000	Municipal Facilities (Taxable) (1)	34,635,000
06-07-11	24,305,000	Municipal Facilities Refunding (1)	24,305,000
06-07-11	22,805,000	Municipal Facilities Refunding (Taxable)	2,255,000
06-21-12	15,205,000	Municipal Facilities Refunding (1)	8,500,000
	$149,040,000		$74,200,000

(1) Represents bonds, a portion of which are being refunded by the Taxable Refunding Bonds offered herein.

So long as any of the Bonds remain outstanding and the principal and interest thereon shall be unpaid or unprovided for, the City has agreed in the Loan Agreement not to issue additional Senior Obligations unless the Excise Taxes collected by the City during the preceding fiscal year (the "Prior Excise Taxes") are at least two times the highest combined interest and principal requirements for any succeeding fiscal year for all outstanding Senior Obligations, Junior Obligations and Subordinated Junior Obligations, including the Bonds, and any obligations on a parity therewith. In addition, the documents securing the currently outstanding Senior Obligations and the City of Phoenix Loan defined and described below, see "SECURITY AND SOURCE OF PAYMENT — Outstanding Subordinated Junior Obligations — City of Phoenix Loan" limit the issuance of additional Senior Obligations. So long as any of such Senior Obligation or the City of Phoenix Loan remain outstanding and unpaid, the City has agreed not to issue additional Senior Obligations unless the Prior Excise Taxes are at least four times the highest combined interest and principal requirements for any succeeding fiscal year for all outstanding Senior Obligations and any obligations on a parity therewith.

Junior Obligations

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

In addition, as long as the City of Phoenix Loan remains outstanding, see "SECURITY AND SOURCE OF PAYMENT — Outstanding Subordinated Junior Obligations — City of Phoenix Loan," the City reserves the right to issue or incur Junior Obligations only if the Prior Excise Taxes are at least equal to two times the highest combined interest and principal requirements for any succeeding fiscal year for all outstanding Senior Obligations and Junior Obligations and for the Junior Obligations proposed to be issued.

Outstanding Subordinated Junior Obligations

Bonds of the Corporation. As of July 1, 2020, there are presently outstanding $544,830,000 principal amount of Subordinated Junior Obligations. The debt service requirements on $49,290,000 of the Subordinated Junior Obligations are supported by solid waste revenues.

The following issues of Subordinated Junior Obligations are outstanding:

Issue Date	Original Issuance	Purpose	Obligations Outstanding As of 7-1-20(1)
06-21-12	$ 17,510,000	Municipal Facilities Refunding(2)	$ 5,555,000
06-21-12	33,095,000	Municipal Facilities Refunding (Taxable) (2)	26,335,000
05-12-15	319,305,000	Municipal Facilities Refunding (3)	291,810,000
05-12-15	60,895,000	Municipal Facilities Refunding (Taxable)	46,345,000
06-01-17	116,835,000	Municipal Facilities (2)	90,575,000
06-01-17	101,895,000	Municipal Facilities Refunding (4)	77,775,000
06-01-17	15,680,000	Municipal Facilities Refunding (Taxable)	6,435,000
	$665,215,000		$544,830,000

(1) Schedule does not include outstanding subordinated junior lien debt incurred by the City of Phoenix for the Loan. See below for a schedule of outstanding subordinated junior lien debt incurred by the City of Phoenix for the Loan.
(2) Represents bonds, a portion of which are being refunded by the Taxable Refunding Bonds offered herein.
(3) Debt service requirements on $31,705,000 of these obligations are supported by solid waste revenues.
(4) Debt service requirements on $17,585,000 of these obligations are supported by solid waste revenues.

City of Phoenix Loan. On August 12, 2015, the City entered into a loan agreement with DNT Asset Trust, a subsidiary of JPMorgan Chase Bank, N.A (the *"Loan"*). The City used a portion of the proceeds of the Loan to refund all of the Downtown Phoenix Hotel Corporation Senior and Subordinate Revenue Bonds, which had been issued to finance the construction of the City-owned Sheraton Grand Phoenix Hotel (the "*Hotel*"). The Loan is payable from and secured by a subordinated junior lien on the Excise Tax revenues on a parity with all other outstanding Subordinated Junior Obligations and is subordinate to the pledge on all outstanding Senior Obligations and Junior Obligations.

The Loan has a fixed interest rate of 2.79% through July 1, 2025. Interest on the Loan is intended to be excludable from gross income for federal income tax purposes. The Loan is pre-payable at par with accrued interest at the option of the City at any time. Although the City's current expectation is to prepay the Loan with a portion of the Tax-Exempt Bonds offered herein, any unpaid principal remaining on July 1, 2025 would convert to a variable rate loan, at 9.2% per annum for a 180-day period and, thereafter, a variable rate with a maximum rate of 15% per annum. Upon an event of default, the lender can direct that the outstanding principal amount will become due and payable semi-annually over fifteen years, but may NOT declare all amounts under the Loan to be immediately due and payable.

The City sold the Hotel on June 27, 2018 to TLG Phoenix, LLC. On September 25, 2018, the City made a partial prepayment of the Loan in the principal amount of $265,000,000 plus accrued interest with respect to such principal prepayment from all proceeds of the sale of the Hotel and other available funds.

The following City of Phoenix Subordinated Junior Lien Obligation is outstanding:

Issue Date	Original Loan Amount	Purpose	Loan Principal Outstanding As of 7-01-20
08-12-15	$305,940,000	Hotel Refunding (1)	$40,940,000

(1) The Loan is being prepaid by a portion of the Tax-Exempt Bonds offered herein.

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

Future Borrowings

The City does not anticipate any additional borrowings secured by Excise Taxes, other than potential refundings for savings, through fiscal year 2020-21.

Schedule of Estimated 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 December 31, 2020 and ending June 30, 2045. 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:

Fiscal Year	Subordinated Excise Tax Revenue Bonds, Series 2020A			Subordinated Excise Tax Revenue Bonds, Series 2020B (Taxable)			Subordinated Excise Tax Refunding Bonds, Series 2020C (Taxable)			Total 2020 Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020-21	$ 1,160,000	$ 5,378,928	$ 6,538,928	$ 4,275,000	$ 2,540,250	$ 6,815,250	$ —	$ 1,286,176	$ 1,286,176	$ 5,435,000	$ 9,205,354	$ 14,640,354
2021-22	1,410,000	6,281,750	7,691,750	5,050,000	2,968,993	8,018,993	—	1,513,149	1,513,149	6,460,000	10,763,892	17,223,892
2022-23	5,355,000	6,211,250	11,566,250	5,080,000	2,940,864	8,020,864	13,635,000	1,513,149	15,148,149	24,070,000	10,665,263	34,735,263
2023-24	5,625,000	5,943,500	11,568,500	5,110,000	2,906,371	8,016,371	16,260,000	1,420,567	17,680,567	26,995,000	10,270,438	37,265,438
2024-25	5,915,000	5,662,250	11,577,250	5,155,000	2,861,454	8,016,454	12,375,000	1,277,642	13,652,642	23,445,000	9,801,346	33,246,346
2025-26	6,200,000	5,366,500	11,566,500	5,205,000	2,812,018	8,017,018	12,460,000	1,158,965	13,618,965	23,865,000	9,337,483	33,202,483
2026-27	6,510,000	5,056,500	11,566,500	5,265,000	2,751,796	8,016,796	13,490,000	1,014,803	14,504,803	25,265,000	8,823,099	34,088,099
2027-28	6,845,000	4,731,000	11,576,000	5,335,000	2,685,615	8,020,615	14,075,000	845,234	14,920,234	26,255,000	8,261,849	34,516,849
2028-29	7,185,000	4,388,750	11,573,750	5,410,000	2,607,991	8,017,991	8,905,000	640,442	9,545,442	21,500,000	7,637,183	29,137,183
2029-30	7,540,000	4,029,500	11,569,500	5,495,000	2,522,242	8,017,242	4,960,000	499,298	5,459,298	17,995,000	7,051,040	25,046,040
2030-31	7,920,000	3,652,500	11,572,500	5,590,000	2,430,750	8,020,750	5,040,000	416,714	5,456,714	18,550,000	6,499,964	25,049,964
2031-32	8,315,000	3,256,500	11,571,500	5,690,000	2,328,174	8,018,174	4,505,000	324,230	4,829,230	18,510,000	5,908,904	24,418,904
2032-33	8,725,000	2,840,750	11,565,750	5,800,000	2,216,365	8,016,365	4,605,000	235,707	4,840,707	19,130,000	5,292,822	24,422,822
2033-34	9,170,000	2,404,500	11,574,500	5,920,000	2,096,595	8,016,595	2,080,000	140,614	2,220,614	17,170,000	4,641,709	21,811,709
2034-35	9,620,000	1,946,000	11,566,000	6,050,000	1,969,019	8,019,019	2,125,000	95,790	2,220,790	17,795,000	4,010,809	21,805,809
2035-36	10,100,000	1,465,000	11,565,000	6,185,000	1,835,617	8,020,617	2,170,000	48,933	2,218,933	18,455,000	3,349,550	21,804,550
2036-37	2,270,000	960,000	3,230,000	6,340,000	1,677,034	8,017,034	—	—	—	8,610,000	2,637,034	11,247,034
2037-38	2,360,000	869,200	3,229,200	6,505,000	1,514,476	8,019,476	—	—	—	8,865,000	2,383,676	11,248,676
2038-39	2,450,000	774,800	3,224,800	6,670,000	1,347,688	8,017,688	—	—	—	9,120,000	2,122,488	11,242,488
2039-40	2,550,000	676,800	3,226,800	6,840,000	1,176,669	8,016,669	—	—	—	9,390,000	1,853,469	11,243,469
2040-41	2,650,000	574,800	3,224,800	7,015,000	1,001,291	8,016,291	—	—	—	9,665,000	1,576,091	11,241,091
2041-42	2,760,000	468,800	3,228,800	7,205,000	811,606	8,016,606	—	—	—	9,965,000	1,280,406	11,245,406
2042-43	2,870,000	358,400	3,228,400	7,400,000	616,782	8,016,782	—	—	—	10,270,000	975,182	11,245,182
2043-44	2,985,000	243,600	3,228,600	7,600,000	416,686	8,016,686	—	—	—	10,585,000	660,286	11,245,286
2044-45	3,105,000	124,200	3,229,200	7,810,000	211,182	8,021,182	—	—	—	10,915,000	335,382	11,250,382
	$131,595,000	$73,665,778	$205,260,778	$150,000,000	$49,247,528	$199,247,528	$116,685,000	$12,431,413	$129,116,413	$398,280,000	$135,344,719	$533,624,719

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

EXCISE TAXES AND COVERAGE

Excise Taxes in General

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

Potential for Reduction in State-Shared Revenues

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

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

City Transaction Privilege (Sales) Taxes

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

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

An annual fee is assessed to each jurisdiction, such as the City, to pay for ongoing ADOR operations. This annual fee is calculated in proportion to each jurisdiction's share of State-Shared Revenues distributed in the preceding fiscal year. Local governments can pay these obligations 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 $20.76 million in any fiscal year. For fiscal year 2019-20, the City of Phoenix was assessed a fee of $4.3 million.

State-Shared Sales Taxes

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

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

State-Shared Income Taxes

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

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

Other Excise Tax Revenues

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

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

Excise Tax Collections and Coverage

The City has provided actual Excise Tax receipts for fiscal years 2015-16 through 2019-20, and has provided a forecast of revenue to be generated over the next five fiscal years from the Excise Taxes. These figures are reflected on the following schedules. The schedule following the Excise Tax Forecast shows the calculations of the estimated available coverage against the annual debt service requirements for all Senior Obligations and Subordinated Junior Obligations, including the Bonds, all of which are secured by the pledge of Excise Tax receipts. For information and data related to COVID-19, see "Appendix J - COVID-19."

Actual Excise Tax Receipts
for the Fiscal Years Ended June 30

Revenue Source	2016	2017	2018	2019	2020(1)
Privilege License Tax & Fees (2)	$397,523,000	$407,082,000	$ 424,681,000	$ 471,512,000	$ 474,447,000
Utility & Franchise (3)	146,661,000	142,050,000	142,307,000	140,489,000	131,853,000
Licenses & Permits	2,754,000	2,880,000	2,872,000	2,969,000	2,960,000
State Sales Tax	137,544,000	143,975,000	155,998,000	165,066,000	168,964,000
State Income Tax	174,234,000	191,225,000	200,035,000	196,918,000	214,697,000
Total	$858,716,000	$887,212,000	$ 925,893,000	$ 976,954,000	$ 992,921,000

Projected Excise Tax Receipts
for the Fiscal Years Ended June 30 (4)

Revenue Source	2021	2022	2023	2024	2025
Privilege License Tax & Fees (2)	$448,747,000	$468,247,000	$ 490,495,000	$ 510,770,000	$ 534,372,000
Utility & Franchise (3)	129,375,000	131,542,000	133,772,000	135,987,000	138,217,000
Licenses & Permits	2,960,000	3,025,000	3,101,000	3,178,000	3,254,000
State Sales Tax	163,493,000	170,331,000	177,908,000	186,307,000	195,757,000
State Income Tax	241,167,000	204,000,000	250,000,000	245,000,000	259,000,000
Total	$985,742,000	$977,145,000	$1,055,276,000	$1,081,242,000	$1,130,600,000

Notes:

(1) Preliminary and unaudited.

(2) Receipts do not include revenues from the 0.1% increase in the City's privilege license (sales) tax rate approved by City of Phoenix voters on October 5, 1993. The revenues produced by the increase must be used to add police officers and firefighters and to expand neighborhood programs designed to deter crime. The increase affects all privilege license tax categories except advertising, utilities, cable television, jet fuel, telecommunications and mining and became effective December 1, 1993. The revenues resulting from this increase totaled $28.7 million in 2015-16, $30.1 million in 2016-17, $31.6 million in 2017-18 and $35.0 in 2018-19. The estimate for 2019-20 is $35.3 million.

Receipts do not include revenues from the 0.1% increase in the City's privilege license (sales) tax rate approved by City of Phoenix voters on September 7, 1999 and to be levied for a 10-year period beginning November 1, 1999. The revenues produced by the increase will be used for the acquisition of desert preserve open space and the development and improvement of regional and neighborhood parks located within the City. On May 20, 2008, City of Phoenix voters approved a 30-year extension of this tax. This extension also increases the possible uses of these funds to include operational expenses such as salaries for park rangers and maintenance workers. Forty percent of the revenues produced by the extension will be used to acquire land for Phoenix's Sonoran Preserve. The remaining sixty percent will be used to finance improvements to parks throughout the City. The extension became effective July 1, 2008. The increase affects all privilege license tax categories except advertising, utilities, cable television, jet fuel, telecommunications, and mining. The revenues resulting from the increase totaled $28.7 million in 2015-16, $30.1 million in 2016-17, $31.6 million in 2017-18 and $35.0 in 2018-19. The estimate for 2019-20 is $35.3 million.

Receipts do not include revenues from the 0.4% increase in the City's privilege license (sales) tax rate approved by City of Phoenix voters on March 14, 2000 and to be levied for a 20-year period. The revenues produced by the increase will be used for expanded bus service, the construction of a light rail system and other transportation improvements. The increase affects all privilege license tax categories except advertising, utilities, cable television, jet fuel, telecommunications, and mining and became effective June 1, 2000. On August 25, 2015, voters approved a new comprehensive transportation plan and funding tax proposal that increased the existing tax rate to 0.7%, effective January 1, 2016, with a sunset date of December 31, 2050. The revenues resulting from the increase totaled $154.6 million in 2015-16, $202.8 million in 2016-17, $215.8 million in 2017-18 and $239.2 in 2018-19. The estimate for 2019-20 is $240.1 million.

Receipts do not include revenues from the 0.2% increase in the City's privilege license (sales) tax rate approved by City of Phoenix voters on September 11, 2007. Eighty percent of the revenues produced by the increase will be used by the Phoenix Police Department to recruit, hire, train and equip at least 500 police officers and police personnel; hire crime scene investigation (CSI) forensic teams; and to make service calls more efficient. Twenty percent of the revenues produced by the increase will be used by the Phoenix Fire Department to recruit, hire, train and equip at least 100 firefighters and fire personnel to improve fire protection services. The increase affects all privilege license tax categories except advertising, utilities, cable television, jet fuel, telecommunications and mining and became effective December 1, 2007. The revenues resulting from this increase totaled $57.4 million in 2015-16, $60.2 million in 2016-17, $63.2 million in 2017-18 and $70.0 in 2018-19. The estimate for 2019-20 is $70.1 million.

(3) On March 8, 2005, Phoenix voters approved new franchise agreements between the City and certain utilities. Effective May 1, 2005, the 2.0% privilege (sales) tax credit offset from franchise fees paid to the City by persons engaged in or continuing in the business of producing, providing, or furnishing utility services was eliminated. The effect of the elimination of the tax credit was an increase in utility & franchise fee collections of $25.4 million in 2015-16, $25.0 million in 2016-17, $25.8 million in 2017-18 and $26.0 in 2018-19. The estimate for 2019-20 is $22.6 million.

(4) Schedule assumes the impacts of COVID-19 and projects the economic downturn will end in December 2020. For additional information and data related to COVID-19, see "APPENDIX J — COVID-19".

Schedule of Projected Excise Tax Revenues,
Debt Service Requirements and Projected Debt Service Coverage (1)

Fiscal Year	Projected Excise Taxes Pledged	Total Outstanding Senior Lien Debt Service Requirements (2)	Total Outstanding Subordinated Junior Lien Debt Service Requirements (3)	Total Debt Service Requirements (3)	Projected Coverage of Subordinated Junior Lien Debt Service Requirements	Projected Coverage of Total Debt Service Requirements
2020-21	$ 985,742,000	$3,139,365	$ 80,750,358	$ 83,889,723	12.17	11.75
2021-22	977,145,000	361,813	70,639,542	71,001,355	13.83	13.76
2022-23	1,055,276,000	—	92,135,731	92,135,731	11.45	11.45
2023-24	1,081,242,000	—	90,831,918	90,831,918	11.90	11.90
2024-25	1,130,600,000	—	84,526,332	84,526,332	13.38	13.38
2025-26		—	84,268,192	84,268,192		
2026-27		—	75,199,454	75,199,454		
2027-28		—	70,073,295	70,073,295		
2028-29		—	64,694,184	64,694,184		
2029-30		—	53,706,973	53,706,973		
2030-31		—	53,710,024	53,710,024		
2031-32		—	53,084,365	53,084,365		
2032-33		—	48,719,693	48,719,693		
2033-34		—	46,110,497	46,110,497		
2034-35		—	46,107,873	46,107,873		
2035-36		—	43,044,300	43,044,300		
2036-37		—	32,484,284	32,484,284		
2037-38		—	32,483,926	32,483,926		
2038-39		—	32,479,238	32,479,238		
2039-40		—	32,482,969	32,482,969		
2040-41		—	32,477,341	32,477,341		
2041-42		—	11,245,406	11,245,406		
2042-43		—	11,245,182	11,245,182		
2043-44		—	11,245,286	11,245,286		
2044-45		—	11,250,382	11,250,382		
		$3,501,178	$1,264,996,745	$1,268,497,923		

(1) Schedule includes all outstanding debt service requirements and the Bonds offered herein. The schedule includes debt service on obligations supported by solid waste revenues. For more details on Excise Tax debt service requirements, see “Appendix B — City of Phoenix, Arizona — Financial Data” herein.
(2) Net of Bonds Being Refunded.
(3) Net of Bonds Being Refunded and prepayment of Loan.

GENERAL FUND SUMMARY (1)

The table below presents the General Fund revenues by major source for fiscal year 2018-19. The General Fund revenues for fiscal year 2019-20 are based on seven months of actual unaudited data, with the balance of the year estimated. The General Fund pays for the general activities of the City that are not supported by enterprise funds or special revenue funds, which are restricted to statutory or voter approved uses.

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

Revenue Source	2018-19	Estimated 2019-20
Local Taxes:		
Sales Tax	$ 468,015	$ 470,100
Privilege License Fees	2,957	3,050
Other General Fund Excise Taxes	18,535	18,920
State-Shared Revenues:		
Sales Tax	165,066	168,964
State Income Tax	196,918	214,697
Vehicle License Tax	70,210	71,386
Primary Property Tax	162,130	170,899
User Fees/Other Revenues	136,936	136,012
Total General Fund	$1,220,767	$1,254,028

The table below presents the General Fund balance for fiscal years 2018-19 and estimated 2019-20.

GENERAL FUND BALANCE
(in thousands)

Resources:	2018-19	Estimated 2019-20
Beginning Balance	$ 134,620	$ 133,580
Revenue	1,220,767	1,254,028
Recoveries	1,857	3,500
Transfers	(9,301)	5,026
Total Resources	$1,347,943	$1,396,134
Expenditures:		
Operating	$1,202,259	$1,284,500
Capital	12,104	21,870
Total Expenditures	$1,214,363	$1,306,370
Ending Fund Balance	$ 133,580	$ 89,764

(1) The ending General Fund balance for fiscal year 2019-20 is based on seven months of actual unaudited data, with the balance of the year estimated, and reflects the impact of COVID-19 on March, April, May and June revenues. See "Appendix J — COVID-19" herein.

COMBINED FINANCIAL SCHEDULES

The schedules summarized on pages B-39 through B-49 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 2016-17 through 2018-19 and adopted budget amounts for fiscal year 2019-20. The schedules are presented on a budgetary basis to provide a meaningful comparison of actual results with the City's budget for all City operating funds.

CITY BUDGET INFORMATION

City Budget Process

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

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

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

Current Budget Actions

In January 2020, the City began the budget preparation process for fiscal year 2020-21. The City Manager presented a balanced Trial Budget for fiscal year 2020-21 for City Council discussion in March 2020. Due to COVID-19, on April 13, City Council approved a Revised Trial Budget that preserved existing City services by cautiously and strategically identifying reductions and balancing actions that minimized the impact on service delivery. All customary community budget hearings were cancelled and residents were encouraged to submit comments by completing a Budget Feedback Form or by calling Budget and Research Department. On May 5, 2020, the City Manager presented to City Council a proposed budget for fiscal year 2020-21 and on May 19, 2020, City Council approved the fiscal year 2020-21 proposed budget. The City Council adopted the Final Budget on June 17, 2020.

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 of municipal property and equipment.

The Corporation will enter into the Loan Agreement and the Indenture to facilitate the funding, or reimbursing the City for the costs of, the Projects and prepayment of the 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 Excise Tax Revenues, materially and adversely affecting the City's ability to make Loan Payments with respect to the Bonds and the market value of the Bonds.** Prospective purchasers of the Bonds should give careful consideration to all of the information in this Official Statement.

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

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

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

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

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

Public Funding of Certain Improvements. The City received a letter dated May 7, 2019 from the Goldwater Institute questioning the City's ability to use public funds, including proceeds of the Taxable New Money Bonds, to renovate City-owned multipurpose arena. Given Chapter XXVII of the City Charter, Voter Approval for Certain Public Expenditures which requires voter approval for expenditures or incurring debt in excess of $3,000,000 to construct or aid in the construction of, among other projects, any sports complex, arena, stadium or convention facility. The City Attorney has determined and has been advised by Bond Counsel that Chapter XXVII of the City Charter does not apply to renovations or remodeling of previously-constructed projects and no voter approval is required. While the City is unable to predict whether a party will file suit or whether a court would agree with the City Attorney's and Bond Counsel's unconditional opinions that the City's obligation to make Loan Payments with respect to the Bonds is a legal, valid and binding obligation of the City, a determination that the City's obligation to make Loan Payments is invalid could prevent the City from making Loan Payments with respect to the Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Samuel Klein and Company, a firm of independent public accountants in conjunction with Public Finance Partners LLC, will deliver to the City and the Trustee, on or before the settlement date of the Taxable Refunding Bonds, its verification report indicating that it has verified the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Government Obligations, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Bonds Being Refunded.

The verification performed by Samuel Klein and Company and Public Finance Partners LLC will be solely based upon data, information and documents provided to Samuel Klein and Company and Public Finance Partners LLC by the City and its representatives and it has not evaluated or examined the assumptions or information used in the computations.

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 City Purchase 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 City Purchase Agreement or approving the issuance and delivery of the Bonds or (ii) contested or questioned the validity of the Bonds or the proceedings and authority under which the Bonds have been authorized and are to be issued, secured, sold, executed or delivered. Certificates of the City to that effect will be delivered at the time of delivery of the Bonds.

To the knowledge of counsel to the Corporation, no pending or threatened litigation or administrative action or proceeding has (i) restrained or enjoined the Corporation from entering into the Indenture or the City Purchase 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 EXEMPTION

General

The Code includes requirements which the Corporation and the City must continue to meet after the issuance of the Tax-Exempt Bonds in order that interest thereon be and remain excludable from gross income of the holders thereof for federal income tax purposes. The Corporation's or the City's failure to meet these requirements may cause the interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Tax-Exempt Bonds. The Corporation and the City have covenanted in the City Purchase Agreement to take the actions required by the Code in order to maintain the excludability from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds and not to take any actions that would adversely affect that excludability.

In the opinion of Bond Counsel, assuming continuing compliance by the Corporation and the City with the tax covenants referred to above and the accuracy of certain representations of the Corporation and the City, under existing statutes, regulations, rulings and court decisions, interest on the Tax-Exempt Bonds will be excludable from gross income for federal income tax purposes. Interest on the Tax-Exempt Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that assuming interest on the Tax-Exempt Bonds is excludable from gross income for federal income tax purposes, interest on the Tax-Exempt Bonds will be exempt from income taxation under the laws of the State of Arizona.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of interest on the Tax-Exempt Bonds or the ownership or disposition of the Tax-Exempt Bonds. Prospective purchasers of Tax-Exempt Bonds should be aware that the ownership of Tax-Exempt Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Tax-Exempt Bonds or, in the case of a financial institution, that portion of the owner's interest expense allocable to interest on the Tax-Exempt Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on the Tax-Exempt Bonds, (iii) the inclusion of interest on the Tax-Exempt Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of interest on the Tax-Exempt Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (v) recipients of certain Social Security and Railroad Retirement benefits being required to take into account receipts and accrual of interest on the Tax-Exempt Bonds in determining whether a portion of such benefits are included in gross income for federal income tax purposes.

From time to time, there are legislative proposals in Congress which, if enacted, could alter or amend one or more of the federal income tax matters referred to herein or adversely affect the market value of the Tax-Exempt Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Tax-Exempt Bonds), executed and delivered prior to enactment.

The discussion of tax matters in this Official Statement applies only in the case of purchasers of the Tax-Exempt Bonds at their original issuance and at the respective prices indicated on the inside front cover page of this Official Statement. It does not address any other tax consequences, such as, among others, the consequence of the existence of any market discount to subsequent purchasers of the Tax-Exempt Bonds. Purchasers of the Tax-Exempt Bonds should consult their own tax advisers regarding their particular tax status or other tax considerations resulting from ownership of the Tax-Exempt Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations such as the Tax-Exempt Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Tax-Exempt Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Tax-Exempt Bonds and proceeds from the sale of Tax-Exempt Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Tax-Exempt Bonds. This withholding generally applies if the owner of Tax-Exempt Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Tax-Exempt Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Original Issue Premium

Certain of the Tax-Exempt Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). 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 (or over a shorter permitted compounding interval selected by the owner). 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 accrues 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.

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

CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS WITH RESPECT TO THE TAXABLE BONDS

General

Bond Counsel expresses no opinion regarding the excludability of interest on the Taxable Bonds from gross income for federal or State of Arizona income tax purposes.

The discussion below is generally limited to "U.S. owners," meaning beneficial owners of Taxable Bonds that for United States federal income tax purposes are individual citizens or residents of the United States, corporations or other entities taxable as corporations created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), and certain estates or trusts with specific connections to the United States. The discussion below is based upon current provisions of the Code, current final, temporary and proposed Treasury regulations, judicial authority and current administrative rulings and pronouncements of the IRS. There can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS has been, or is expected to be, sought on the issues discussed herein. Legislative, judicial, or administrative changes or interpretations may occur that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may or may not be retroactive and could affect the tax consequences discussed below.

The summary is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, particular holders of Taxable Bonds and does not address U.S. federal gift or (for U.S. Holders) estate tax consequences or alternative minimum, foreign, state, local or other tax consequences. This summary does not purport to address special classes of taxpayers (such as S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the United States, broker-dealers, traders in securities and tax-exempt organizations) that are subject to special treatment under the federal income tax laws, or persons that hold Taxable Bonds that are a hedge against, or that are hedged against, currency risk or that are part of a hedge, straddle, conversion or other integrated transaction, or persons whose functional currency is not the U.S. dollar. This summary also does not address the tax consequences to an owner of Taxable Bonds held through a partnership or other pass-through entity treated as a partnership for U.S. federal income tax purposes. In addition, this discussion is limited to persons purchasing the Taxable Bonds for cash in this offering at their "issue price" within the meaning of Section 1273 of the Code (i.e., the first price at which a substantial amount of Taxable Bonds are sold to the public for cash), and it does not address the tax consequences to holders that purchase the Taxable Bonds after their original execution and delivery. This discussion assumes that the Taxable Bonds will be held as capital assets within the meaning of Section 1221 of the Code.

As used herein, the term "U.S. Holder" means a beneficial owner of Taxable Bonds that is (i) an individual citizen or resident of the United States for U.S. federal income tax purposes, (ii) a corporation (or other entity classified as a corporation for U.S. federal tax purposes) created or organized in or under the laws of the United States or any state thereof or the District of Columbia, (iii) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source, or (iv) a trust if (a) a U.S. court can exercise primary supervision over the administration of such trust and one or more United States persons (within the meaning of the Code) has the authority to control all of the substantial decisions of such trust or (b) the trust has made a valid election under applicable Treasury regulations to be treated as a United States person (within the meaning of the Code). As used herein, the term "Non-U.S. Holder" means a beneficial owner of Taxable Bonds that is not a U.S. Holder.

BECAUSE INDIVIDUAL CIRCUMSTANCES MAY DIFFER, PROSPECTIVE HOLDERS OF THE TAXABLE BONDS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THEIR PARTICULAR TAX SITUATIONS AND AS TO ANY FEDERAL, FOREIGN, STATE,

LOCAL OR OTHER TAX CONSIDERATIONS (INCLUDING ANY POSSIBLE CHANGES IN TAX LAW) AFFECTING THE PURCHASE, HOLDING AND DISPOSITION OF THE TAXABLE BONDS.

Certain U.S. Federal Income Tax Consequences to U.S. Holders

This section describes certain U.S. federal income tax consequences to U.S. Holders. Non-U.S. Holders should see the discussion under the heading "Certain Federal Income Tax Consequences to Non-U.S. Holders" below for a discussion of certain tax consequences applicable to them.

Interest. Interest on the Taxable Bonds will generally be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

It is expected that the Taxable Bonds will not be treated as issued with original issue discount *("DID")* for U.S. federal income tax purposes because the stated principal amount of the Taxable Bonds will not exceed their issue price, or because any such excess should only be a de minimis amount (as determined for tax purposes). De minimis OID is included in the income of a U.S. Holder as stated principal payments are made, and is treated as an amount received in retirement of a Taxable Bond. If, contrary to expectation, the Taxable Bonds are issued at a discount that gives rise to OID, a U.S. Holder may be required to include such OID in gross income (as interest) as it accrues, regardless of its regular method of accounting for U.S. federal income tax purposes, using a constant yield method, before such U.S. Holder receives any payment attributable to such income. The remainder of this discussion assumes that the notes are not issued with more than *de minimis* OID.

Disposition of the Taxable Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption (including pursuant to an offer by the City) or other disposition of a Taxable Bond, will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of Taxable Bonds will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Taxable Bonds which will be taxed in the manner described above under "Interest") and (ii) the U.S. Holder's adjusted tax basis in the Taxable Bonds (which generally will equal the amount paid for the Taxable Bonds by such U.S. Holder). Any such gain or loss generally will be long-term capital gain or loss, provided the Taxable Bonds have been held for more than one year at the time of the disposition. Net long-term capital gain recognized by an individual U.S. Holder generally will be subject to tax at a lower rate than net short-term capital gain or ordinary income. The deductibility of capital losses is subject to limitations.

Additional Tax on Net Investment Income. For taxable years beginning after December 31, 2012, an additional 3.8% tax is imposed on the "net investment income" of certain U.S. citizens and residents, and on the undistributed "net investment income" of certain estates and trusts. Among other items, "net investment income" generally includes gross income from interest and certain net gain from the sale, exchange, redemption or other taxable disposition of a debt instrument that produces interest, less certain deductions. U.S. Holders should consult their own tax advisors with respect to this additional tax.

Information Reporting and Backup Withholding. The Registrar and Paying Agent (the "payor") must report annually to the IRS and to each U.S. Holder any interest that is payable to the U.S. Holder, subject to certain exceptions. Under Section 3406 of the Code and applicable Treasury Regulations, a non-corporate U.S. Holder of the Taxable Bonds may be subject to backup withholding at a rate of 28% with respect to "reportable payments," which include interest paid on the Taxable Bonds and the gross proceeds of a sale, exchange, redemption or retirement of the Taxable Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) there has been a failure of the payee to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(l)(C) of the Code.

Amounts withheld under the backup withholding rules do not constitute an additional tax and will be credited against the U.S. Holder's federal income tax liabilities (and possibly result in a refund), so long as the required information is timely provided to the IRS.

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA ("ERISA Plans"). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein ("Qualified Retirement Plans"), and on Individual Retirement Accounts ("IRAs") described in Section 408(b) of the Code (collectively, "Tax-Favored Plans"). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA requirements. Additionally, such governmental and non-electing church plans are not subject to the requirements of Section 4975 of the Code. Accordingly, assets of such plans may be invested in the Taxable Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of applicable federal and state law.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, "Benefit Plans") and persons who have certain specified relationships to the Benefit Plans ("Parties In Interest" or "Disqualified Persons"), unless a statutory or administrative exemption is available. The definitions of "Party in Interest" and "Disqualified Person" are expansive. While other entities may be encompassed by these definitions, they include, most notably: (1) fiduciary with respect to a plan; (2) a person providing services to a plan; and (3) an employer or employee organization any of whose employees or members are covered by the plan. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available.

Certain transactions involving the purchase, holding or transfer of the Taxable Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of the Institution were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the "Plan Assets Regulation"), the assets of the Institution would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 of the Code only if the Benefit Plan acquires an "equity interest" in the Institution and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there can be no assurances in this regard, it appears that the Taxable Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation.

However without regard to whether the Taxable Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Taxable Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the City or the Bond Registrar and Paying Agent, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the Taxable Bonds by a Benefit Plan would involve the lending of money or extension of credit by the

Benefit Plan. In such a case, however, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Taxable Bond. Included among these exemptions are: Prohibited Transaction Class Exemption ("PTCE") 96-23, regarding transactions effected by certain "in-house asset managers"; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by "insurance company general accounts"; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by "qualified professional asset managers." Further, the statutory exemption in Section 408(b)(l 7) of ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving "adequate consideration" with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate's) status as a service provider to the Benefit Plan involved and none of when is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Taxable Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

Any ERISA Plan fiduciary considering whether to purchase the Taxable Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such in investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of any similar state or federal law.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest on the Tax-Exempt Bonds (see "TAX EXEMPTION - General") are subject to the legal opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel, who has been retained by, and is acting as Bond Counsel to the Corporation and the City. Signed copies of the opinion, dated and speaking only as of the date of delivery of the Bonds, will be delivered to the Underwriters. Certain legal matters will be passed upon for the Underwriters by Kutak Rock LLP, Scottsdale, Arizona, as Counsel to the Underwriters.

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

RATINGS

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

UNDERWRITING

The Bonds are being purchased for reoffering by Piper Sandler & Co. 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 $435,889,015.13. If the Bonds are sold to produce the yields shown on the inside front cover hereof, the underwriters' compensation will be $1,571,110.67.

Piper Sandler & Co. ("Piper") has entered into a distribution agreement ("Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings, including the Bonds, at the original issue prices. Pursuant to the Distribution Agreement, CS&Co will purchase the Bonds from Piper at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co sells.

UBS Financial Services Inc. ("UBS FSI") has entered into a distribution and service agreement with its affiliate UBS Securities LLC ("UBS Securities") for the distribution of certain municipal securities offerings. Pursuant to such agreement, UBS FSI may share a portion of its underwriting compensation with UBS Securities. UBS FSI and UBS Securities are each subsidiaries of UBS Group AG.

The Underwriters are committed to purchase 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.

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."

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 marketability and liquidity of the Bonds and their market price.

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

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

The financial statements of the City as of June 30, 2019 for its fiscal year then ended have been audited by BKD, LLP, independent auditors, as stated in their report. The financial statements and auditor's report are part of the City's comprehensive annual financial report (the "CAFR"), 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 CAFR may also be downloaded from the City's website at www.phoenix.gov under Departments-Finance-Comprehensive Annual Financial Report. The CAFR 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, the City or the Underwriters 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/ DENISE M. OLSON
Chief Financial Officer

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APPENDIX A

City of Phoenix, Arizona — Description

OVERVIEW

Phoenix is the fifth largest city in the United States, the state capital of Arizona and the center of the metropolitan area encompassed by Maricopa County (the "*County*"). This metropolitan area also includes the cities of Mesa, Chandler, Glendale, Scottsdale, Tempe, Peoria, Surprise, Avondale, Goodyear, Buckeye and El Mirage; the towns of Gilbert, Queen Creek, Fountain Hills, and Paradise Valley as well as several smaller cities and towns and all unincorporated areas of the County. It is situated 1,117 feet above sea level in the semi-arid Salt River Valley. The area is well known for its mild, sunny winters and hot summers and receives average rainfall of 7.70 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 2010 census recorded Phoenix's population at 1,447,128. As of May 1, 2020, the City encompasses 519.80 square miles.

Population Statistics
Phoenix, Maricopa County and Arizona

Area	1950	1970	1990	2000	2010	2019 (1)	Percent Change 1950-19	Percent Change 1990-19
Phoenix	106,818	584,303	983,403	1,321,045	1,447,128	1,680,992	1,473.7%	70.9%
Maricopa County	331,770	971,228	2,122,101	3,072,149	3,817,117	4,485,414	1,252.0	111.4
State of Arizona	749,587	1,775,399	3,665,228	5,130,632	6,392,017	7,278,717	871.0	98.6

(1) Population figures for the State of Arizona, City of Phoenix and Maricopa County are as of July 1, 2019.

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

The metropolitan area is presently served by 34 elementary school districts, 6 high school districts, 15 unified school districts and 2 technical institutes, operating almost 800 schools. Education is also provided by public charter schools and private and parochial schools located throughout the metropolitan area. Maricopa County Community College District serves the educational needs of the Phoenix area through 10 institutions. Arizona State University (*"ASU"*) houses 17 colleges and schools and has a total full-time equivalent enrollment of more than 119,400 undergraduate, graduate and professional students on four campuses in Metro Phoenix and online. ASU's main campus is located just east of Phoenix in the city of Tempe. The Arizona State University West campus opened in 1991, is located in northwest Phoenix, and has an enrollment of nearly 5,000 students. The Arizona State University Polytechnic campus opened in 1996, is located in southeast Metro Phoenix in the city of Mesa, and has an enrollment of more than 5,200 students. The Arizona State University Downtown Phoenix campus opened in 2006 and has an enrollment of more than 10,500 students. ASU Online has over 44,000 students. Grand Canyon University, a private university offering undergraduate and postsecondary degree programs, has a main campus located northwest of downtown Phoenix. In Fall 2018, enrollment at Grand Canyon University was over 90,253 including both on-campus and online students. The City also contains a private graduate school and a number of private universities, colleges, and technical institutions. The U.S. Census Bureau's 2018 American Community Survey, the most recently available, estimated that more than 65.8% of the adult residents of the Maricopa County attended college, compared to 61.5% nationally.

CYBERSECURITY INITIATIVES

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

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

SIGNIFICANT DEVELOPMENTS

Downtown Development

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

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

In 2004, the City Council adopted a ten-year plan for downtown entitled "Downtown Phoenix: A Strategic Vision and Blueprint for the Future" (the "*Downtown Strategic Plan*"). The Downtown Strategic Plan was developed by the combined efforts of the City, Phoenix Community Alliance, Downtown Phoenix Partnership, and Arizona State University. The Downtown Strategic Plan served as a framework for the City to pursue the comprehensive revitalization of downtown Phoenix and serves as a guide for decision-making as specific plans and projects are pursued.

The Downtown Phoenix Urban Form Project (the "*Urban Project*") was a collaborative planning process to revise downtown zoning, to shape future growth and to help realize the City's vision for a livelier, more integrated and sustainable downtown. The City embarked on this Urban Project due to heightened development interest in downtown Phoenix while acknowledging the unique development challenges of the infill urban environment. The Urban Project was completed in April 2010 when the City Council approved Chapter 12 of the Phoenix Zoning Ordinance (the "*Downtown Code*").

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

General Plan

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

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

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

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

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.

In 1980, the City Council authorized the first expansion of the Phoenix Convention Center, adding a new structure connected directly to the existing facility. The additional space expanded the total convention space to 306,000 square feet. Construction of the $55 million addition commenced in late 1982 and was completed in June 1985, effectively doubling the size of the facility. In November 1995, the City completed a $31.5 million modernization and refurbishing program for the Phoenix Convention Center.

In 1998, construction began on the Civic Plaza East Garage, a 2,891-space parking facility to serve Phoenix Convention Center patrons and other downtown visitors. Included within the garage is approximately 25,000 square feet of commercial space. The garage was completed in the fall of 1999.

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

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

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

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

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

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

The expanded Phoenix Convention Center surpassed its projected goals for 2009, hosting 68 conventions with approximately 309,379 delegates, which equated to an economic impact of approximately $449 million in direct spending. Since its expansion in 2009, the Phoenix Convention Center has hosted 627 conventions, or an average of 62 conventions per year, with an estimated 2,226,000 delegates through 2018. In 2019, the Phoenix Convention Center hosted 68 conventions and is estimated to host approximately 49 conventions in 2020.

Business Development

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

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

In 2019, the U.S. Bureau of Labor Statistics announced that Greater Phoenix led the nation in new jobs created from May 2018 to May 2019. The metropolitan area added 66,500 non-farms jobs, representing growth of 3.2%. From fiscal year 2008-09 through fiscal year 2018-19, CEDD and its partners have directly assisted in the attraction of 237 new employers to the City of Phoenix. These companies represent more than 39,772 new jobs and approximately $2.9 billion in new capital investment.

Arts, Cultural and Sports Facilities

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

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

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

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

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

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

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

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

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

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

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

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

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

Commercial Development

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

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

The Trammell Crow Company completed construction of an $80 million, 26-story, 450,000 square-foot high-rise office building (currently called One Renaissance), including 40,000 square feet of retail, in the center of downtown Phoenix in 1988. In conjunction with this project, the City constructed a 1,456 space underground public parking garage to support the parking needs generated by the Trammell Crow building and other downtown projects. This $15 million project was dedicated in December 1988. In response to a successful leasing effort, Trammell Crow Company constructed a second office building (called Two Renaissance) which opened in January 1990 on the half-block immediately north of their first building, consisting of 475,000 square feet including 15,000 square feet of retail.

Culminating an effort initiated by the Phoenix Community Alliance, the City entered into an agreement with The Rouse Company in September 1987 to develop a $515 million mixed-use development project to the north of the Phoenix Convention Center known as the Arizona Center. The development includes office and retail use as well as a three-acre public plaza. Arizona Public Service occupies a 450,000 square-foot office tower, which was completed in March 1989. In March 1998, a 5,000-seat 24-screen movie theater opened.

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.

Construction of the 20-story, 410,000 square-foot One North Central Building (formerly the Phelps Dodge Building), including 10,000 square feet of retail and 975 on-site parking spaces, began in February 2000. The building is located on the northeast corner of Washington Street and Central Avenue in downtown Phoenix. Construction was completed in November 2001.

In 2005, the City exchanged the City-owned historic Hanny's Building located at First and Adams Streets for the historic A.E. England Building located next to the ASU Downtown Phoenix campus at 424 North Central. The A.E. England Building, owned and operated by the City Parks and Recreation Department, was renovated for mixed retail and community use. The 30,000 square-foot Hanny's Building was renovated into a restaurant that opened in December 2008. The Historic Preservation Commission and the City assisted with approximately $400,000 of the estimated $4 million renovation costs.

In 2007, the City entered into an agreement with One Central Park East Associates LLC to develop a $185 million 26-story office tower at the northwest corner of First and Van Buren streets. The Freeport McMoRan Center houses the world headquarters for Freeport-McMoRan Copper & Gold Inc. (formerly Phelps Dodge Corporation) and the Westin Hotel. The City provided property tax assistance and abandonment of right-of-way for the 485,700 square-foot building of Class A office space, 8,500 square feet of ground level retail space and 590 parking spaces. Construction began in October 2007 and was completed in November 2009. The Westin, which opened in March 2011, occupies nine floors of the Freeport McMoRan Center and includes 242 over sized guest rooms averaging 550 square feet.

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

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

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

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

In 2018, True North Holdings entered into a development agreement to construct the $151 million Ro2 development featuring 305,000 square-foot of office space and 77,000 square-foot of commercial retail space on City-owned land on 2nd Street north of Roosevelt. In the fall of 2018, True North closed escrow on the first phase of the development, acquiring the historic Knipe House. The historic house will be renovated and adaptively reused for retail space in early 2020. In the fall of 2019, True North closed escrow on the second phase of the development, acquiring the Knipe House grounds. Completion of the full project is anticipated in 2021.

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.

Biotechnology

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

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

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

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

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

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

In 2019, construction began on the first phase of ASU's planned Health Solutions Campus at the PBC. ASU aims to develop its campus under a long-term agreement with the City for development rights for seven acres of land on the campus. The first phase of this development is the PBC Innovation Center, a 225,000-square-foot building being constructed by Wexford Science and Technology. The project cost of the first phase is $77 million and is expected to be completed in 2021.

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.

Education

In 2004, ASU and the City of Phoenix 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 11,400 students were enrolled in degree programs at the ASU Downtown Phoenix campus during the fall 2017 semester.

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

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

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

In 2012, construction of the new ASU student recreation center began. The Sun Devil Fitness Complex is a five-story, 64,000 square-foot facility with state-of-the-art weight and fitness areas, three multi-purpose studios for group fitness and mind/body classes, a two-court gymnasium, a rooftop outdoor leisure pool and a multi-purpose area for student clubs to utilize. The $25 million facility is located on First Avenue north of Van Buren Street, next to the YMCA. With classroom space for the Exercise and Wellness academic program on the second floor, the new facility adds to the existing YMCA services and serves both ASU students and YMCA members. The Sun Devil Fitness Complex opened to students and members in August 2013.

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

In 2018, ASU committed to relocate the ASU Thunderbird School of Global Management (*"Thunderbird"*) from Glendale, Arizona to a new building on the square block also containing the ASU Sandra Day O'Connor College of Law. Thunderbird is moving to a temporary space at the Arizona Center before moving the graduate school to a new $60 million, 100,000 square-foot, four-story building at the corner of Second and Polk Streets in 2020. The City of Phoenix has agreed to invest $13.5 million into the project.

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.

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

In 2019, ASU began construction of a 17-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. Construction is anticipated to be complete in time for the fall 2021 semester.

Neighborhood Revitalization and Downtown Housing

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

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

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

Beginning in the late 1990s, downtown Phoenix saw the development of several market rate projects for the first time in nearly a decade. From 1997 through 2003, nearly 1,300 housing units were built and available for occupancy in downtown. The units included apartments, lofts, condominiums and multi-family housing.

In 2003, Post Properties and Desert Viking Properties, LLC completed a rehabilitation project of a 12,300 square-foot retail structure located at Roosevelt Street and Third Avenue. The Gold Spot Market was reopened on July 17, 2003.

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

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

Since 2004, residential housing projects have been developed in downtown Phoenix with several additional projects currently under construction. Over the past ten years, downtown has gained over 3,300 market rate units and 1,200 affordable units. These new units have been developed as urban infill and adaptive reuse as well as low, mid and high-rise development projects.

WP South Acquisitions, LLC began construction in the spring of 2005 of a mixed-use residential project on a City-owned parcel and adjacent privately-owned property at the northwest corner of Fourth and Fillmore Streets. Alta Phoenix Lofts, now known as Skyline Lofts consists of approximately 325 market-rate rental residential units in an eight-story building with up to 10,000 square feet of street level commercial space and live/work units and a six-story parking structure with 450 parking spaces. Occupancy began in March 2009.

The Summit at Copper Square, a $32 million project adjacent to Chase Field, was completed in late 2007. The 22-story residential project on the southwest corner of Fourth Street and Jackson Street, consists of 167 ownership loft, studio, and luxury condominium units.

Grace Communities completed demolition of an office building located at the northeast corner of First Avenue and Monroe Street in June 2005 and constructed the tallest residential tower in Arizona. 44 Monroe consists of a 34-story mixed-use high-rise with 196 ownership condominium units, a recreation area, fitness center, theater, parking and approximately 3,300 square feet of commercial development. The $140 million project was completed in August 2008. In June 2010, ST Residential purchased 44 Monroe and converted the condominiums into rental units.

The City of Phoenix obtained a HOPE VI Home Ownership Opportunities for People Everywhere (*"HOPE VI"*) grant from the U.S. Department of Housing and Urban Development (*"HUD"*) to fund the revitalization of the Matthew Henson public housing site and surrounding community. The overall goals of HOPE VI are to assist public housing authorities in replacing severely distressed housing, increasing resident self-sufficiency and home ownership opportunities, creating incentives to encourage investment, and lessening concentrations of poverty by promoting mixed-income communities. The HOPE VI Special Redevelopment Area encompasses the area between Seventh and Fifteenth Avenues and Grant and Pima Streets. The project is a concentrated, mixed-income development of 611 affordable housing units with a community resource center, youth activity center, public parks, community gardens and swimming pools. Demolition and reconstruction began in December 2003. Eligible residents began to return to the communities in December 2005 and final occupancy occurred in the fall of 2008.

Concord Eastridge began development of a major multi-family, mixed-use residential project in 2011. The $52 million project, Roosevelt Point, occupies a three acre site in downtown Phoenix located between Roosevelt and McKinley Streets and Third and Fourth Streets. The privately funded project consists of 327 units and a 5-level parking garage and several thousand square feet of street-level retail. The project is intended to serve the growing population of students attending classes at the ASU Downtown Phoenix campus and the Phoenix Biomedical Campus. Construction began in the spring of 2012 and was completed in September 2013.

In January 2013, the developer of the CityScape project began construction on a 242 luxury apartment complex, Residences at CityScape, situated atop the 10-story Hotel Palomar at the intersection of Jefferson Street and Central Avenue. Construction was completed in the spring of 2014. The Residences at CityScape extends 25 stories above street level and provides the apartment residents access to all of the hotel's amenities, including a private pool deck.

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

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

In 2017, Alliance Residential completed the Broadstone Arts District project, a $49 million four-story, multi-family, rental residential infill project with 280 apartments. This development is on a 4.0 acre site at the northeast corner of McDowell Road and Alvarado Street.

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.

In 2018, Akara Partners broke ground on a $45-million, 20-story high rise residential project featuring 299 rental units with 17,000 square feet of ground floor retail. The project is anticipated to be completed in the fall of 2020.

In 2019, PMG Properties Group began construction 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. This is the first phase of a two-phase project expected to total a $192 Million capital investment. Phase 1 is expected to complete construction in the fall of 2021.

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 1 is expected to complete construction in fall of 2021.

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 is anticipated to completed in the fall of 2021.

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 completion is anticipated in spring of 2021.

Government Facilities

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

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

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

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

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

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

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

Downtown Streetscape

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

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

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

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

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

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

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

Transit/Light Rail

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

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

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

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

The city of Mesa received local and regional approval in August 2010 to move forward with the Central Mesa Extension, which extended the system 3.1 miles from Sycamore Drive and Main Street to Mesa Drive and

Main Street. Construction on the Central Mesa Extension began in May 2012, with service beginning in August 2015. The Federal Transit Administration funded 64% of the Central Mesa Extension construction costs and the Maricopa County Transportation Excise Tax funded the remaining 36% of the construction costs. The Gilbert Road Extension was completed in late spring 2019 and extends the light rail on Main Street from Mesa Drive to Gilbert Road in Mesa. The city of Tempe began construction in 2017 on the Tempe Streetcar. Tempe Streetcar is the first modern streetcar line in the Valley and will connect riders to the light rail system, neighborhoods, major business centers, and regional events. Streetcar vehicles are smaller than light rail vehicles and operate individually, not linked together in trains. Streetcar stops are similar to bus stops and occur more frequently than light rail stations. The Tempe Streetcar is scheduled to be completed in 2021.

In May 2012, the Phoenix City Council approved the Capitol / I-10 West Locally Preferred Alignment (*"LPA"*). Following the passage of Transportation 2050, Phoenix City Council approved phasing the Capitol / I-10 West project. Phase I will extend between the current light rail line in downtown Phoenix to the State Capitol Complex and will open in 2024. Phase II will extend to the 79th Avenue Park-and-Ride and is expected to open in 2030. Subsequent to approval of the Capitol/I-10 West LPA, staff has continued to study options for the convergence of LRT corridors within downtown Phoenix. In conjunction with analysis for the South Central LRT Extension, a reconfiguration of the merging of the existing light rail system, the future Capitol / I-10 West LRT Extension, and South Central LRT Extension was recommended by staff to create a downtown transit hub to enhance the connectivity for transit passengers along with other multimodal improvements. These recommendations were approved by the City Council on September 26, 2017. The approval of the downtown LRT transit hub prompted a re-examination of the original Capitol / I-10 West Phase I LPA. Currently staff is engaging the public to determine what route, mode, and timing would better serve the transportation needs for the Governmental Mall and the west valley community. Staff is scheduled to provide a recommendation for the project to City Council in late summer/early fall of 2020. The total cost of the project will be funded with Federal grant funds, Transit Sales Taxes and other local funding sources.

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

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

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

In 2019, City Council authorized an agreement for the South Central Extension/Downtown Hub project with VMR. The South Central Extension/Downtown Hub is a 5.5-mile light rail project extending south from Jefferson Street to Baseline Road along Central Avenue and includes the creation of a rail transfer hub in downtown Phoenix. The project will include nine new light rail stations and two park-and-rides — one located at the existing Ed Pastor Transit Center at Central Avenue and Broadway Road, and an end-of-line facility at the northwest corner of Central Avenue and Baseline Road. On April 15, 2019, the Federal Transit Authority (*"FTA"*) granted the project approval to enter the engineering phase of the Capital Investment Grant New Starts program. An FTA grant is anticipated for the South Central Extension/Downtown Hub in late 2020, with anticipated annual grant funding allocations for the project over multiple years. In the meantime, to keep the project on schedule, the FTA has provided pre-award authority for design, land acquisition, utility relocations, long-lead procurement items (such as light rail vehicles and special track work) and construction activities. This pre-award authority allows VMR to utilize City and VMR funds to advance the project. FTA will then reimburse its funding share after the federal grant is approved, on an annual basis. October 14, 2019 marked the official start of construction in the Downtown Hub of the project. The first order of construction being the relocation of underground utilities. Due to the limited right of way and close proximity of structures within the hub, this work is scheduled to take approximately 18 to 24 months. Work being done this year will take place along McKinley between 1st Avenue and Central Avenue, and 5th Street between Washington Street and Jefferson Street. The $428 million (City's share) project will be funded with Federal grant funds, Transit Sales Taxes and other local funding sources.

Phoenix Sky Harbor Center

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

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

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

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

Phoenix Sky Harbor International Airport

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

In 2007, the City Council approved a $2.9 billion, ten-year Airport Development Program (*"ADP"*). The ADP included the design and construction of the PHX Sky Train®, development of additional gates and facility rehabilitation and maintenance. The national economic recession ending in 2009 negatively impacted the airline industry and resulted in reductions to passenger traffic at the airport. As a result of traffic and revenue declines, Airport management reduced operating expenditures and deferred some non-essential capital projects. Even with these reductions and deferrals, management continued design and construction of phase one of the PHX Sky Train® project and other vital airport projects. In 2010, air passenger traffic at Sky Harbor International Airport stabilized and began to recover.

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, consists of incremental improvements to Terminal 3 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 has three independent phases that allow the project to be completed as demand requires and finances allow. When complete, airlines currently operating in Terminal 2 will be moved into the expanded Terminal 3 facilities. The Airport opened the new south concourse for passenger service in January 2019, offering twelve new gates. When all three phases are completed in 2020, Terminal 3 will contain approximately 710,000 square feet and 25 gates.

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

On June 11, 2019, the Phoenix City Council approved the Airport's Comprehensive Asset Management Plan (the *"CAMP"*), which is a 20-year blueprint for Airport investments. The CAMP is projected to cost $5.7 billion during the 20-year period. Funding for the first few projects of the CAMP were approved by the City Council, and funding for future projects will require additional approval as the time frames for those projects reach the planning stages.

Property Tax Supported Bond Program

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

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

PHOENIX CITY GOVERNMENT

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

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

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

The City government is responsible for furnishing basic municipal services. Primary services delivered by the City's 33 departments/functions, 16 initiatives/projects and 14,560 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 2019-20 through an adopted operating budget of $4,554.9 million. Of this, the general purpose funds budget totaled $1,374.4 million, which was for general municipal services and excluded enterprise activities such as water, sewer, refuse and airports and special revenue funds such as grants, secondary property taxes, Arizona Highway User Revenues, impact fees and voter-approved dedicated sales taxes.

Elected Officials

KATE GALLEGO, MAYOR

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

BETTY GUARDADO, VICE MAYOR, DISTRICT 5

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

THELDA WILLIAMS, COUNCILMEMBER, DISTRICT 1

Councilmember Williams began her third consecutive term on the City Council in January 2016, having previously served on the Council from 1989 to 1996 and as interim mayor in 1994, as well as 2018 and 2019. Before rejoining the City Council, Ms. Williams served on the Maricopa County Animal Care and Control Agency, the Governor's Commission to Prevent Violence Against Women and the Phoenix Sky Harbor International Airport Master Plan Committee. Currently, Ms. Williams serves on the Phoenix-Mesa Gateway Airport Authority, the Luke (AFB) West Valley Council and the Childhelp USA Advisory Board.

JIM WARING, COUNCILMEMBER, DISTRICT 2

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

DEBRA STARK, COUNCILMEMBER, DISTRICT 3

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

LAURA PASTOR, COUNCILMEMBER, DISTRICT 4

Councilmember Pastor began her second consecutive term on the City Council in January 2018. Ms. Pastor is Director of Achieving a College Education Program at South Mountain Community College and was a classroom elementary teacher for four years. Previously, Ms. Pastor was with the Department of Employment and Rehabilitation Services at the Arizona Department of Economic Security and was Special Assistant to the Arizona Director of Insurance. Ms. Pastor is a member of the Phoenix Union High School District Board and serves on the O'Connor House Speak Out Against Domestic Violence and Mi Familia Vota advisory boards. She is a former member of the Hispanic Advisory Board of Maricopa Community Colleges, Maricopa Transportation Advisory Board, the Homeless Task Force, and Phoenix Day. Ms. Pastor has a bachelor's degree in education from Arizona State University and a Master of Public Administration from City University of New York.

SAL DICICCIO, COUNCILMEMBER, DISTRICT 6

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

MICHAEL NOWAKOWSKI, COUNCILMEMBER, DISTRICT 7

Councilmember Nowakowski began his third consecutive full term on the City Council in January 2016. Mr. Nowakowski is currently the Vice President of Communications of a non-profit radio station, coming from previous work with the Catholic Diocese of Phoenix where he served as Assistant Director of the Office of Youth and Young Adult Ministry. Mr. Nowakowski has served on several boards and committees including co-chairman of the 2006 City of Phoenix Historic Preservation Bond Committee, member of the City of Phoenix Police Chief's Advisory Board, founding member of the Mayor's Anti-Graffiti Task Force, City of Phoenix Census 2000 Committee, Phoenix Union High School Superintendent's Advisory Board, chairman of Santa Rosa Neighborhood Council and in 2008 was appointed commissioner for the Western Maricopa Enterprise Zone. Mr. Nowakowski holds a bachelor's degree in liberal arts in religious studies from Arizona State University.

CARLOS GARCIA, COUNCILMEMBER, DISTRICT 8

Councilmember Carlos Garcia began his first term on the City Council in June 2019. Prior to being elected to the Phoenix City Council, Mr. Garcia spent 16 years advocating social justice in Arizona and across the country. Mr. Garcia serves on the U.S. Human Rights Network Board and co-founded Puente Human Rights Movement, an immigrant rights organization, as well as One Arizona, a non-profit coalition focused on civic engagement. Mr. Garcia is also a co-founder and board member of Mijente, a national political home for Latinx and Chicanx.

Administrative Staff

ED ZUERCHER
City Manager

Ed Zuercher was appointed City Manager in February 2014, after serving as Acting City Manager since October 2013. Prior to his appointment as City Manager, 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.

MILTON DOHONEY, JR
Assistant City Manager

Mr. Dohoney was appointed Assistant City Manager on April 21, 2014. Mr. Dohoney brings nearly 30 years of executive experience leading organizations in three cities. He worked for seven years as City Manager of Cincinnati, Ohio and for three years as Chief Administrative Officer of Lexington Fayette Urban County

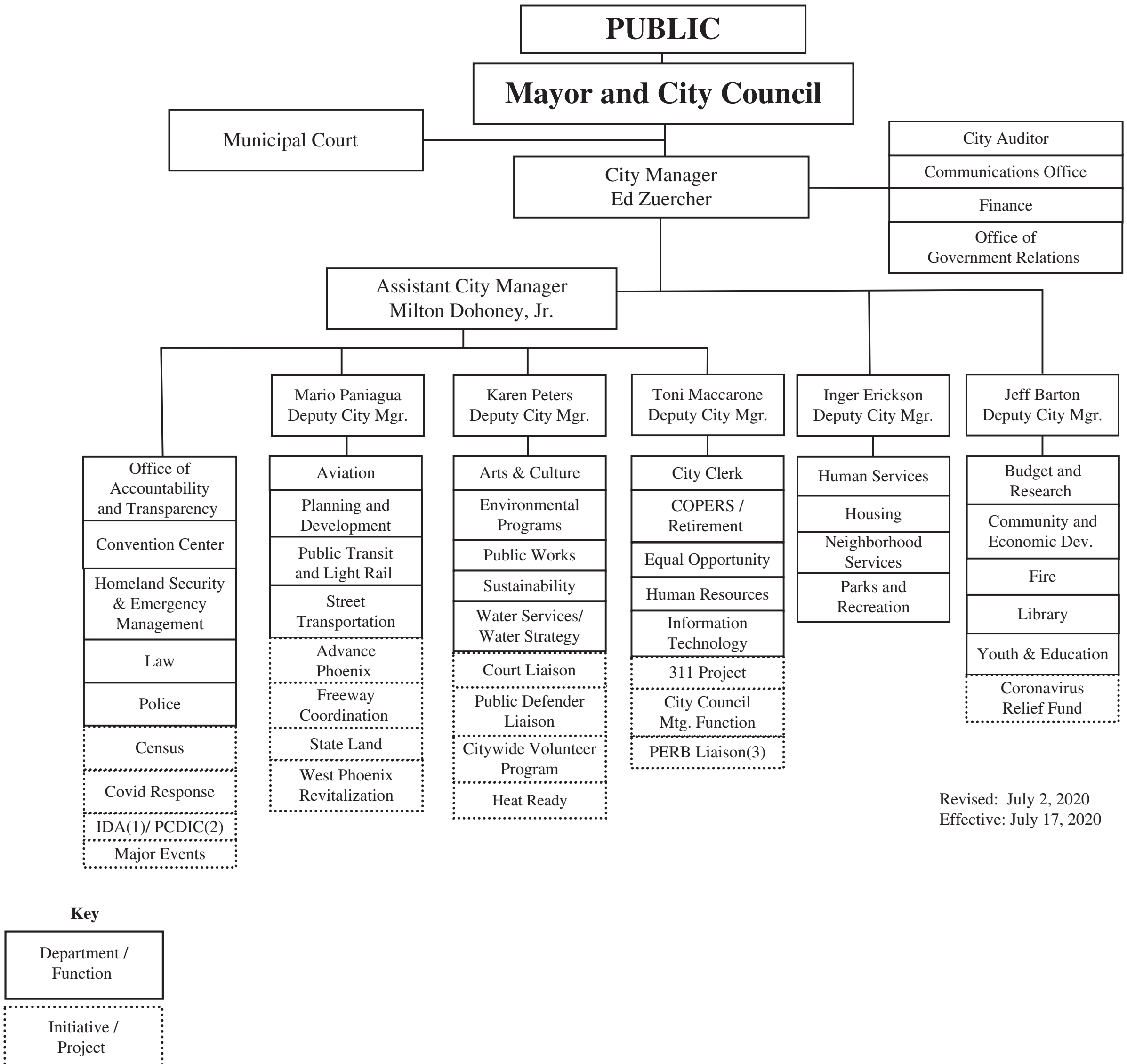
Government in Kentucky. He also served nearly 20 years with the City of Louisville, Kentucky in the capacities of an Assistant Community Services Director, Chief Administrative Officer and Public Safety Director. Mr. Dohoney is the recipient of many awards, including Administrator of the Year in 2013 from the American Society for Public Administration Greater Cincinnati Chapter; YMCA Black Achievers Award in 2010; and Kentucky Commission on Human Rights Spirit for Justice Medal in 2012. He earned his master's degree in Personnel Management/Human Resources from the University of Louisville and his bachelor's degree in Psychology from Indiana University Southeast.

CRIS MEYER
City Attorney

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

DENISE OLSON
Chief Financial Officer

Ms. Olson was appointed Chief Financial Officer in November 2015. She began her career with the City in 1994 in the Finance Department, working as an economist in the Utilities Accounting Division and the Financial Accounting and Reporting Division. She became Deputy Finance Director in 2006, and was promoted to Assistant Finance Director in 2012. Throughout her career she has managed financial planning, financial systems applications and support, procurement, city controller functions, financial accounting and reporting and has been involved in the planning and issuances of debt to fund capital expenditures. Ms. Olson has a bachelor's degree in Business Administration with majors in Human Resources and Economics from New Mexico State University, and a Master of Public Administration from Arizona State University. Ms. Olson was named CFO of the Year by the Phoenix Business Journal in November 2018. This award recognizes top executives for their contribution and commitment to the community.



1 - Phoenix Industrial Development Authority.

2 - Phoenix Community Development and Investment Corporation.

3 - Phoenix Employee Relations Board

Awards

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

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

  This award (formerly the Certificate of Conformance in Financial Reporting) recognizes the completeness, accuracy and understandability of the City's Comprehensive Annual 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 CAFR.

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

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

- **Distinguished Budget Presentation Award**

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

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

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

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

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

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

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

- **ICMA Program Excellence Awards**

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

  The International City/County Management Association (ICMA) has recognized the City of Phoenix for its data-driven management and reporting efforts with a Certificate of Distinction for 2019. Certificates of Distinction are awarded to those who provide comparative and benchmarking information to the public, use performance data in strategic planning and operational decision-making, and share their knowledge with other local governments through presentations, site visits, and other networking activities. Phoenix is among 19 jurisdictions receiving the Certificate of Distinction and one of 63 recognized overall. This is the 18th year the City's performance management efforts have been recognized by ICMA.

- **2017 Community Partnership Award**

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

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

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

- **2017 AAAE Airport Innovation Award**

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

- **Outstanding Achievement in Innovation**

  - **2017 Outstanding Achievement in Innovation**

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

  - **2016 Outstanding Achievement in Innovation**

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

– **2013 Outstanding Achievement in Innovation**

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

– **2012 Outstanding Achievement in Innovation**

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

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

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

- **2016 Platinum Award for Utility Excellence**

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

- **2015 Mayors' Climate Protection Awards**

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

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

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

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

  - **2015 NACWA Platinum Peak Performance Award**

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

  - **2012 NACWA Gold Peak Performance Award**

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

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

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

- **2014 Top Ten Digital Cities Award**

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

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

  - **2014 NAHRO Award**

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

  - **2011 NAHRO Award**

In October 2011, NSD received three Awards of Merit. NSD was honored for a pilot program that allows residents to use mobile devices to report blight, a code violation resolution volunteer assistance program and the Isaac Neighborhood Initiative Area. Since 1993, the City has used the Neighborhood Initiative Area strategy in the Isaac community to do comprehensive and concentrated neighborhood revitalization which continues to make significant progress in improving the economic, physical and social health of the neighborhood.

  - **2010 NAHRO Award**

In November 2010, the City received an Award of Excellence for the Housing Department's McCarty on Monroe senior housing development. McCarty on Monroe consists of 34 public housing units and 35 low-income housing tax credit units. All units are clustered around a central, landscaped courtyard, creating a sense of community and interaction among the residents. McCarty on Monroe combines quality affordable housing for seniors and immediate access to light-rail while preserving history and adding green design.

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

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

- **2013 Sunny Award**

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

- **2013 NGWA Outstanding Groundwater Protection Award**

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

- **2013 Technology “Best of the Web” Award**

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

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

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

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

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

- **2010 Desert Peaks Award**

  In June 2010, the City of Phoenix received an award from Maricopa Association of Governments for its Urban Education Initiatives, on which it collaborated with Arizona State University and the University of Arizona to create the ASU Downtown Phoenix Campus and the Phoenix Biomedical Campus. The award recognizes excellence in regionalism.

- **2010 LEED Platinum Certification Award**

  In June 2010, the City of Phoenix Nina Mason Pulliam Rio Salado Audubon Center was the recipient of the U.S. Green Building Council’s award for its use of the Leadership in Energy and Environmental Design (LEED) rating system. Located in the heart of the Rio Salado Habitat Restoration Area, the center received the award for the environmental friendliness and sustainability of the facility. The center is a gateway to a lush Sonoran riparian habitat used by more than 200 species of birds and other wildlife.

- **2009 All-America City Award**

  The City of Phoenix was the recipient of the National Civic League’s All-America City award, the fifth time the City has earned the recognition, for its collaborative projects that involve the community and address critical issues. The City highlighted the newly developed urban education campuses (Arizona State University Downtown Phoenix Campus and Phoenix Biomedical Campus), the Phoenix Parks and Preserve Initiative and the innovative library teen spaces.

- **Carl Bertelsmann Prize**

Awarded in 1993 to the City of Phoenix and Christchurch, New Zealand, recognizing each as being the best managed city governments in the world. The international competition for the most efficiently operated city was sponsored by the Bertelsmann Foundation, a research and philanthropic arm of Bertelsmann AG, the second largest media organization in the world. Cities were judged on several categories including customer service, decentralized management, planning and financial controls, employee empowerment and administrative innovation.

ECONOMY & DEMOGRAPHICS (1)

Overview

When Arizona earned statehood in 1912, less than 300,000 people lived within its boundaries. Since that time, the state has experienced significant growth. Home to approximately 7.3 million people in 2019, Arizona is also the sixth largest state in terms of area. The majority of the population resides in urban areas. More than 4.9 million people lived within the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (the Phoenix MSA) in 2019, and 23.1% of the state's population was concentrated in the City of Phoenix. Nationally, Phoenix is ranked as the fifth most populous City, and the Phoenix MSA ranked as the tenth most populous metro area in 2019.

Over two thirds of the Arizona population currently resides in the Phoenix MSA. In terms of land area, the Phoenix MSA is often described as a sprawling metropolitan area with a low-density population. The City of Phoenix, both the state capital and largest City in the Phoenix MSA, is generally flat and surrounded by scattered, low mountain ranges. The subtropical desert climate is conducive to a variety of outdoor recreation activities during all twelve months. Both the topography and climate attract many visitors and out-of-state tourists, further bolstering the economy.

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.

The Phoenix MSA accounted for approximately 74% of total wage and salary employment in the state in 2019. Professional and business services was the largest source of private nonfarm employment in the MSA with 368,900 employees. Other major supersectors included education and health services, retail trade, leisure and hospitality, and financial activities. Approximately 244,000 people were also employed by government in Arizona in 2019.

Approximately 300,000 jobs were lost in Arizona between 2008 and 2010 as a result of the Great Recession. Many of these job losses occurred in sectors such as construction, business services and retail, which had previously helped the state to grow pre-recession. The residential real estate market also suffered as population inflows stalled. Nevertheless, over the last nine years the economy has experienced steady growth. Between 2010 and 2019, the State has gained on average an additional 61,256 nonfarm wage and family workers a year, including 53,900 in the Phoenix MSA. Metro Phoenix's labor force in 2019 has increased by 424,687 people compared to 2010. The total number of people in employment in metro Phoenix has increased by 521,959 to 2,395,965. That's a bigger percentage increase than the State and the nation for both labor force and labor force employment between 2010 and 2019.

The total number of jobs in the Phoenix MSA also increased 3.3% between 2018 and 2019. That is higher year-on-year growth than the State (2.8%) and the nation (1.4%).

In November 2019, Moody's Investors Service upgraded Arizona's credit score from Aa2 to Aa1, the company's second highest credit rating, due to the state's "continued economic growth."[1] However, the outlook for 2020 and 2021 is heavily dependent on Covid-19. The Economic Business and Research Center at Eller College of Management currently forecasts year-on-year falls of 5.3% in retail sales and 6.2% in total nonfarm employment for metro Phoenix in 2020, followed by year-on-year increases of 9.4% and 6.1% respectively in 2021. ASU's Greater Phoenix Blue Chip consensus forecast also predicts a weak second quarter in 2020, including a GDP fall of up to 35%. The Blue Chip consensus then forecasts a slow recovery in the second half of the year, which continues throughout 2021. However, both forecasts assume that a Covid-19 vaccine will be discovered over the next twelve months.

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(1) The economic information contained herein has been prepared for the City of Phoenix by the L. William Seidman Research Institute, W.P. Carey School of Business, Arizona State University, on June 10, 2020.

Key Phoenix MSA Statistics:

- 10th most populous MSA in the nation in 2019 with a population of 4,948,203.
- Civilian labor force of approximately 2.5 million in 2019.
- Unemployment rate of 4.1% in 2019.
- High compound annual growth rates in multiple industries including 5.6% compound annual growth rate in construction, 4.7% in transportation, warehousing, and utilities, and 4.1% in financial activities, 2010 through 2019.
- Compound annual growth rates of 3.5% or more in information, education and health services, and professional and business services, 2010 through 2019.
- 3.3% increase in total nonfarm jobs in 2019 compared to 2018.
- Annual total nonfarm job growth rates higher than the State of Arizona and the nation.
- Accounted for 73.3% of annual statewide Gross Domestic Product (GDP) in 2018, and real GDP per capita of $46,965 (in 2012 chained dollars).
- The 24th largest U.S. exporter by merchandise export value, the Phoenix MSA $13.6 billion of exports in 2018 represents 60.5% of the state's total exports in that year.
- Mexico ($2.9 billion), Canada ($1.2 billion), China ($1.0 billion) and the UK ($0.7 billion) were the top foreign markets for the Phoenix MSA's goods exports in 2018.
- Total of 35,873 housing permits in 2019.
- Approximately 69.8% of the Phoenix MSA's housing permits in 2019 were for single residential units.
- 525,096 square feet of retail space was under construction in the first quarter of 2020.
- Phoenix MSA currently has 2.3 million square feet of office real estate construction underway, up 15 percent from the 2019 year-end total of 2.0 million square feet.
- The first quarter of 2020 was the fortieth consecutive quarter of positive net absorption (4,020,361 square feet) for industrial real estate.

Key City of Phoenix Statistics:

- Population of 1,680,992 as of July 1, 2019, holding its title as the 5th most populous U.S. city.
- Accounts for 23.1% of the state's population and 34% of the population of the Phoenix MSA.
- Approximately 30.3% of residents between the ages of 25 and 44 in 2018, with the median age being 33.5 years.
- 879,038 residents ages 16 and older were members of the civilian labor force in 2018.
- 32.3% of working residents held jobs in management, business, science and the arts in 2018.
- An additional 42.3 % of jobs held in service, sales and office occupations in 2018.
- Median household income of $57,957 in 2018 dollars.
- 91.5% of housing units occupied in 2018.
- On average, 3.0 people per unit in owner occupied hosing, and 2.7 people average household size in renter occupied housing in 2018.

Population

The Phoenix MSA encompasses 14,565 square miles, containing both Maricopa County (9,199 square miles) and Pinal County (5,365 square miles). Phoenix is the principal city of the Phoenix MSA, measuring

517.7 sq. miles and with 1.68 million residents in 2019, according to the Census Bureau. Within the Phoenix MSA, eight cities have populations in excess of 125,000: Mesa, Chandler, Gilbert, Glendale, Scottsdale, Tempe, Peoria, and Surprise. The U.S. Census Bureau ranked Phoenix the 10th most populous MSA as of July 1, 2019.

The following table compares the population of the Phoenix MSA with 21 peer MSAs. The peer MSAs consist of every western metro of more than one million people, plus other Sun Belt metros of more than 2 million people. The population continued to increase in metro Phoenix during 2019. The Phoenix MSA ranked 6th in population growth between 2010 and 2019 compared to the 22 MSAs listed in the table.

In recent years, the Phoenix MSA has been home to the majority of the Arizona population. Furthermore, population growth for the Phoenix MSA outpaces population growth for the state as a whole. In 1990 the Phoenix MSA accounted for 61.1% of the State of Arizona's total population. In 2000, it accounted for 63.4% of the State of Arizona's total population. In 2010, the Phoenix MSA accounted for 65.6% of the State of Arizona's total population. In 2019, it accounted for 68.0% of the State of Arizona's total population. The Tucson MSA (Pima County) was home to 14.4% of the state's residents in 2019. Five other metro areas combined (Flagstaff, Lake Havasu City-Kingman, Prescott, Sierra Vista-Douglas, and Yuma) accounted for 12.8% of the state's population, with the remaining 4.8% living in nonmetropolitan areas.

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

Population
Metropolitan Statistical Areas
(in thousands)

	Population Estimates as of July 1						Percent Growth
	2010	2012	2014	2016	2018	2019	2010-19
Phoenix-Mesa-Scottsdale, AZ	4,204.2	4,329.8	4,489.0	4,673.3	4,849.2	4,948.2	17.7%
Atlanta-Sandy Springs-Roswell, GA	5,302.6	5,444.5	5,593.2	5,788.0	5,945.3	6,020.4	13.5
Austin-Round Rock, TX	1,727.5	1,834.6	1,942.5	2,062.0	2,165.5	2,227.1	28.9
Charlotte-Concord-Gastonia, NC-SC	2,250.1	2,318.7	2,400.5	2,499.7	2,593.0	2,636.9	17.2
Dallas-Fort Worth-Arlington, TX	6,392.1	6,644.6	6,889.8	7,194.8	7,455.8	7,573.1	18.5
Denver-Aurora-Lakewood, CO	2,554.5	2,650.3	2,754.0	2,856.8	2,931.7	2,967.2	16.2
Houston-The Woodlands-Sugar Land, TX	5,947.2	6,183.5	6,500.2	6,806.5	6,976.1	7,066.1	18.8
Las Vegas-Henderson-Paradise, NV	1,952.6	1,989.2	2,053.1	2,138.8	2,226.1	2,266.7	16.1
Los Angeles-Long Beach-Anaheim, CA	12,838.4	13,013.4	13,166.6	13,270.7	13,249.9	13,214.8	2.9
Miami-Fort Lauderdale-West Palm Beach, FL	5,583.4	5,745.7	5,893.9	6,055.7	6,143.8	6,166.5	10.4
Orlando-Kissimmee-Sanford, FL	2,139.2	2,225.6	2,324.4	2,455.6	2,574.8	2,608.1	21.9
Portland-Vancouver-Hillsboro, OR-WA	2,232.2	2,288.5	2,344.0	2,426.6	2,473.4	2,492.4	11.7
Riverside-San Bernardino-Ontario, CA	4,242.4	4,334.7	4,415.3	4,512.0	4,612.5	4,650.6	9.6
Sacramento-Roseville-Arden-Arcade, CA	2,153.6	2,190.3	2,235.6	2,291.5	2,341.9	2,363.7	9.8
Salt Lake City, UT	1,091.5	1,123.7	1,151.4	1,184.7	1,218.7	1,232.7	12.9
San Antonio-New Braunfels, TX	2,153.0	2,237.0	2,328.9	2,426.3	2,512.4	2,551.0	18.5
San Diego-Carlsbad, CA	3,103.2	3,174.3	3,248.9	3,306.1	3,333.9	3,338.3	7.6
San Francisco-Oakland-Hayward, CA	4,343.6	4,455.5	4,585.0	4,688.2	4,726.3	4,731.8	8.9
San Jose-Sunnyvale-Santa Clara, CA	1,841.6	1,894.5	1,949.6	1,987.6	1,993.8	1,990.7	8.1
Seattle-Tacoma-Bellevue, WA	3,449.2	3,558.8	3,675.2	3,816.4	3,935.2	3,979.8	15.4
Tampa-St. Petersburg-Clearwater, FL	2,788.4	2,843.6	2,927.4	3,049.0	3,154.6	3,194.8	14.6
Tucson, AZ	981.6	993.1	1,004.2	1,016.7	1,036.6	1,047.3	6.7

Source: U.S. Census Bureau

Based on July 1, 2019 estimates, the U.S. Census Bureau ranks the City of Phoenix as the 5th most populous city in the United States. Phoenix has held this same ranking since 2016.

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

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

Source: U.S. Census Bureau

In 2019, the City of Phoenix accounted for 34.0% of the total population of Phoenix MSA, and 23.1% of the total population of the State of Arizona.

City of Phoenix Population
As a percent of Phoenix MSA and the State (1)

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

(1) The 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.

Source: U.S. Census Bureau

Employment

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

Between 1990 and 2008, Arizona's civilian labor force saw growth of more than 80%. On average, approximately 95.7% of Arizona's civilian labor force was employed each year between 1990 and 2008. Civilian labor force employment has again been on the rise since 2011. In 2019, a total of 2,395,965 people in the civilian labor force in the Phoenix MSA were employed. This was a 4.3% increase in Phoenix MSA employment compared to 2018 and represented 70.8% of the state's total employment in 2019.

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

Year	Phoenix MSA Employment	State of Arizona Employment (1)	U.S. Employment
2019	2,395,965	3,384,504	157,538,000
2018	2,297,972	3,260,518	155,761,000
2017	2,214,974	3,160,248	153,337,000
2016	2,137,743	3,063,017	151,436,000
2015	2,064,061	2,972,014	148,834,000
2014	1,991,115	2,889,380	146,305,000
2013	1,918,061	2,794,697	143,929,000
2012	1,893,596	2,776,349	142,469,000
2011	1,867,553	2,748,470	139,869,000
2010	1,874,006	2,769,454	139,064,000

(1) The 2013-2017 data reflects revised population controls and model re-estimation.

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. Six of the peer MSAs had a total labor force higher than the Phoenix MSA in 2019.

Comparison of the Phoenix MSA's Labor Force
Status with 21 Peer MSAs
(not seasonally adjusted)

	Labor Force (in thousands)					
MSA (1)	2010	2012	2014	2016	2018	2019
Phoenix-Mesa-Scottsdale, AZ	2,073.3	2,044.3	2,115.7	2,241.6	2,397.0	2,498.0
Atlanta-Sandy Springs-Roswell, GA	2,720.0	2,791.0	2,800.4	2,936.9	3,056.7	3,090.1
Austin-Round Rock, TX	930.6	987.7	1,049.0	1,118.2	1,200.4	1,237.4
Charlotte-Concord-Gastonia, NC-SC	1,141.2	1,173.8	1,205.0	1,278.7	1,334.7	1,369.5
Dallas-Fort Worth-Arlington, TX	3,300.8	3,420.2	3,539.3	3,700.1	3,888.3	3,971.6
Denver-Aurora-Lakewood, CO	1,423.4	1,448.2	1,487.8	1,540.4	1,639.0	1,677.3
Houston-The Woodlands-Sugar Land, TX	2,970.3	3,112.3	3,243.3	3,297.6	3,381.4	3,428.9
Las Vegas-Henderson-Paradise, NV	984.4	999.3	1,016.4	1,048.5	1,102.0	1,131.6
Los Angeles-Long Beach-Anaheim, CA	6,454.6	6,477.4	6,561.6	6,627.8	6,713.4	6,745.0
Miami-Fort Lauderdale-W. Palm Beach, FL	2,807.7	2,906.7	2,984.5	3,023.3	3,120.0	3,158.2
Orlando-Kissimmee-Sanford, FL	1,137.4	1,162.6	1,202.5	1,256.7	1,331.2	1,361.6
Portland-Vancouver-Hillsboro, OR-WA	1,207.8	1,198.8	1,199.2	1,272.0	1,310.6	1,326.4
Riverside-San Bernardino-Ontario, CA	1,866.7	1,879.3	1,916.5	1,981.5	2,047.5	2,071.8
Sacramento-Roseville-Arden-Arcade, CA	1,049.8	1,047.9	1,044.7	1,068.3	1,089.6	1,101.0
Salt Lake City, UT	575.8	584.2	604.2	632.4	652.6	668.7
San Antonio-New Braunfels, TX	1,017.4	1,053.3	1,090.2	1,142.1	1,188.3	1,204.8
San Diego-Carlsbad, CA	1,515.2	1,540.4	1,540.7	1,563.0	1,581.5	1,590.6
San Francisco-Oakland-Hayward, CA	2,320.1	2,392.6	2,442.0	2,521.5	2,562.0	2,589.3
San Jose-Sunnyvale-Santa Clara, CA	954.4	987.0	1,019.1	1,058.2	1,074.9	1,085.2
Seattle-Tacoma-Bellevue, WA	1,888.3	1,895.3	1,943.3	2,033.1	2,121.4	2,172.0
Tampa-St. Petersburg-Clearwater, FL	1,384.7	1,410.6	1,432.5	1,473.2	1,524.0	1,554.3
Tucson, AZ	478.7	462.9	463.1	469.0	484.2	498.7

(1) The metro area name used by the Bureau of Labor Statistics may be different from that used by the Census Bureau and Bureau of Economic Analysis. The official name changes over time; the Bureau of Labor Statistics is slow to switch to the new name.

Source: U.S. Bureau of Labor Statistics

In 2019, the top source of total nonfarm employment, expressed as a percentage of total employment in the Phoenix MSA, was professional and business services (16.9%). Professional and business services include professional, scientific and technical services, the management of companies and enterprises, administrative, and waste management services. Other notable sources of employment were education and health services (15.5%), government (11.2%), retail trade (10.8%), and leisure and hospitality (10.7%). The industries listed in the following table are referred to as “supersectors” by the U.S. Bureau of Labor Statistics.

2019 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	3.6	13.5	735	0.2%	0.5%	0.5%
Construction	134.0	170.7	7,492	6.2	5.8	5.0
Manufacturing	133.2	177.3	12,840	6.1	6.0	8.5
Total Goods Producing	270.8	361.5	21,067	12.5	12.3	14.0
Wholesale Trade	82.9	98.7	5,903	3.8	3.4	3.9
Retail Trade	234.6	325.7	15,644	10.8	11.1	10.4
Transportation, Warehousing, Utilities	91.8	118.3	6,167	4.2	4.0	4.0
Information	40.3	48.8	2,860	1.9	1.7	1.9
Financial Activities	202.5	229.9	8,746	9.3	7.8	5.8
Professional & Business Services	368.9	444.6	21,313	16.9	15.1	14.1
Education & Health Services	338.1	461.8	24,177	15.5	15.7	16.0
Leisure and Hospitality	232.6	330.7	16,576	10.7	11.3	11.0
Other Services	70.9	94.9	5,893	3.3	3.2	3.9
Government	244.0	422.5	22,594	11.2	14.4	15.0
Total Services Providing	1,906.6	2,575.9	129,873	87.6	87.7	86.0
Total Nonfarm	2,177.4	2,937.4	150,940	100.0%	100.0%	100.0%

Source: U.S. Bureau of Labor Statistics

Comparing industries, the Phoenix MSA’s employment within goods-producing sectors (i.e. mining, manufacturing, and construction) was marginally higher than the State of Arizona as a share of total employment, but lower than the nation in 2019. This reflected an emphasis within the Phoenix MSA on services. Approximately 87.6% of the employment within the Phoenix MSA in 2019 was in service providing industries. Government accounted for approximately 244,000 of the 1.9 million services employment in the Phoenix MSA.

The following table presents the number of annual employees by industry in the Phoenix MSA, 2010 through 2019. Also included is a table comparing the Phoenix MSA compound annual growth rate by industry to the State of Arizona and the U.S. The highest compound annual growth rates in the Phoenix MSA occurred in construction (5.6%), transportation, warehousing, and utilities (4.7%), and financial activities (4.1%). There were also compound annual growth rates of 3.5% or more in information, education and health services, and professional and business services.

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

	2010	2012	2014	2016	2018	2019
Mining & Logging	3.0	3.5	3.4	3.2	3.5	3.6
Construction	82.4	88.0	95.4	105.3	124.3	134.0
Manufacturing	111.3	117.5	119.3	121.2	128.6	133.2
Total Goods Producing	196.7	209.0	218.1	229.7	256.4	270.8
Wholesale Trade	78.3	77.5	76.9	77.8	81.0	82.9
Retail Trade	204.4	207.5	216.7	227.9	234.9	234.6
Transportation, Warehousing, Utilities	60.9	66.2	69.3	79.4	87.1	91.8
Information	28.5	32.2	36.1	37.2	39.0	40.3
Financial Activities	140.8	150.3	161.6	177.8	194.1	202.5
Professional & Business Services	269.6	284.7	308.2	336.8	355.2	368.9
Education & Health Services	241.1	257.6	271.0	296.6	324.3	338.1
Leisure and Hospitality	173.4	183.3	199.1	215.6	228.1	232.6
Other Services	63.8	62.3	63.5	65.6	69.1	70.9
Government	234.8	229.9	232.6	235.4	239.4	244.0
Total Service Providing	1,495.6	1,551.5	1,635.0	1,750.1	1,852.2	1,906.6
Total Non-farm	1,692.3	1,760.5	1,853.1	1,979.8	2,108.6	2,177.4

Source: U.S. Bureau of Labor Statistics

Non-Farm Wage and Salary Employment
Phoenix MSA
(2010 to 2019 compound annual growth rate)

	Phoenix MSA	State of Arizona	U.S.
Mining & Logging	2.0%	2.4%	0.5%
Construction	5.6	4.8	3.5
Manufacturing	2.0	1.9	1.2
Wholesale Trade	0.6	0.5	1.0
Retail Trade	1.5	1.3	0.9
Transportation, Warehousing, Utilities	4.7	4.3	3.0
Information	3.9	2.9	0.6
Financial Activities	4.1	3.6	1.4
Professional & Business Services	3.5	3.1	2.7
Education & Health Services	3.8	3.2	2.1
Leisure and Hospitality	3.3	3.0	2.7
Other Services	1.2	0.8	1.1
Government	0.4	0.2	0.1
Total Nonfarm	2.8	2.3	1.6

Source: U.S. Bureau of Labor Statistics

The compound annual growth in the Phoenix MSA between 2010 and 2019 was higher than both the state's and the nation's compound annual growth for total nonfarm industries. In fact, compound annual growth in the Phoenix MSA was higher than or equal to the state's compound annual growth in all categories examined except mining and logging. The compound annual growth in the Phoenix MSA was higher than the nation's compound annual growth in all categories examined except wholesale trade. Between 2010 and 2019, the compound annual growth rate for employment in goods producing industries was 3.6% in the Phoenix MSA, a higher growth rate than the state's 3.2% and the nation's 1.9%. For service providing industries, the compound annual growth rate in the Phoenix MSA was 2.7%—a higher growth rate than the state's 2.2%, and the nation's 1.6%.

The table below shows that the Phoenix MSA's total nonfarm job annual growth in percent terms was higher than the growth rates for the State of Arizona and the nation on an annual basis from 2011 onwards.

Comparison of Total Annual Job Growth Rates

Year	Phoenix MSA	State of Arizona	U.S.
2019	3.3%	2.8%	1.4%
2018	3.4	2.9	1.6
2017	3.0	2.5	1.6
2016	3.4	2.7	1.8
2015	3.4	2.6	2.1
2014	2.3	2.0	1.9
2013	2.9	2.3	1.6
2012	2.5	2.1	1.7
2011	1.5	1.1	1.2
2010	-1.9	1.9	-0.7

Source: U.S. Bureau of Labor Statistics

The following table estimates the top 50 major employers in the Phoenix MSA in 2019.

Phoenix MSA Top 50 Employers, 2019

Employer	Employees	Sector
Banner Health	28,520	Health
State of Arizona	26,460	Government
Walmart	18,620	Retail
Fry's Food Stores	15,850	Retail
Wells Fargo	13,950	Finance & Insurance
Maricopa County	13,360	Government
City of Phoenix	12,190	Government
Intel Corporation	11,410	Manufacturing
Arizona State University	10,960	Education
JPMorgan Chase Bank National Association	9,430	Finance & Insurance
HonorHealth	9,430	Health
Bank of America	9,250	Finance & Insurance
Dignity Health	9,100	Health
Amazon	9,050	Retail
Mesa Unified School District 4	8,500	Education
Honeywell	8,450	Manufacturing
United States Department of the Air Force	7,720	Government
United States Postal Service	7,680	Government
Home Depot	7,620	Retail
McDonalds	7,600	Accommodation & Food Services
State Farm Insurance	7,460	Finance & Insurance
Safeway	6,860	Retail
American Express	6,600	Finance & Insurance
Mayo Clinic	6,150	Health
U Haul	6,110	Management of Companies & Enterprises
CVS Pharmacy	5,840	Retail
Maricopa County Community College District	5,590	Education
Walgreen Co	5,400	Retail
Pinnacle West Capital Corporation	5,280	Utilities
SRP	5,250	Utilities
Phoenix Children's Hospital	4,830	Health
Target Stores Inc	4,810	Retail
Starbucks	4,640	Accommodation & Food Services
Chandler Unified School District 80	4,630	Education
The Boeing Company	4,600	Manufacturing
UnitedHealth Group	4,420	Health
Vanguard	4,350	Finance & Insurance
USAA	4,350	Finance & Insurance
Abrazo Healthcare	4,270	Health
Costco Wholesale	4,150	Retail
City of Mesa	4,100	Government
Deer Valley Unified School District 97	3,950	Education
Peoria Unified School District 11	3,910	Education
Paradise Valley Unified School District 69	3,870	Education
Gilbert Unified School District 41	3,800	Education
Charles Schwab	3,740	Finance & Insurance
Grand Canyon University	3,690	Education
Fedex	3,630	Transportation and Warehousing
Sprouts Farmers' Market	3,570	Retail
Marriott	3,510	Accommodation & Food Services

Source: Maricopa Association of Governments 2019 Employer Database

Unemployment

The following table summarizes the proportion of the civilian labor force unemployed each year in the Phoenix MSA since 2010. The absolute number of unemployed people declined steadily from 2010 to 2017 but increased slightly in 2018. While the Phoenix MSA unemployment rate currently remains below the unemployment rate for the State of Arizona, it is higher than the unemployment rate in the nation in 2018 and 2019.

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
2019	102,018	4.1%	4.7%	3.7%
2018	98,992	4.1	4.7	3.9
2017	97,865	4.2	4.9	4.4
2016	103,851	4.6	5.4	4.9
2015	113,374	5.2	6.1	5.3
2014	124,630	5.9	6.8	6.2
2013	137,385	6.7	7.7	7.4
2012	150,728	7.4	8.3	8.1
2011	176,738	8.6	9.5	8.9
2010	199,290	9.6	10.4	9.6

Source: U.S. Bureau of Labor Statistics

The following table compares the unemployment rate in the Phoenix MSA with 21 peer MSAs. The peer MSAs consist of every western metro of more than one million people, plus other Sun Belt metros of more than 2 million people. Only one of the MSAs listed in the table has a higher percent of its labor force unemployed. This is Tucson MSA.

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

	Unemployment rate (percent of labor force)					
MSA	2010	2012	2014	2016	2018	2019
Phoenix-Mesa-Scottsdale, AZ	9.6%	7.4%	5.9%	4.6%	4.1%	4.1%
Atlanta-Sandy Springs-Roswell, GA	10.3	8.8	6.7	5.1	3.8	3.2
Austin-Round Rock, TX	7.0	5.7	4.2	3.3	2.9	2.7
Charlotte-Concord-Gastonia, NC-SC	11.7	9.3	6.2	4.8	3.7	3.5
Dallas-Fort Worth-Arlington, TX	8.1	6.6	5.0	3.9	3.5	3.3
Denver-Aurora-Lakewood, CO	8.7	7.7	4.8	3.1	3.0	2.7
Houston-The Woodlands-Sugar Land, TX	8.3	6.6	4.9	5.3	4.3	3.8
Las Vegas-Henderson-Paradise, NV	13.8	11.3	8.0	5.8	4.7	4.0
Los Angeles-Long Beach-Anaheim, CA	11.8	10.2	7.6	5.0	4.2	4.0
Miami-Fort Lauderdale-West Palm Beach, FL	10.8	8.2	6.3	4.9	3.5	2.8
Orlando-Kissimmee-Sanford, FL	11.1	8.4	6.0	4.5	3.4	3.0
Portland-Vancouver-Hillsboro, OR-WA	10.2	8.0	6.1	4.6	3.8	3.5
Riverside-San Bernardino-Ontario, CA	13.7	11.5	8.1	6.0	4.3	4.0
Sacramento-Roseville-Arden-Arcade, CA	12.4	10.3	7.1	5.3	3.8	3.6
Salt Lake City, UT	7.7	5.3	3.7	3.2	3.0	2.5
San Antonio-New Braunfels, TX	7.2	6.3	4.6	3.8	3.3	3.1
San Diego-Carlsbad, CA	10.8	9.1	6.4	4.7	3.4	3.2
San Francisco-Oakland-Hayward, CA	9.9	7.8	5.2	3.8	2.8	2.6
San Jose-Sunnyvale-Santa Clara, CA	10.5	8.0	5.3	3.9	2.7	2.6
Seattle-Tacoma-Bellevue, WA	9.7	7.2	5.2	4.4	3.7	3.3
Tampa-St. Petersburg-Clearwater, FL	11.1	8.2	6.0	4.6	3.6	3.2
Tucson, AZ	9.3	7.4	6.0	4.9	4.4	4.4

Source: U.S. Bureau of Labor Statistics

Gross Domestic Product

Gross Domestic Product, or GDP, is the monetary value of all finished goods and services produced in the U.S. on an annual or quarterly basis. GDP includes all public and private sector purchases, government expenditures, investments, and the difference between exports and imports. This metric is often used by economists to describe the health of the U.S. economy. Between 2001 and 2008, the Phoenix MSA was a major contributor to the state's GDP, accounting for more than 75.0% of the value. In 2009 and 2010, the Phoenix MSA's annual contribution to state GDP fell to approximately 70.4%. The GDP of the Phoenix MSA has increased steadily since 2010, along with its contribution to the overall state GDP. In 2018, the GDP of the Phoenix MSA was 73.3% of the State of Arizona's GDP.

Phoenix MSA
Annual Contribution to GDP
In the State of Arizona

	GDP (millions of current dollars)		Phoenix MSA Percent Contribution to State
Year	**Phoenix MSA**	**State of Arizona**	
2018	$255,211.8	$348,297.1	73.3%
2017	238,929.5	327,495.8	73.0
2016	227,723.7	311,091.0	73.2
2015	216,944.8	297,141.2	73.0
2014	206,006.9	284,430.0	72.4
2013	197,943.5	275,199.1	71.9
2012	192,799.9	268,288.8	71.9
2011	182,446.6	257,947.8	70.7
2010	174,791.3	248,210.0	70.4

Source: U.S. Bureau of Economic Analysis

Between 2001 and 2007, private industries were the top contributor to total GDP. Private Industries contributed on average 90.3% of the Phoenix MSA's total GDP, while the average annual government contribution was 9.7%. When the recession began in 2008, the GDP contribution of the Phoenix MSA's private industries fell as low as 88.8% in 2010. The following table estimates the current dollars contribution of different Phoenix MSA industry sectors to GDP in the State of Arizona. In 2018, private industries in total contributed 90.2% of GDP in the Phoenix MSA. Finance, insurance, real estate, rental, and leasing accounted for 24.0% of the Phoenix MSA's total GDP in 2018. Professional and business services accounted for 12.9% of total GDP that same year. Education and health care accounted for 9.9% of total GDP in 2018—the third highest contribution in the Phoenix MSA.

Phoenix MSA
GDP Contribution by Industry Sector

Industry Sector	GDP Contribution (in millions of dollars)				
	2010	2012	2014	2016	2018
Private Industries -					
Agriculture, Forestry, Fishing, and Hunting	$204.8	$691.4	$952.7	$616.8	$117.4
Mining and Quarrying	1,991.4	2,281.5	1,742.3	1,118.4	1,611.4
Utilities	3,423.4	3,586.9	3,577.4	4,308.7	4,525.7
Construction	7,330.3	7,176.9	8,321.7	10,286.7	13,139.7
Manufacturing	16,678.7	18,644.0	18,278.7	19,875.9	21,415.8
Wholesale Trade	12,882.5	14,576.9	14,436.3	15,297.5	16,727.3
Retail Trade	13,168.6	15,129.4	16,257.8	16,912.0	17,601.9
Transportation and Warehousing	5,699.2	6,073.0	6,523.8	7,546.4	9,009.9
Information	5,550.9	5,648.5	7,189.5	7,988.6	9,428.6
Finance, Insurance, Rental, Real Estate & Leasing	36,859.1	42,624.5	46,802.8	54,058.9	61,146.2
Professional & Business Services	22,014.3	23,757.4	26,441.2	29,170.0	32,838.4
Education & Health Care	17,315.5	18,787.8	19,911.9	22,392.0	25,246.3
Arts, Entertainment & Recreation, and Accommodation & Food Services	7,638.1	8,981.1	9,540.8	10,504.8	12,244.8
Other Services (excluding Government)	3,515.9	3,831.0	4,232.6	4,581.1	5,111.1
Total Private Industries	$154,272.8	$171,790.3	$184,209.4	$204,657.8	$230,164.4
Government	20,518.5	21,009.6	21,797.5	23,065.9	25,047.4
Total All Industries	$174,791.3	$192,799.9	$206,006.9	$227,723.7	$255,211.8

Source: U.S. Bureau of Economic Analysis

The Phoenix MSA's average annual real GDP from 2010 through 2018 was $201.4 billion in chained 2012 dollars. In 2018, the Phoenix MSA ranked 9th among the 22 MSAs examined in this report, while the neighboring Tucson, AZ MSA ranked last in the group. However, the primary measure of economic performance internationally is per capita GDP. The following GDP table therefore compares the real GDP per capita contributions of the Phoenix MSA with the 21 peer MSAs.

The average annual real GDP per capita contribution in the Phoenix MSA from 2010 through 2018 was $44,670. For the most recent year available (2018), real GDP per capita in the Phoenix MSA was $46,965, expressed in chained 2012 dollars. The Phoenix MSA ranks 19th among the MSAs when considering real GDP per capita in 2018. The compound annual growth rate for real GDP per capita in the Phoenix MSA from 2010 through 2018 was 1.1%.

Real GDP per Capita:
Peer Metropolitan Statistical Areas

	Real GDP per Capita (millions of chained 2012 Dollars)(1)					Compound Annual Growth Rate
	2010	2012	2014	2016	2018	
Phoenix-Mesa-Scottsdale, AZ	$ 43,059	$ 44,529	$ 44,095	$ 45,125	$ 46,965	1.1%
Atlanta-Sandy Springs-Roswell, GA	52,559	52,819	54,930	57,855	60,099	1.7
Austin-Round Rock, TX	53,410	54,102	55,836	58,810	62,072	1.9
Charlotte-Concord-Gastonia, NC-SC	50,707	54,928	54,337	55,642	56,620	1.4
Dallas-Fort Worth-Arlington, TX	55,017	56,480	58,728	60,699	62,893	1.7
Denver-Aurora-Lakewood, CO	57,075	57,682	60,557	62,880	66,162	1.0
Houston-The Woodlands-Sugar Land, TX	64,122	65,405	64,683	63,048	63,837	-0.1
Las Vegas-Henderson-Paradise, NV	45,675	44,848	45,023	46,380	48,346	0.7
Los Angeles-Long Beach-Anaheim, CA	59,341	60,559	62,830	66,308	71,024	2.3
Miami-Fort Lauderdale-West Palm Beach, FL	46,183	45,089	46,657	48,802	51,276	1.3
Orlando-Kissimmee-Sanford, FL	44,989	44,288	45,099	46,653	48,226	0.9
Portland-Vancouver-Hillsboro, OR-WA	50,735	52,123	53,316	56,867	60,660	2.3
Riverside-San Bernardino-Ontario, CA	30,222	30,590	32,295	34,154	35,749	2.1
Sacramento-Roseville-Arden-Arcade, CA	47,049	47,297	49,828	52,198	54,933	2.0
Salt Lake City, UT	59,130	61,572	62,489	65,581	67,640	1.7
San Antonio-New Braunfels, TX	39,795	41,400	44,745	47,000	48,217	2.4
San Diego-Carlsbad, CA	56,088	56,811	59,613	61,669	65,798	2.0
San Francisco-Oakland-Hayward, CA	77,774	81,831	87,412	94,677	105,197	3.8
San Jose-Sunnyvale-Santa Clara, CA	94,699	102,493	118,639	136,247	159,995	6.8
Seattle-Tacoma-Bellevue, WA	72,162	75,775	79,166	82,564	90,380	2.9
Tampa-St. Petersburg-Clearwater, FL	42,493	42,317	42,576	43,824	44,983	0.7
Tucson, AZ	37,078	36,686	36,069	36,524	38,600	0.5

Source: U.S. Bureau of Economic Analysis

(1) These are chained dollar, which is a method of adjusting real dollar amounts for inflation over time, to enable comparison from different years. The U.S. Department of Commerce introduced the chained-dollar measure in 1966. Chained dollars, generally reflect dollar figures compared with 2012 as the base year.

Phoenix MSA Income

Exclusively focused on money, per capita income is derived by dividing the total aggregate income by the total population. In the table below, per capita income in 2018 dollars in the Phoenix MSA was $32,438. The Phoenix MSA ranked 15th out of the 22 peer MSAs on this measure. The comparative per capita income figures for the State of Arizona and the nation in 2018 are $30,530 and $33,831 respectively.

Income Peer Metropolitan Statistical Areas

	Per Capita Income (2018 dollars)
U.S.	$33,831
State of Arizona	30,530
Phoenix-Mesa-Scottsdale, AZ	32,438
Atlanta-Sandy Springs-Roswell, GA	35,539
Austin-Round Rock, TX	40,087
Charlotte-Concord-Gastonia, NC-SC	34,639
Dallas-Fort Worth-Arlington, TX	34,971
Denver-Aurora-Lakewood, CO	42,116
Houston-The Woodlands-Sugar Land, TX	32,996
Las Vegas-Henderson-Paradise, NV	30,754
Los Angeles-Long Beach-Anaheim, CA	35,938
Miami-Fort Lauderdale-West Palm Beach, FL	32,058
Orlando-Kissimmee-Sanford, FL	29,431
Portland-Vancouver-Hillsboro, OR-WA	38,987
Riverside-San Bernardino-Ontario, CA	27,329
Sacramento-Roseville-Arden-Arcade, CA	35,194
Salt Lake City, UT	33,158
San Antonio-New Braunfels, TX	27,969
San Diego-Carlsbad, CA	37,841
San Francisco-Oakland-Hayward, CA	56,393
San Jose-Sunnyvale-Santa Clara, CA	57,797
Seattle-Tacoma-Bellevue, WA	46,204
Tampa-St. Petersburg-Clearwater, FL	31,831
Tucson, AZ	29,410

Source: American Community Survey 2018 (One-Year Estimate)

The next table shows total personal income and per capita personal income in current dollars for the Phoenix MSA, 2010 through 2018. 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."

Phoenix MSA
Total Personal and per Capita Personal Income

Year	Total Personal Income (in millions of dollars)	Per Capita Personal Income (in current dollars)	Per Capita Personal Income Annual Percent Change
2018	$224,072.1	$46,125	4.3%
2017	210,503.3	44,208	4.1
2016	198,541.1	42,460	2.4
2015	190,038.9	41,483	3.9
2014	179,406.2	39,944	4.5
2013	168,285.7	38,206	0.9
2012	163,954.8	37,856	3.9
2011	154,981.3	36,433	4.2
2010	146,975.8	34,955	0.6

Source: U.S. Bureau of Economic Analysis

The Greater Phoenix Blue Chip Consensus Panel estimates that current personal income in the Greater Phoenix area (the Phoenix MSA, Maricopa County, and Pinal County) increased by 6.3% in 2019.

Phoenix MSA Exports

In 2018, the Phoenix MSA was the 24th largest U.S. exporter by merchandise export value based on origin of movement zip code data collected by the International Trade Administration. In total, the Phoenix MSA exported more than $13.6 billion in goods that year. This was a 3% increase over 2017, but still $207 million less than the peak value in 2015.

Mexico was the top foreign market, accounting for 21.3% of the Phoenix MSA's total goods exports in 2018. Canada accounted for 9.1% of the Phoenix MSA's total goods exports, and China 7.3%.

Phoenix MSA
Annual Exports

Year	Value (millions of dollars)	Annual Growth Rate
2018	$13,614,869,197	3.0%
2017	13,223,063,245	3.0
2016	12,838,188,632	-7.1
2015	13,821,528,121	8.3
2014	12,764,439,477	11.3
2013	11,473,532,187	5.9
2012	10,834,262,990	-0.7
2011	10,914,400,733	16.8
2010	9,342,732,987	17.6

Source: International Trade Administration

Real Estate Market

The Phoenix real estate market has rebounded since the Great Recession of 2007-2009, when an overabundance of single-family residential buildings followed by a high foreclosure rate and a decline in population growth up to 2011, negatively impacted the market. At the height of the recession, in March 2010, the Phoenix MSA had 63,182 properties that were in some stage of foreclosure. In December 2019, the number of distressed properties in the Phoenix MSA had fallen to 3,349 units. Within the City of Phoenix itself, there were 34,795 more housing units in 2019 than 2010 – an increase of 5.9% for a population that grown 11.8% during the same time horizon.

As of 2019, there were more than six times as many housing permits issued in the City of Phoenix as 2011. There were also approximately four times as many housing permits issued in the Phoenix MSA and three and a half times as many permits issued in the state over the same period. An estimated 42.2% of the permits in the City of Phoenix in 2019 were for single family units. In the Phoenix MSA, single family units accounted for 69.8% of provisional permits, and in the state 73.0%. Permitting always occurs before housing starts.

An estimated 91.5% of housing units were occupied in the City of Phoenix in 2018. Approximately 53.6% of the occupied housing units in the City of Phoenix in 2018 were owner occupied, and 46.4% renter occupied. The average household size in each 3.0 for owner-occupied units, and 2.7 for renter-occupied units. The median dollar value of an owner-occupied home in the City of Phoenix was $249,100 in 2018. That was $19,400 higher than the median dollar value of an owner-occupied home in the nation. The gross median rent for an occupied unit in the City of Phoenix in 2018 was $1,049 per month.**

** U.S. Census Bureau, 2018 American Community Survey 1-Year Estimates/Maricopa Association of Governments.

New Privately-Owned Housing Units Authorized
Phoenix MSA and Arizona

	1 Unit			2 Units			3 or 4 Units			5+ Units			Total		
Year	**City**	**MSA**	**AZ**	**City**	**MSA**	**AZ**	**City**	**MSA**	**AZ**	**City**	**MSA**	**AZ**	**City**	**MSA**	**AZ**
2020 Q1	930	7,319	9,455	40	62	100	—	54	60	2,202	4,148	4,580	3,172	11,583	14,195
2019	4,175	25,026	33,981	308	664	876	11	174	202	5,404	10,009	11,521	9,898	35,873	46,580
2018	3,732	23,526	32,127	206	466	646	86	203	264	3,238	7,148	8,627	7,262	31,343	41,664
2017	2,932	20,471	28,072	112	302	432	96	212	273	3,692	8,327	10,695	6,832	29,312	39,472
2016	2,479	18,433	24,853	60	410	484	62	161	168	4,371	9,579	10,073	6,972	28,583	35,578
2015	2,265	16,621	22,311	10	168	222	54	186	225	2,282	5,427	6,152	4,611	22,402	28,910
2014	1,608	11,557	16,841	40	156	230	44	125	137	3,446	8,503	9,789	5,138	20,341	26,997
2013	1,673	12,959	18,386	36	128	214	132	201	213	1,290	5,449	6,396	3,131	18,737	25,209
2012	1,650	11,931	16,189	2	176	244	154	161	210	2,628	3,699	5,083	4,434	15,967	21,726
2011	952	7,297	10,306	2	18	54	29	80	115	645	1,686	2,532	1,628	9,081	13,007

Source: Maricopa Association of Governments

Population and Housing Units
City of Phoenix

Year	Population (1)	Change in Population	Housing	Change in Housing Units (2)
2019	1,617,344	19,606	625,407	6,355
2018	1,597,738	18,485	619,052	5,589
2017	1,579,253	19,233	613,463	4,060
2016	1,560,020	24,005	609,403	6,070
2015	1,536,015	29,576	603,333	2,744
2014	1,506,439	20,688	600,589	3,913
2013	1,485,751	19,528	596,676	2,486
2012	1,466,223	14,257	594,190	2,063
2011	1,451,966	4,838(3)	592,127	1,515(3)

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

(2) 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.

(3) Change over five quarters from the decennial census figure on April 1, 2010.

Source: Maricopa Association of Governments

New Housing Starts (1)

Year	City of Phoenix
2019	9,898
2018	7,262
2017	6,832
2016	6,972
2015	4,611
2014	5,138
2013	3,131
2012	4,434
2011	1,628
2010	1,695

(1) Reflects housing permits authorized, by units, including single-family, multi-family and mobile homes.

Source: U.S. Census Bureau

According to CB Richard Ellis, 525,096 square feet of retail space was under construction in the Phoenix MSA in the first quarter of 2020 — the lowest quarterly total since year-end 2014. Net absorption totaled 306,161 square feet, and gross activity totaled 585,510 square feet. Paradise Valley led net absorption in the Phoenix MSA. The northwest Phoenix submarket alone reported negative absorption. The average asking lease rate was $16.57 per square foot of retail real estate– that's 78 cents per square foot less than two years ago. The Covid-19 pandemic is expected to negatively impact retail real estate, due to job losses in the retail sector.

Retail Real Estate Market
Phoenix MSA

Year	Vacancy Rate	Year to Date Net Absorption (square feet)	Change in Inventory (square feet)
2020 Q1	7.8%	306,161	131,839
2019	8.0	1,200,000	387,828
2018	8.4	1,181,675	997,933
2017	8.1	1,601,498	580,776
2016	8.9	1,321,833	1,204,766
2015	9.1	1,150,192	164,859
2014	9.6	1,487,313	-49,225
2013	10.2	1,579,202	-325,959
2012	11.0	1,879,005	184,392
2011	12.2	-152,647	24,353

Source: CB Richard Ellis

Office Real Estate Market
Phoenix MSA

The metro Phoenix office market performed exceptionally well in 2019, and experienced positive net absorption for the 39th straight quarter in 2020 Q1 (340,411 square feet). The Phoenix MSA currently has 2.3 million square feet of office construction underway, up 15 percent from the year-end total of 2.0 million square feet. The average fill service gross asking lease rate in 2020 Q1 is $27.50 per square foot – a 50 cents per square foot increase compared to 2019 Q4. CB Richard Ellis expects office employment to be less negatively affected by Covid-19 than recessions. *

Year	Vacancy Rate	Year to Date Net Absorption (square feet)	Change in Inventory (square feet)
2020 Q1	14.4%	340,441	544,456
2019	14.1	3,210,676	2,705,928
2018	15.2	2,473,034	-15,597
2017	16.4	2,839,559	2,731,217
2016	17.4	3,219,853	1,045,155
2015	19.3	3,779,039	3,763,828
2014	21.1	1,969,716	1,107,906
2013	22.4	1,712,366	-35,566
2012	23.9	2,020,529	973,282
2011	25.5	1,857,433	3,144,910

Source: CB Richard Ellis

Industrial/Commercial Real Estate Market
Phoenix MSA

The metro Phoenix industrial market experienced its 40th consecutive quarter of positive net absorption (4,020,361 square feet) in 2020 Q1. The average asking lease rate of $0.69 per square foot in 2020 Q1 is marginally up from 2019 Q4 ($0.68 per square foot) but 5 cents higher than 2019 Q1 ($0.64 per square foot). Construction is currently concentrated in the Southwest Valley due to availability and affordability of land.**

Year	Vacancy Rate	Year to Date Net Absorption (square feet)	Change in Inventory (square feet)
2020 Q1	5.6%	4,020,361	1,960,816
2019	6.3	10,677,269	8,331,727
2018	6.5	9,781,257	8,966,852
2017	6.8	9,898,893	6,988,240
2016	8.0	9,497,677	5,136,644
2015	10.1	7,046,663	3,966,434
2014	11.0	6,214,680	6,791,313
2013	11.4	8,783,982	8,902,571
2012	10.9	7,405,168	3,358,724
2011	12.4	7,753,111	1,954,037

Source: CB Richard Ellis

* CBRE Phoenix Office Market View, Phoenix Office, Q1 2020

** CBRE Phoenix Industrial & Logistics Market View, Phoenix Office, Q1 2020

Outlook/Summary

The outlook for 2020 and 2021 is heavily dependent on the Covid-19 pandemic. The Economic Business and Research Center at Eller College of Management currently forecasts year-on-year falls of 5.3% in retail sales and 6.2% in total nonfarm employment for metro Phoenix in 2020, followed by year-on-year increases of 9.4% and 6.1% respectively in 2021. ASU's Greater Phoenix Blue Chip consensus forecast also predicts a weak second quarter in 2020, including a GDP fall of up to 35%. The Blue Chip consensus then forecasts a slow recovery in the second half of the year, which continues throughout 2021. However, both forecasts assume that a Covid-19 vaccine will be discovered over the next twelve months. If the coronavirus peaks in the summer, CB Richard Ellis also suggests that the federal government's fiscal and monetary stimulus, together with private pent-up demand, could help the economy return to growth by year-end.*

* CBRE Phoenix Retail Market View, Phoenix Office, Q1 2020

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APPENDIX B

City of Phoenix, Arizona — Financial Data

VALUATIONS

2019-20 Fiscal Year

Limited Net Assessed Valuation	$ 13,223,017,360(1)
Total Property Tax Levy	281,597,378
Full Cash Value	179,418,109,860(2)

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

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

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

The City's preliminary fiscal year 2020-21 limited net assessed valuation is $13,923,185,918, a 5.3% increase from fiscal year 2019-20. The City's preliminary full cash value for fiscal year 2020-21 is $198,012,408,578, a 10.4% increase from fiscal year 2019-20. The City's preliminary full cash net assessed valuation for fiscal year 2020-21 is $19,889,713,798, a 9.3% increase from fiscal years 2019-20. These valuations are from the Maricopa County Assessor's Office and are subject to change until approved by the Maricopa County Board of Supervisors no later than August 2020. The property tax information in Appendix B contains data for fiscal year 2019-20.

Arizona Property Tax System

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

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

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

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

Basis of Property Assessments (1)

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

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

(2) Pursuant to legislation signed into law by the Governor on February 17, 2011, the assessment ratio for mines, utilities, commercial and industrial property was reduced to 19.5% for tax year 2013 and further reduced one-half of one percent for each year to 18% for 2016 and thereafter.

(3) Legislation authorized by an amendment to the Constitution of Arizona by vote at the November 5, 1996 general election provided for a reduced assessment factor on commercial, industrial and agricultural personal property by granting exemptions. The exemption amount is adjusted annually for inflation by the Arizona Department of Revenue. The maximum exempt amounts for tax years 2018 and 2019 are $167,130 and $176,003, respectively. Any portion of the full cash value in excess of those amounts will be assessed at the applicable assessment factor.

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

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

Property Tax Procedures

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

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

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

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

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

Delinquent Tax Procedures

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

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

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

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

VALUATION HISTORY

Full Cash Value History

Fiscal Year	City of Phoenix	Maricopa County	State of Arizona
2019-20	$179,418,109,860	$552,974,238,023	$800,497,344,608
2018-19	164,275,190,973	508,477,424,166	739,955,361,749
2017-18	152,048,146,858	475,077,339,532	695,772,327,425
2016-17	140,141,257,980	443,207,234,847	656,511,478,502
2015-16	127,280,069,634	403,013,954,546	604,197,687,777
2014-15	106,487,248,298	339,536,632,619	526,147,191,080
2013-14	98,192,505,929	310,300,014,896	496,834,618,484
2012-13	103,538,836,913	321,960,273,828	518,109,307,694
2011-12	116,576,023,469	359,682,345,890	564,956,275,063
2010-11	144,772,030,661	444,097,351,502	672,005,436,964

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
2019-20	$13,223,017,360	$43,194,326,395	$66,154,632,834
2018-19	12,399,776,105	40,423,232,423	62,328,357,186
2017-18	11,721,385,399	38,251,891,249	59,404,007,785
2016-17	10,982,150,871	36,135,494,474	56,573,588,295
2015-16	10,577,031,720	34,623,670,323	54,840,074,052
2014-15	10,298,185,184	33,519,795,354	53,549,091,433
2013-14	9,889,798,785	31,996,204,979	52,141,911,206
2012-13	10,803,375,535	34,263,842,276	55,852,336,047
2011-12	12,232,482,029	38,492,098,635	60,933,046,739
2010-11	15,102,603,682	46,842,818,990	71,379,821,611

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

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

Fiscal Year	Commercial/ Utilities/ Industrial	Residential	Rural & Other	Total
2019-20	$5,459,355,615	$7,444,157,108	$319,504,637	$13,223,017,360
2018-19	5,159,913,759	6,938,818,656	301,043,690	12,399,776,105
2017-18	4,922,316,144	6,491,721,411	307,347,844	11,721,385,399
2016-17	4,642,739,507	6,062,572,209	276,839,155	10,982,150,871
2015-16	4,579,069,622	5,701,785,501	296,176,597	10,577,031,720
2014-15	4,700,793,219	5,788,310,977	329,529,990	10,818,634,186
2013-14	4,662,456,790	4,979,086,325	333,170,056	9,974,713,171
2012-13	5,254,483,552	5,228,248,100	367,012,004	10,849,743,656
2011-12	5,869,685,387	6,000,142,267	473,945,901	12,343,773,555
2010-11	7,710,938,700	7,643,363,104	738,006,519	16,092,308,323

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

Source: Maricopa County Finance Department

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

Full Cash Net Assessed Valuation History

Fiscal Year	City of Phoenix	Maricopa County	State of Arizona
2019-20	$18,193,680,624	$56,588,192,576	$82,730,928,616
2018-19	16,665,875,186	51,944,549,129	76,437,036,352
2017-18	15,366,353,843	48,351,864,363	71,673,967,461
2016-17	14,008,918,676	44,850,741,762	67,264,430,756
2015-16	12,783,575,022	41,124,639,380	62,635,586,917
2014-15	10,818,634,186	35,079,646,593	55,353,879,728
2013-14	9,974,713,171	32,229,006,810	52,598,341,678
2012-13	10,849,743,656	34,400,455,712	56,283,023,907
2011-12	12,343,773,555	38,760,296,714	61,764,402,653
2010-11	16,092,308,323	49,662,543,618	76,644,423,588

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
Top 20 Property Taxpayers
2019-20

Taxpayer	2019-20 Limited Net Assessed Valuation	As % of City Total Limited Net Assessed Valuation
Arizona Public Service Company	$451,275,070	3.41%
Southwest Gas Corporation	92,419,691	0.70
CenturyLink (Qwest Communications)	51,162,084	0.39
Host Kierland LP	40,957,121	0.31
Host Camelback I LLC	36,932,144	0.28
Esplanade Owner LP	30,990,738	0.23
Phoenix Plaza PT LLC	25,368,010	0.19
Target Corporation	22,305,170	0.17
Apollo Group Inc	22,071,941	0.17
United Services Automobile Association	21,624,605	0.16
BRE Iconic ABR Owner LLC	19,355,867	0.15
AB/VWP BFC Owner LLC	18,318,833	0.14
Western B West AZ LLC	18,236,721	0.14
Safeway Inc	17,374,513	0.13
Verizon Wireless	16,950,307	0.13
AT&T Corporation	15,674,588	0.12
Kierland Greenway LLC	15,657,987	0.12
Viola Lordsmeer LP	14,415,649	0.11
Arizona Grand Resort LLC	14,363,127	0.11
Liberty Property LP	14,304,092	0.10
Total	$959,758,258	7.26%

Note: Total percentage may not add due to rounding.

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
2019-20	$1.31	$0.82	$2.13
2018-19	1.32	0.82	2.14
2017-18	1.34	0.82	2.16
2016-17	1.34	0.83	2.17
2015-16	1.34	0.48	1.82
2014-15	1.35	0.47	1.82
2013-14	1.47	0.35	1.82
2012-13	1.24	0.58	1.82
2011-12	1.05	0.77	1.82
2010-11	0.88	0.94	1.82

Maricopa County assesses and collects all City property taxes. Property taxes are payable in two installments. The first installment is due on the first business day of October and becomes delinquent on the first business day of November. The second installment is due on the first business day of March and becomes delinquent on the first business day of May. Interest at the rate of 16% per annum attaches on first and second installments following delinquent dates. The following table sets forth the City's tax levy and the tax collection record for fiscal year 2019-20 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
2019-20	$2.13	$281,597,378	$271,366,282	96.4%	$274,981,204	97.7%
2018-19	2.14	265,404,808	260,407,895	98.1	263,688,880	99.4
2017-18	2.16	253,181,925	248,097,481	98.0	249,999,942	98.7
2016-17	2.17	238,312,673	234,999,427	98.6	237,091,724	99.5
2015-16	1.82	192,501,977	189,460,339	98.4	191,769,813	99.6
2014-15	1.82	189,851,743	185,764,231	97.8	187,935,914	99.0
2013-14	1.82	180,294,595	176,225,784	97.7	179,288,375	99.4
2012-13	1.82	196,890,508	191,304,200	97.2	194,585,764	98.8
2011-12	1.82	223,483,443	216,456,029	96.9	223,310,161	99.9
2010-11	1.82	284,142,419	271,155,914	95.4	280,395,120	98.7

(1) Reflects amounts collected on each year's levy through June 30, the end of the fiscal year, and the current fiscal year through May 2020.

(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 2019-20

Overlapping Jurisdiction	Total Tax Rate Inside City of Phoenix
Inside Agua Fria Union High School District No. 216	
Inside Litchfield Elementary School District No. 79 (3)	$13.1980
Inside Glendale Union High School District No. 205	
Inside Washington Elementary School District No. 6 (3)	15.0935
Inside Phoenix Union High School District No. 210	
Inside Phoenix Elementary School District No. 1	17.1557
Inside Riverside Elementary School District No. 2	14.6713
Inside Isaac Elementary School District No. 5	19.6280
Inside Wilson Elementary School District No. 7	16.6432
Inside Osborn Elementary School District No. 8	15.3190
Inside Creighton Elementary School District No. 14	16.4190
Inside Murphy Elementary School District No. 21	15.6090
Inside Balsz Elementary School District No. 31	15.2773
Inside Madison Elementary School District No. 38	15.2608
Inside Laveen Elementary School District No. 59	19.2311
Inside Roosevelt Elementary School District No. 66	18.2754
Inside Alhambra Elementary School District No. 68	18.2524
Inside Cartwright Elementary School District No. 83 (3)	20.1880
Inside Tempe Union High School District No. 213	
Inside Tempe Elementary School District No. 3 (2)	13.3535
Inside Kyrene Elementary School District No. 28 (2)	12.5113
Inside Tolleson Union High School District No. 214	
Inside Tolleson Elementary School District No. 17 (3)	16.1511
Inside Fowler Elementary School District No. 45 (3)	14.7567
Inside Union Elementary School District No. 62 (3)	16.3245
Inside Littleton Elementary School District No. 65 (3)	16.8682
Inside Pendergast Elementary School District No. 92 (3)	17.5374
Inside Scottsdale Unified School District No. 48 (2)	9.7298
Inside Paradise Valley Unified School District No. 69 (3)	12.5825
Inside Cave Creek Unified School District No. 93	7.8521
Inside Deer Valley Unified School District No. 97 (3)	12.6402

(1) Included in the computation for each of the overlapping municipalities is the City of Phoenix tax rate of $2.1296, the Maricopa County tax rate of $1.4009, the Education Equalization District tax rate of $0.4566, the Maricopa County Flood Control District tax rate of $0.1792, the Central Arizona Water Conservation District tax rate of $0.1400, the Maricopa County Library District tax rate of $0.0556, the Volunteer Fire District Assistance tax rate of $0.0095, the Maricopa Special Health Care District tax rate of $0.3333 and the Maricopa County Community College District tax rate of $1.3285.

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

(3) Includes the West Maricopa Education Center tax rate of $0.1634.

Sources: Maricopa County Finance Department and the State of Arizona.

STATEMENT OF BONDED INDEBTEDNESS (1)

Purpose	General Obligation Bonds: Non-Enterprise General Obligation Bonds	Enterprise Supported General Obligation Bonds	Total General Obligation Bonds
Various	$1,002,860,000	$ —	$1,002,860,000
Sanitary Sewer	—	375,000	375,000
Solid Waste	—	640,000	640,000
Direct Debt	$1,002,860,000	$1,015,000	$1,003,875,000

(1) Represents general obligation bonds outstanding as of July 1, 2020.

Annual Debt Service Requirements
General Obligation Bonded Debt Outstanding

Fiscal Year	Total Debt Service Requirements(1)	Less: Enterprise Supported	Net Debt Service Requirements
2020-21	$129,577,940	$ 732,000	$ 128,845,940
2021-22	129,410,778	346,500	129,064,278
2022-23	135,499,161	—	135,499,161
2023-24	142,211,595	—	142,211,595
2024-25	150,089,398	—	150,089,398
2025-26	155,387,890	—	155,387,890
2026-27	155,223,182	—	155,223,182
2027-28	53,589,681	—	53,589,681
2028-29	38,070,383	—	38,070,383
2029-30	37,704,110	—	37,704,110
2030-31	37,322,344	—	37,322,344
2031-32	36,928,369	—	36,928,369
2032-33	36,521,104	—	36,521,104
2033-34	36,100,171	—	36,100,171
	$1,273,636,106	$1,078,500	$1,272,557,606

(1) Represents debt service requirements on general obligation bonds outstanding as of July 1, 2020.

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. Debt service is shown gross of subsidy payments. 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 5.9% for the federal government's fiscal year ending September 30, 2020 (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.

Direct General Obligation Bonded Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Bonds Outstanding As of 7-1-20
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	268,675,000(1)
10-27-09	117,195,000	Refunding	7-1-11/23	21,195,000
06-12-12	103,360,000	Various Improvements	7-1-23/34	103,360,000
06-12-12	16,640,000	Various Improvements (Taxable)	7-1-21/23	16,640,000
06-12-12	176,465,000	Refunding	7-1-15/27	101,105,000
06-24-14	278,015,000	Refunding	7-1-19/27	250,025,000
09-13-16	226,215,000	Refunding	7-1-18/27	206,415,000
06-21-17	68,305,000	Refunding	7-1-18/27	21,740,000
Total Direct General Obligation Debt Outstanding				1,003,875,000
Less: General Obligation Bonded Debt Supported from Enterprise Revenues				1,015,000
Net Direct General Obligation Bonded Debt Outstanding				$1,002,860,000

(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 5.9% for the federal government's fiscal year ending September 30, 2020 (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.

DEBT LIMITATION

Pursuant to Chapter 177, Laws of Arizona 2016, which became effective August 6, 2016, the City's debt limitation is based on the full cash net assessed valuation. The full cash net assessed valuation for 2020-21 is $19,889,713,798. Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks, open space preserves, playgrounds, recreational facilities, public safety, law enforcement, fire emergency, streets and transportation may not exceed 20% of a city's full cash net assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a city's full cash net assessed valuation. Unused borrowing capacity as of July 1, 2020 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	$3,977,942,760
Less: Direct General Obligation Bonds Outstanding	890,365,000(1)
Debt Limit Reduction from Refunding(2)	33,261,199
Unused 20% Limitation Borrowing Capacity	$3,054,316,561

All Other General Obligation Bonds

6% Constitutional Limitation	$1,193,382,828
Less: Direct General Obligation Bonds Outstanding	113,510,000(1)
Debt Limit Reduction from Refunding(2)	14,628,277
Unused 6% Limitation Borrowing Capacity	$1,065,244,551

(1) Represents general obligation bonds outstanding as of July 1, 2020.

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

NET DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT AND DEBT RATIOS

	As of July 1, 2020(1)
City of Phoenix	$1,002,860,000
Maricopa County Community College District	116,545,000
Maricopa County Special Health Care District	141,181,000
Various Elementary School Districts	518,634,000
Various High School Districts	509,013,000
Various Unified School Districts	335,907,000
Net Direct and Overlapping General Obligation Bonded Debt	$2,624,140,000

(1) The net direct debt of the City of Phoenix is as of July 1, 2020. The direct debt for the other districts is as of July 1, 2019, 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. Beginning in 2020, there will be no offset. The charge to the City of Phoenix averaged $1.8 million per year for years 2009 through 2013. The charge was $2.7 million in 2015, $2.8 million in 2016, 3.8 in 2017, $5.5 in 2018 and $5.0 million in 2019. The charge is estimated to be $8.3 million in 2020.

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 2019-20 fiscal year.

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

	Per Capita Debt (Pop. Est. 1,680,992) (2)	As Percent of City's 2019-20 Limited Net Assessed Valuation	As Percent of City's 2019-20 Full Cash Valuation
Direct General Obligation Bonded Debt Outstanding	$ 597.19	7.59%	0.56%
Net Direct General Obligation Bonded Debt Outstanding	596.59	7.58	0.56
Net Direct and Overlapping General Obligation Bonded Debt Outstanding	1,561.07	19.85	1.46

(1) Represents net direct debt and overlapping general obligation bonds outstanding as of July 1, 2020.

(2) The City of Phoenix population is as of July 1, 2019, the most recently available figure from the U.S. Census Bureau.

Overlapping General Obligation Bonded Debt, Limited Net Assessed Valuations and Tax Rates
As of July 1, 2019
(in thousands)

Overlapping Jurisdiction	2019-20 Limited Net Assessed Valuation	Net Bonded Debt	Approximate Applicable Percent	Net Overlapping Bonded Debt	2019-20 Tax Rate Per $100 Assessed
State of Arizona	$66,154,633	$ —	19.99%	$ —	$ —
Maricopa County	43,194,326	—	30.61	—	1.4009
Maricopa County Community College District	43,194,326	380,740	30.61	116,545	1.3285
Maricopa County Special Health Care District	42,997,578	459,125	30.75	141,181	0.3333
Elementary School Districts:					
Phoenix S.D. No. 1	743,444	50,005	100.00	50,005	6.1363
Riverside S.D. No. 2	382,461	38,940	98.07	38,188	3.6519
Tempe S.D. No. 3	1,567,219	119,195	14.12	16,830	4.7072
Isaac S.D. No. 5	154,476	—	100.00	—	8.6086
Washington S.D. No. 6	1,348,921	84,275	97.36	82,050	4.9415
Wilson S.D. No. 7	104,614	4,415	100.00	4,415	5.6238
Osborn S.D. No. 8	500,241	—	99.94	—	4.2996
Creighton S.D. No. 14	454,673	33,105	86.74	28,715	5.3996
Tolleson S.D. No. 17	202,237	—	18.70	—	4.9417
Murphy S.D. No. 21	109,060	8,375	100.00	8,375	4.5896
Kyrene S.D. No. 28	2,179,588	172,670	40.30	69,586	3.8650
Balsz S.D. No. 31	315,105	9,775	93.83	9,172	4.2579
Madison S.D. No. 38	1,069,029	82,720	100.00	82,720	4.2414
Glendale S.D. No. 40	310,039	24,580	—	—	6.1723
Fowler S.D. No. 45	361,384	8,540	88.00	7,515	3.5473
Laveen S.D. No. 59	234,432	17,855	85.18	15,209	8.2117
Union S.D. No. 62	68,301	5,535	94.96	5,256	5.1151
Littleton S.D. No. 65	271,421	—	16.27	—	5.6588
Roosevelt S.D. No. 66	627,453	53,835	98.85	53,216	7.2560
Alhambra S.D. No. 68	319,235	14,265	81.43	11,616	7.2330
Litchfield S.D. No. 79	902,685	50,845	0.03	15	3.6716
Cartwright S.D. No. 83	273,550	21,775	100.00	21,775	9.0052
Pendergast S.D. No. 92	346,530	36,235	38.57	13,976	6.3280
High School Districts:					
Glendale Union No. 205	1,658,960	98,695	79.17	78,137	3.9554
Phoenix Union No. 210	5,287,774	384,290	96.43	370,571	4.9862
Tempe Union No. 213	3,746,807	87,580	29.35	25,705	2.5631
Tolleson Union No. 214	1,249,874	72,210	47.89	34,581	5.0128
Agua Fria Union No. 216	1,311,948	93,570	0.02	19	3.3298
Unified School Districts:					
Scottsdale No. 48	5,579,886	241,938	14.04	33,968	3.6466
Paradise Valley No. 69	3,609,208	277,749	70.01	194,452	6.3859
Cave Creek No. 93	2,097,383	37,040	13.38	4,956	1.8189
Deer Valley No. 97	2,759,528	186,015	55.12	102,531	6.4436
Total Overlapping General Obligation Bonded Debt				$1,621,280	

Source: Maricopa County Finance Department

Authorized and Unissued Bonds of Overlapping Jurisdictions
As of January 1, 2020

Jurisdictions	Authorized and Unissued Bonds
Alhambra Elementary School District No. 68	$ 15,000,000
Agua Fria Union High School District 216	55,000,000
Balsz Elementary School District No. 31	10,500,000
Creighton Elementary School District No. 14	31,795,000
Deer Valley Unified Elementary School District No. 97	175,000,000
Fowler Elementary School District No. 45	3,005,000
Glendale Elementary School District No. 40	26,000,000
Kyrene Elementary School District No. 28	83,950,000
Laveen Elementary School District No. 59	19,470,000
Litchfield Elementary School District No. 79	7,000,000
Littleton Elementary School District No. 65	16,950,000
Madison Elementary School District No. 38	90,000,000
Maricopa County Special Health Care District	304,000,000
Maricopa County Community College District	3,000
Osborn Elementary School District No. 8	3,000,000
Paradise Valley Unified Elementary School District No. 69	275,605,000
Pendergast Elementary School District No. 92	24,985,000
Phoenix Union High School District No. 210	99,000,000
Riverside Elementary School District No. 2	13,928,288
Roosevelt Elementary School District No. 66	15,000,000
Scottsdale Unified Elementary School District No. 48	74,000,000
Tempe Elementary School District No. 3	55,000,000
Tolleson Union High School District No. 214	125,000,000
Union Elementary School District No. 62	4,490,000
Washington Elementary School District No. 6	21,000,000

SUMMARY OF AUTHORIZED, ISSUED AND UNISSUED GENERAL OBLIGATION BONDS

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

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

OTHER LONG-TERM OBLIGATIONS

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

Under the terms of these agreements, the City has agreed to make lease and purchase payments in amounts sufficient to pay principal and interest on bonds issued by the Corporation to finance the facilities, and has pledged its excise tax collections for these payments. The City's excise tax collections in 2014-15 totaled $844,389,000, in 2015-16 totaled $858,716,000, in 2016-17 totaled $887,212,000, in 2017-18 totaled $925,893,000 and in 2018-19 totaled $976,954,000. Beginning in 2009-10 collections included a 2.0% transaction privilege (sales) tax rate on the sale of food for home consumption approved by the City Council on February 2, 2010. The tax became effective April 1, 2010, and was levied for five years. The revenues resulting from this tax totaled $51.6 million in 2012-2013, $43.8 million in 2013-14 and $24.8 million in 2014-15. Effective January 1, 2014, the City Council reduced the tax rate on the sale of food for home consumption to 1.0% through the last 15 months of the tax, which expired as planned on March 31, 2015. Though currently expired, delinquent tax receipts of $0.5 million were received in 2015-2016 and $0.01 million in 2016-17. These amounts do not include revenues from various transaction privilege (sales) tax rate increases approved by voters for specific uses and are not part of the pledge for lease and purchase payments on bonds of the Corporation. There are four such excluded voter approved tax rate increases.

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

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

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

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

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

City of Phoenix Civic Improvement Corporation
Senior Lien Debt Outstanding (1)

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 8-25-20
06-07-11	$27,530,000	Municipal Facilities(1)	7-1-14/22	4.24%	$ 690,000
06-07-11	22,805,000	Municipal Facilities Refunding (Taxable)	7-1-15/21	3.77	2,255,000
Total City of Phoenix Civic Improvement Corporation Senior Lien Debt					$2,945,000

(1) Schedule does not include the Bonds Being Refunded herein.

City of Phoenix Civic Improvement Corporation
Schedule of Annual Debt Service Requirements
Senior Lien Debt Outstanding (1)

Fiscal Year	Principal	Interest	Total
2020-21	$2,595,000	$544,365	$3,139,365
2021-22	350,000	11,813	361,813
	$2,945,000	$556,178	$3,501,178

(1) Schedule does not include debt service on the Bonds Being Refunded herein.

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

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

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

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

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

On August 12, 2015, the City entered into a loan agreement (the "*Loan*") with DNT Asset Trust, a subsidiary of JPMorgan Chase Bank, N.A. The City used a portion of the proceeds of the Loan to refund all of the Downtown Phoenix Hotel Corporation Senior and Subordinate Revenue Bonds, which had been issued to finance the construction of the City-owned Sheraton Grand Phoenix Hotel (the "*Hotel*"). The Loan is payable from and secured by a subordinated lien on the City's excise tax revenues 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 sold the Hotel on June 27, 2018 to TLG Phoenix, LLC. On September 25, 2018, the City made a partial prepayment of the Loan in the principal amount of $265,000,000 plus accrued interest with respect to such principal prepayment from all proceeds of the sale of the Hotel and other available funds.

The principal balance of $40,940,000 will be prepaid in full on August 25, 2020 with proceeds from the Tax-Exempt Bonds herein.

City of Phoenix Civic Improvement Corporation
Subordinated Junior Lien Debt Outstanding (1)

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 8-25-20
06-21-12	$ 17,510,000	Municipal Facilities Refunding	7-1-14/25	4.62%	$ 2,755,000
06-21-12	33,095,000	Municipal Facilities Refunding (Taxable)	7-1-16/22	3.95	3,190,000
05-12-15	319,305,000	Municipal Facilities Refunding(2)	7-1-17/41	4.98	291,810,000
05-12-15	60,895,000	Municipal Facilities Refunding (Taxable)	7-1-16/35	3.34	46,345,000
06-01-17	116,835,000	Municipal Facilities	7-1-18/32	4.39	78,430,000
06-01-17	101,895,000	Municipal Facilities Refunding(3)	7-1-19/29	4.64	77,775,000
06-01-17	15,680,000	Municipal Facilities Refunding (Taxable)	7-1-18/22	1.86	6,435,000
08-25-20	131,595,000	Municipal Facilities(4)(5)	7-1-21/45	4.68	131,595,000
08-25-20	150,000,000	Municipal Facilities-Arena (Taxable)(5)	7-1-21/45	2.36	150,000,000
08-25-20	116,685,000	Municipal Facilities Refunding (Taxable)(5)	7-1-23/36	1.50	116,685,000
Total City of Phoenix Civic Improvement Corporation Subordinated Junior Lien Debt					$905,020,000

(1) Schedule includes the Bonds offered herein, but does not include the Bonds Being Refunded by the Taxable Refunding Bonds offered herein.

(2) Debt service requirements on $31,705,000 of these obligations are supported by solid waste revenues.

(3) Debt service requirements on $17,585,000 of these obligations are supported by solid waste revenues.

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

(5) Represents the Bonds offered herein.

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

Fiscal Year	Principal	Interest	Total
2020-21	$ 47,535,000	$ 33,215,358	$ 80,750,358
2021-22	38,055,000	32,584,542	70,639,542
2022-23	60,995,000	31,140,731	92,135,731
2023-24	61,825,000	29,006,918	90,831,918
2024-25	57,625,000	26,901,332	84,526,332
2025-26	59,495,000	24,773,192	84,268,192
2026-27	52,685,000	22,514,454	75,199,454
2027-28	49,455,000	20,618,295	70,073,295
2028-29	45,725,000	18,969,184	64,694,184
2029-30	36,240,000	17,466,973	53,706,973
2030-31	37,595,000	16,115,024	53,710,024
2031-32	38,405,000	14,679,365	53,084,365
2032-33	35,540,000	13,179,693	48,719,693
2033-34	34,375,000	11,735,497	46,110,497
2034-35	35,835,000	10,272,873	46,107,873
2035-36	34,305,000	8,739,300	43,044,300
2036-37	25,250,000	7,234,284	32,484,284
2037-38	26,335,000	6,148,926	32,483,926
2038-39	27,465,000	5,014,238	32,479,238
2039-40	28,655,000	3,827,969	32,482,969
2040-41	29,890,000	2,587,341	32,477,341
2041-42	9,965,000	1,280,406	11,245,406
2042-43	10,270,000	975,182	11,245,182
2043-44	10,585,000	660,286	11,245,286
2044-45	10,915,000	335,382	11,250,382
	$905,020,000	$359,976,745	$1,264,996,745

(1) Schedule includes debt service on the Bonds offered herein, but does not include debt service on the Bonds Being Refunded by the Taxable Refunding Bonds offered herein and prepayment of the Loan.

Schedule of Total Annual Excise Tax Debt Service Requirements (1)

Fiscal Year	Total Senior Lien	Total Subordinated Junior Lien(2)	Total Excise Tax Requirements
2020-21	$ 3,139,365	$ 80,750,358	$ 83,889,723
2021-22	361,813	70,639,542	71,001,355
2022-23	—	92,135,731	92,135,731
2023-24	—	90,831,918	90,831,918
2024-25	—	84,526,332	84,526,332
2025-26	—	84,268,192	84,268,192
2026-27	—	75,199,454	75,199,454
2027-28	—	70,073,295	70,073,295
2028-29	—	64,694,184	64,694,184
2029-30	—	53,706,973	53,706,973
2030-31	—	53,710,024	53,710,024
2031-32	—	53,084,365	53,084,365
2032-33	—	48,719,693	48,719,693
2033-34	—	46,110,497	46,110,497
2034-35	—	46,107,873	46,107,873
2035-36	—	43,044,300	43,044,300
2036-37	—	32,484,284	32,484,284
2037-38	—	32,483,926	32,483,926
2038-39	—	32,479,238	32,479,238
2039-40	—	32,482,969	32,482,969
2040-41	—	32,477,341	32,477,341
2041-42	—	11,245,406	11,245,406
2042-43	—	11,245,182	11,245,182
2043-44	—	11,245,286	11,245,286
2044-45	—	11,250,382	11,250,382
	$ 3,501,178	$1,264,996,745	$1,268,497,923

(1) Schedule includes debt service on the Bonds offered herein, but does not include debt service requirements on the Bonds Being Refunded by the Taxable Refunding Bonds offered herein and prepayment of the Loan.

(2) Debt service requirements on $79,290,000 par amount of these obligations are supported by solid waste revenues.

City of Phoenix Civic Improvement Corporation
Transit Excise Tax Revenue Bonded Debt Outstanding

Currently there are no Transit Excise Tax Revenue Bonds outstanding.

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

City of Phoenix Transportation Excise Tax Revolving Loan Outstanding

Loan Issue Date	Loan Amount	Purpose	Loans Outstanding as of July 1, 2020
06-04-2020	$200,000,000	Transportation Improvements	$200,000,000

The Transportation Excise Revolving Credit Agreement remains in effect and provides for a three-year loan period, ending on June 2, 2023 (the "Credit Commitment Period"), during which the City may borrow, repay and re-borrow amounts, but not exceeding $200,000,000 outstanding in the aggregate at any one time (each a "Loan"). Loans made under the Transportation Excise Tax Revolving Credit Agreement will be payable solely from a 0.7 percent incremental sales tax increase dedicated for transportation, which is not included in the Excise Taxes pledged as security for the Bonds offered herein. If the City elects to borrow additional amounts under the Transportation Excise Revolving Credit Agreement that are outstanding at the end of the Credit Commitment Period, the City can, subject to certain conditions, convert the borrowing to a three-year term loan payable in twelve equal quarterly principal installments ending on June 2, 2026.

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

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

The 2003 Legislation also requires the State Auditor General to conduct or contract for an annual economic and fiscal impact analysis of the Phoenix Convention Center expansion on State revenues beginning in its fifth year of operation after completion in January 2009. Under an amendment to the 2003 Legislation, beginning in 2014 and each year thereafter, if the Auditor General determines that the State has paid more in cumulative distributions than has been received in incremental revenue to the State general fund as a result of the Convention Center Project, the State can withhold State-Shared Sales Taxes from the next regularly scheduled distribution in an amount necessary to remedy the cumulative deficiency. The 2019 Economic and Fiscal Impact Analysis Update report released by the State Auditor General stated that from calendar year 2009 through calendar year 2018, the Phoenix Convention Center generated $47.4 million more in incremental revenue to the State general fund than had been paid out in cumulative distributions. Assuming moderate levels of event demand and inflationary growth of visitor spending, the report projects the Phoenix Convention Center would continue to have a net positive impact on the State general fund, but the City is unable to predict at this time whether the State may pay more in cumulative distributions than it receives in incremental revenue as a result of the Convention Center Project or to what extent State-Shared Revenues may be withheld or what defenses the City may have to such action. A debt service schedule for the State Distribution Bonds is set forth on the following page.

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

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-20
10-06-05	$275,362,351.75	Convention Center Expansion	7-1-12/44	4.72%	$254,350,372.95
Total State of Arizona Distribution Revenue Bonded Debt					$254,350,372,95

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

Fiscal Year	Principal	Interest	Compounded Interest	Total Debt Service
2020-21	$ 2,851,493.40	$ 20,007,900.00	$ 1,138,506.60	$ 23,997,900.00
2021-22	3,353,331.60	19,788,450.00	1,356,668.40	24,498,450.00
2022-23	3,882,660.70	19,529,400.00	1,587,339.30	24,999,400.00
2023-24	4,443,799.80	19,228,550.00	1,826,200.20	25,498,550.00
2024-25	5,027,387.85	18,883,700.00	2,087,612.15	25,998,700.00
2025-26	5,639,202.30	18,492,375.00	2,365,797.70	26,497,375.00
2026-27	6,287,082.70	18,052,100.00	2,657,917.30	26,997,100.00
2027-28	6,972,383.00	17,560,125.00	2,962,617.00	27,495,125.00
2028-29	7,697,628.90	17,013,700.00	3,287,371.10	27,998,700.00
2029-30	8,465,538.90	16,409,525.00	3,624,461.10	28,499,525.00
2030-31	9,274,258.40	15,744,575.00	3,980,741.60	28,999,575.00
2031-32	10,123,692.00	15,015,550.00	4,356,308.00	29,495,550.00
2032-33	11,032,587.00	14,219,150.00	4,747,413.00	29,999,150.00
2033-34	11,637,351.75	13,351,250.00	5,007,648.25	29,996,250.00
2034-35	12,267,767.20	12,435,775.00	5,292,232.80	29,995,775.00
2035-36	12,935,793.00	11,469,975.00	5,594,207.00	29,999,975.00
2036-37	13,634,005.65	10,450,825.00	5,910,994.35	29,995,825.00
2037-38	14,372,964.80	9,375,850.00	6,247,035.20	29,995,850.00
2038-39	15,164,105.20	8,241,750.00	6,590,894.80	29,996,750.00
2039-40	15,997,068.00	7,045,225.00	6,952,932.00	29,995,225.00
2040-41	16,878,823.60	5,782,975.00	7,336,176.40	29,997,975.00
2041-42	17,805,886.80	4,451,150.00	7,739,113.20	29,996,150.00
2042-43	18,785,228.00	3,046,175.00	8,164,772.00	29,996,175.00
2043-44	19,820,332.40	1,563,925.00	8,614,667.60	29,998,925.00
Total	$254,350,372.95	$317,159,975.00	$109,429,627.05	$680,939,975.00

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

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

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-20
03-05-13	$196,600,000	Airport Improvements Refunding	7-1-14/32	4.99%	$144,005,000
11-21-17	190,930,000	Airport Improvements	7-1-18/47	5.00	182,905,000
11-21-17	173,440,000	Airport Improvements Refunding	7-1-21/38	5.00	173,440,000
11-21-17	35,745,000	Airport Improvements Refunding	7-1-18/21	1.99	4,820,000
11-28-18	226,180,000	Airport Improvements	7-1-19/48	4.87	220,830,000
Total Senior Lien Airport Revenue Bonded Debt					$726,000,000

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

Fiscal Year	Principal	Interest	Total
2020-21	$ 23,800,000	$ 35,965,377	$ 59,765,377
2021-22	24,855,000	34,910,000	59,765,000
2022-23	24,455,000	33,667,250	58,122,250
2023-24	25,690,000	32,444,500	58,134,500
2024-25	26,970,000	31,160,000	58,130,000
2025-26	28,325,000	29,811,500	58,136,500
2026-27	29,735,000	28,395,250	58,130,250
2027-28	31,225,000	26,908,500	58,133,500
2028-29	32,780,000	25,347,250	58,127,250
2029-30	34,425,000	23,708,250	58,133,250
2030-31	36,145,000	21,987,000	58,132,000
2031-32	37,955,000	20,179,750	58,134,750
2032-33	23,600,000	18,282,000	41,882,000
2033-34	24,785,000	17,102,000	41,887,000
2034-35	26,025,000	15,862,750	41,887,750
2035-36	27,325,000	14,561,500	41,886,500
2036-37	28,685,000	13,195,250	41,880,250
2037-38	30,120,000	11,761,000	41,881,000
2038-39	16,650,000	10,255,000	26,905,000
2039-40	17,480,000	9,422,500	26,902,500
2040-41	18,355,000	8,548,500	26,903,500
2041-42	19,275,000	7,630,750	26,905,750
2042-43	20,240,000	6,667,000	26,907,000
2043-44	21,250,000	5,655,000	26,905,000
2044-45	22,280,000	4,622,500	26,902,500
2045-46	23,365,000	3,538,500	26,903,500
2046-47	24,505,000	2,400,250	26,905,250
2047-48	25,700,000	1,205,000	26,905,000
	$726,000,000	$495,194,127	$1,221,194,127

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

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

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-20
09-01-10	$ 21,345,000	Airport Improvements	7-1-40	6.60%	$ 21,345,000(1)(2)
12-15-15	95,785,000	Airport Improvements	7-1-16/45	4.87	88,345,000(3)
12-15-15	18,655,000	Airport Refunding	7-1-34	5.00	18,655,000(1)
12-21-17	474,725,000	Airport Refunding	7-1-21/40	4.67	474,725,000(1)
12-11-19	341,095,000	Airport Improvements	7-1-41/49	4.48	341,095,000(4)
12-11-19	392,005,000	Airport Improvements	7-1-20/49	4.63	391,355,000
12-11-19	29,435,000	Airport Refunding	7-1-23/25	2.29	29,435,000
Total Junior Lien Airport Revenue Bonded Debt					$1,364,955,000

(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 5.9% for the federal government's fiscal year ending September 30, 2020 (the "Sequester Reductions"). The City does not expect the Sequester Reductions to have a material adverse effect on its ability to make payments of interest on this issue.

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

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

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

Fiscal Year	Principal	Interest	Total
2020-21	$ 18,745,000	$ 63,645,152	$ 82,390,152
2021-22	19,680,000	62,707,902	82,387,902
2022-23	36,215,000	61,723,903	97,938,903
2023-24	37,760,000	60,181,812	97,941,812
2024-25	39,380,000	58,563,587	97,943,587
2025-26	30,820,000	56,858,376	87,678,376
2026-27	32,355,000	55,317,377	87,672,377
2027-28	33,980,000	53,699,626	87,679,626
2028-29	35,675,000	52,000,626	87,675,626
2029-30	37,460,000	50,216,876	87,676,876
2030-31	39,325,000	48,343,877	87,668,877
2031-32	41,305,000	46,377,626	87,682,626
2032-33	43,365,000	44,312,376	87,677,376
2033-34	44,190,000	42,144,127	86,334,127
2034-35	47,640,000	40,113,970	87,753,970
2035-36	50,015,000	37,731,970	87,746,970
2036-37	52,500,000	35,249,670	87,749,670
2037-38	54,960,000	32,787,970	87,747,970
2038-39	57,185,000	30,567,170	87,752,170
2039-40	59,490,000	28,256,170	87,746,170
2040-41	52,655,000	25,170,950	77,825,950
2041-42	55,095,000	22,738,600	77,833,600
2042-43	57,630,000	20,194,250	77,824,250
2043-44	60,290,000	17,533,700	77,823,700
2044-45	63,070,000	14,751,250	77,821,250
2045-46	61,750,000	11,885,375	73,635,375
2046-47	64,525,000	9,107,925	73,632,925
2047-48	67,430,000	6,205,200	73,635,200
2048-49	70,465,000	3,171,138	73,636,138
	$1,364,955,000	$1,091,558,551	$2,456,513,551

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

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

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

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-20
12-5-19	$244,245,000	Rental Car Facility	7-1-28/45	4.71%	$244,245,000
12-5-19	60,485,000	Rental Car Facility Refunding	7-1-20/28	2.49	58,075,000
Total Rental Car Facility Charge Bonded Debt					$302,320,000

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

Fiscal Year	Principal	Interest	Total
2020-21	$ 7,500,000	$ 13,043,152	$ 20,543,152
2021-22	7,655,000	12,885,127	20,540,127
2022-23	7,825,000	12,719,550	20,544,550
2023-24	7,995,000	12,545,365	20,540,365
2024-25	8,185,000	12,359,401	20,544,401
2025-26	8,385,000	12,156,577	20,541,577
2026-27	8,605,000	11,938,735	20,543,735
2027-28	8,835,000	11,705,023	20,540,023
2028-29	9,235,000	11,305,700	20,540,700
2029-30	9,700,000	10,843,950	20,543,950
2030-31	10,185,000	10,358,950	20,543,950
2031-32	10,695,000	9,849,700	20,544,700
2032-33	11,230,000	9,314,950	20,544,950
2033-34	11,790,000	8,753,450	20,543,450
2034-35	12,380,000	8,163,950	20,543,950
2035-36	12,995,000	7,544,950	20,539,950
2036-37	13,645,000	6,895,200	20,540,200
2037-38	14,330,000	6,212,950	20,542,950
2038-39	15,045,000	5,496,450	20,541,450
2039-40	15,800,000	4,744,200	20,544,200
2040-41	16,515,000	4,028,950	20,543,950
2041-42	17,255,000	3,285,000	20,540,000
2042-43	18,030,000	2,511,450	20,541,450
2043-44	18,835,000	1,706,900	20,541,900
2044-45	19,670,000	870,150	20,540,150
	$302,320,000	$211,239,780	$513,559,780

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

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

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-20
08-01-01	$ 99,980,000	Water System Refunding	7-1-02/24	5.24%	$ 26,215,000
11-22-11	167,510,000	Water System Refunding	7-1-14/26	4.81	90,815,000
12-17-14	152,830,000	Water System Improvements	7-1-19/44	4.85	146,425,000
12-17-14	445,085,000	Water System Refunding	7-1-16/29	4.67	367,390,000
01-10-17	375,780,000	Water System Refunding	7-1-17/39	4.99	365,390,000
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	1-1-30/44	5.00	228,015,000
Total Junior Lien Water System Revenue Bonded Debt					$1,389,365,000

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
2020-21	$ 64,725,000	$ 68,242,675	$ 132,967,675
2021-22	67,835,000	65,144,550	132,979,550
2022-23	71,235,000	61,736,550	132,971,550
2023-24	74,840,000	58,141,200	132,981,200
2024-25	75,745,000	54,363,750	130,108,750
2025-26	79,535,000	50,576,500	130,111,500
2026-27	65,545,000	46,686,800	112,231,800
2027-28	68,825,000	43,409,550	112,234,550
2028-29	71,720,000	40,432,550	112,152,550
2029-30	34,745,000	37,337,000	72,082,000
2030-31	36,485,000	35,599,750	72,084,750
2031-32	38,305,000	33,775,500	72,080,500
2032-33	40,225,000	31,860,250	72,085,250
2033-34	42,235,000	29,849,000	72,084,000
2034-35	44,335,000	27,749,500	72,084,500
2035-36	46,550,000	25,532,750	72,082,750
2036-37	48,880,000	23,205,250	72,085,250
2037-38	51,320,000	20,761,250	72,081,250
2038-39	53,885,000	18,195,250	72,080,250
2039-40	56,575,000	15,505,450	72,080,450
2040-41	59,385,000	12,697,487	72,082,487
2041-42	62,335,000	9,750,013	72,085,013
2042-43	65,425,000	6,656,075	72,081,075
2043-44	68,675,000	3,408,725	72,083,725
	$1,389,365,000	$820,617,375	$2,209,982,375

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

City of Phoenix
Junior Lien Water System Revenue Bonded Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Amount Outstanding As of 7-1-20
04-11-11	$2,093,435	Water System Improvements	7-1-16/24	2.97%	$1,003,147
09-14-11	1,496,737	Water System Improvements	7-1-24/29	2.97	1,496,737
Total Junior Lien Water System Revenue Bonded Debt					$2,499,884

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

Fiscal Year	Principal	Interest	Total
2020-21	$ 247,233	$ 74,197	$ 321,430
2021-22	254,571	66,859	321,430
2022-23	262,126	59,303	321,429
2023-24	269,906	51,523	321,429
2024-25	277,917	43,512	321,429
2025-26	286,165	35,264	321,429
2026-27	294,659	26,770	321,429
2027-28	303,404	18,025	321,429
2028-29	303,903	9,020	312,923
	$2,499,884	$384,473	$2,884,357

The City entered into a Revolving Credit Agreement dated June 28, 2019 (the "*Water Revolving Credit Agreement*") with Wells Fargo, N.A (the "*Water Credit Agreement Provider*") for a three-year loan period ending on June 27, 2022, during which the City may borrow, repay and re-borrow amounts, but not exceeding $200,000,000 outstanding in the aggregate at any one time (each a "*Loan*"). Loans made under the Water Revolving Credit Agreement (such loans, together with any obligations on a parity therewith, the "*Junior Subordinate Lien Obligations*") are payable from Water System Designated Revenues pledged to the City of Phoenix Civic Improvement Corporation Junior Lien Water System Revenue Bonds ("*Junior Lien Obligations*") but are junior and subordinate to the Junior Lien Obligations. If any loans under the Water Revolving Credit Agreement are outstanding on June 27, 2022, the City can, subject to certain conditions, convert the borrowing to a three-year term loan payable in twelve equal quarterly principal installments ending on June 27, 2025. As of July 1, 2020, there is no Water Revolving Loan outstanding shown in the following table.

City of Phoenix
Junior Subordinate Lien
Water Revolving Loan Outstanding

Issue Date	Loan Amount	Prepayment Date	Source of Prepayment Funds
06-28-2019	$200,000,000	04-09-2020	Junior Lien Water System Revenue Bonds Series 2020A

As of July 1, 2020, there is no Water Revolving Loan outstanding.

Upon an event of default under the Water Revolving Credit Agreement, Wells Fargo Bank, N.A. 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.

See pages B-29 through B-30 for a listing of Junior Lien Water Revenue bonds.

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

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

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-20
06-19-18	$84,295,000	Wastewater System Refunding	7-1-19/24	5.00%	$62,635,000
Total Senior Lien Wastewater System Revenue Bonded Debt					$62,635,000

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

Fiscal Year	Principal	Interest	Total
2020-21	$11,655,000	$3,131,750	$14,786,750
2021-22	12,190,000	2,549,000	14,739,000
2022-23	18,945,000	1,939,500	20,884,500
2023-24	19,845,000	992,250	20,837,250
	$62,635,000	$8,612,500	$71,247,500

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

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

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Bonds Outstanding As of 7-1-20
12-22-11	$118,290,000	Wastewater System Refunding	7-1-14/24	4.72%	$ 53,390,000
04-15-14	127,810,000	Wastewater System Refunding	7-1-15/29	4.84	89,985,000
11-16-16	225,325,000	Wastewater System Refunding	7-1-17/35	5.00	196,510,000
06-19-18	133,270,000	Wastewater System Revenue	7-1-25/43	4.64	133,270,000
Total Junior Lien Wastewater System Revenue Bonded Debt					$473,155,000

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
2020-21	$ 32,335,000	$ 23,164,150	$ 55,499,150
2021-22	33,955,000	21,587,800	55,542,800
2022-23	29,445,000	19,957,950	49,402,950
2023-24	30,955,000	18,491,200	49,446,200
2024-25	25,155,000	16,955,950	42,110,950
2025-26	26,470,000	15,698,200	42,168,200
2026-27	27,850,000	14,374,700	42,224,700
2027-28	29,310,000	12,982,200	42,292,200
2028-29	30,835,000	11,516,700	42,351,700
2029-30	19,805,000	9,974,950	29,779,950
2030-31	20,865,000	8,984,700	29,849,700
2031-32	21,980,000	7,941,450	29,921,450
2032-33	23,160,000	6,842,450	30,002,450
2033-34	24,405,000	5,684,450	30,089,450
2034-35	25,715,000	4,464,200	30,179,200
2035-36	7,505,000	3,178,450	10,683,450
2036-37	7,885,000	2,803,200	10,688,200
2037-38	8,275,000	2,408,950	10,683,950
2038-39	8,690,000	1,995,200	10,685,200
2039-40	9,040,000	1,647,600	10,687,600
2040-41	9,365,000	1,321,200	10,686,200
2041-42	9,835,000	852,950	10,687,950
2042-43	10,320,000	361,200	10,681,200
	$473,155,000	$213,189,800	$686,344,800

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

City of Phoenix
Junior Lien Wastewater System Revenue Bonded Debt Outstanding

Issue Date	Original Issuance	Purpose	Maturity Dates	Average Interest Rate	Amount Outstanding As of 7-1-20
08-03-10	$6,286,996	Wastewater System Improvements	7-1-18/26	2.97%	$4,528,940
06-01-11	3,909,270	Wastewater System Improvements	7-1-26/29	2.97	3,909,270
Total Junior Lien Wastewater System Revenue Bonded Debt					$8,438,210

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

Fiscal Year	Principal	Interest	Total
2020-21	$ 836,985	$ 250,446	$1,087,431
2021-22	861,827	225,604	1,087,431
2022-23	887,406	200,025	1,087,431
2023-24	913,744	173,687	1,087,431
2024-25	940,864	146,567	1,087,431
2025-26	968,790	118,642	1,087,432
2026-27	997,543	89,889	1,087,432
2027-28	1,027,150	60,282	1,087,432
2028-29	1,003,901	29,796	1,033,697
	$8,438,210	$1,294,938	$9,733,148

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 Transit and Street Departments Revolving Loan and a Water Revolving Loan. For details on the Transit and Street Departments Loan see page B-24 and for Water Revolving Loan see page B-31.

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, 2019 were $191,882,920, of which 17.0% was reimbursed by other local governmental entities that have contracted for service. The estimated liability for all contracts for 2019-20 is $191,718,644, of which approximately 18.0% 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, 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.

2019-24 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 2019-20 capital budget, which is the first year of the CIP: (1) authorization for the 2019-20 capital projects financed with bonds and bond-related funds; and (2) authorization for all 2019-20 pay-as-you-go projects financed with operating funds.

The 2019-24 CIP, which is summarized on pages B-36 and B-37, totals $7.004 billion, and will be funded by 2001 and 2006 bond authorizations, operating funds, Federal aid and other long-term financings. The CIP was adopted by the City Council in June of 2019.

Summary of 2019-24 Capital Improvement Program
By Program
(in thousands)

Program	2019-20	2020-21	2021-22	2022-23	2023-24	5-Year Total
Arts and Cultural Facilities	$ 998	$ —	$ —	$ —	$ —	$ 998
Aviation	380,845	191,522	180,012	97,956	91,097	941,432
Economic Development	164,724	6,014	7,285	5,698	5,249	188,970
Facilities Management	45,378	13,775	13,775	13,775	13,775	100,478
Fire Protection	16,353	—	—	—	—	16,353
Housing	42,436	18,882	11,820	9,320	9,520	91,978
Human Services	600	—	—	—	—	600
Information Technology	23,369	3,969	3,969	3,969	3,969	39,245
Libraries	955	1,321	1,038	1,318	9,915	14,547
Neighborhood Services	3,484	—	—	—	—	3,484
Parks, Recreation and Mountain Preserves	93,455	23,575	25,750	29,350	33,464	205,594
Phoenix Convention Center	64,075	32,557	30,463	31,879	32,136	191,110
Planning and Historic Preservation	19,772	6,000	—	—	—	25,772
Public Transit	321,805	304,706	376,332	216,622	223,216	1,442,681
Regional Wireless Cooperative	9,204	7,325	6,002	6,002	6,000	34,533
Solid Waste Disposal	22,436	29,294	15,902	14,615	7,132	89,379
Street Transportation and Drainage	241,948	226,282	173,629	111,573	126,522	879,954
Wastewater	202,928	181,059	131,554	318,965	206,845	1,041,351
Water	377,147	516,474	246,548	271,425	284,167	1,695,761
Total CIP Costs	$2,031,912	$1,562,755	$1,224,079	$1,132,467	$1,053,007	$7,004,220

Summary of 2019-24 Capital Improvement Program By Sources of Funds (in thousands)

Sources of Funds	2019-20	2020-21	2021-22	2022-23	2023-24	5-Year Total
Operating Funds:						
General	$ 18,527	$ 19,866	17,711	$ 17,311	$ 17,413	$ 90,828
General—Library	955	972	1,038	1,318	1,472	5,755
Arizona Highway User Revenue	82,753	70,595	74,044	61,094	80,898	369,384
Capital Construction	16,118	13,361	9,491	8,981	8,981	56,932
Community Reinvestment	7,263	4,315	5,587	4,000	4,000	25,165
Development Services	21,305	6,039	39	39	39	27,461
Operating Grants	131,553	44,258	32,550	37,890	68,171	314,422
Other Restricted Funds	13,090	3,922	2,185	2,513	1,798	23,508
Parks and Preserves	72,097	21,575	23,750	27,350	33,464	178,236
Regional Transit	21,647	5,067	3,849	4,130	3,867	38,560
Sports Facilities	7,170	2,000	2,000	2,000	—	13,170
Transportation 2050	120,388	87,502	51,538	50,597	73,959	383,984
Enterprise Funds:						
Aviation	95,535	7,788	32,002	4,167	2,370	141,862
Convention Center	14,337	6,000	5,561	6,876	6,531	39,305
Solid Waste	14,733	2,886	4,809	4,442	3,368	30,238
Wastewater	67,225	73,972	45,411	155,450	145,261	487,319
Water	122,586	99,646	111,740	97,791	99,241	531,004
Total Operating Funds	$ 827,282	$ 469,764	$ 423,305	$ 485,949	$ 550,833	$2,757,133
Bond Funds:						
Property Tax Supported:						
2001 General Obligation	$ 2,498	$ —	$ —	$ —	$ —	$ 2,498
2006 General Obligation	8,603	—	—	—	—	8,603
Nonprofit Corporation Bonds:						
Aviation	124,423	77,025	23,411	21,277	21,277	267,413
Convention Center	26,181	—	—	—	—	26,181
Solid Waste	7,589	23,148	12,378	7,134	3,490	53,739
Transportation 2050	65,000	203,945	343,217	156,014	104,799	872,975
Wastewater	85,154	82,572	61,931	97,090	48,040	374,787
Water	206,254	393,304	122,089	160,342	158,332	1,040,321
Other	186,525	—	—	—	—	186,525
Total Bond Funds	$ 712,227	$ 779,994	$ 563,026	$441,857	$335,938	$2,833,042
Other Capital Sources:						
Capital Grants	$ 209,644	140,249	$ 93,438	$ 31,496	$ 23,600	$ 498,427
Capital Reserves	4,212	3,056	—	4,300	—	11,568
Customer Facility Charges	4	4	4	3	4	19
Federal, State and Other Participation	46,641	48,439	40,233	40,894	41,233	217,440
Impact Fees	105,466	$ 19,472	4,604	2,220	16,299	148,061
Passenger Facility Charge	82,133	64,840	62,145	43,231	46,264	298,613
Solid Waste Remediation	1,395	343	348	372	357	2,815
Other Cities' Share in Joint Ventures	40,132	36,594	36,976	82,145	38,479	234,326
Other Capital	2,776	—	—	—	—	2,776
Total Other Capital Sources	492,403	312,997	237,748	204,661	166,236	1,414,045
TOTAL CIP SOURCES	$2,031,912	$1,562,755	$1,224,079	$1,132,467	$1,053,007	$7,004,220

COMBINED FINANCIAL SCHEDULES

The schedules summarized on pages B-39 through B-49 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 2016-17 through 2018-19 and adopted budget amounts for fiscal year 2019-20. 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
	2017	2018	2019	2020
REVENUES				
City Taxes				
Sales, Use and Franchise	$ 872,307	$ 909,168	$ 991,239	$1,033,994
Property-Primary-Operating	146,117	154,560	162,129	170,899
Property-Secondary-Debt Service	91,021	95,435	101,652	107,881
Other City Taxes	4,750	4,493	4,889	1,987
Other				
Licenses and Permits	19,275	20,125	21,857	14,150
Charges for Services	183,008	188,683	214,661	191,332
Fines and Forfeitures	10,806	11,782	11,960	14,069
Parks, Recreation and Library	8,055	8,190	8,897	13,247
Dwelling Rentals	17,727	26,342	5,660	5,659
Interest	11,456	15,268	20,990	25,497
Regional Transit	43,833	38,751	41,366	40,568
Other	60,659	61,657	41,563	51,035
State-Shared Revenues				
Highway User Tax	126,058	131,355	138,864	145,617
State Sales Tax	143,975	155,998	165,066	172,557
State Income Tax	191,225	200,036	196,918	215,228
Vehicle License Tax	61,586	66,785	70,233	75,597
Local Transportation Assistance	4,242	4,366	4,220	—
Grant and Federal Revenues				
Human Resources Federal Trust	46,038	45,752	55,467	56,270
Federal Transit Administration	51,030	10,124	52,890	111,362
Community Development	19,373	14,013	11,295	30,989
Public Housing Grants	77,233	76,637	80,045	87,978
Other Grants and Participation	44,757	53,617	47,093	56,826
Enterprise Funds				
Aviation	370,841	401,197	410,375	394,790
Phoenix Convention Center	20,402	23,072	25,486	24,421
Water System and Val Vista	417,701	434,233	402,799	456,571
Wastewater and SROG	228,719	239,246	242,959	242,954
Solid Waste	151,113	149,947	149,769	150,957
Total Revenues	3,423,307	3,540,832	3,680,342	3,892,435
RECOVERIES				
Prior Year Expenditures	13,242	18,430	28,621	14,352
TRANSFERS (TO) FROM OTHER FUNDS				
Capital Projects Funds	(4,866)	35,594	15,861	10,656
General Obligation Reserve Fund	30,112	987	881	3,559
Infrastructure Repayment Agreement Trust	(23)	(653)	(3,225)	(4,868)
Net Deposit to Refunding Escrow	1,531	—	—	—
Paydown of COPERS Unfunded Pension Liability	—	(70,000)	—	—
Deposit to PSPRS Pension Stabilization Reserve	—	(24,750)	(10,250)	(5,500)
Proceeds from Loans	—	—	3,000	—
Worker's Compensation Trust	—	—	(7,000)	—
FUND BALANCES, BEGINNING OF YEAR	1,337,924	1,332,634	1,355,997	1,143,533
Total Resources Available for Expenditures	$4,801,227	$4,833,074	$5,064,227	$5,054,167

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 2017	Actual 2018	Actual 2019	Adopted Budget 2020
EXPENDITURES AND ENCUMBRANCES				
Operating Expenditures				
General Government	$ 114,950	$ 117,896	$ 122,027	$ 129,296
Criminal Justice	33,941	34,414	35,362	63,557
Public Safety	901,030	963,913	1,017,666	1,117,353
Transportation				
Streets and Traffic	72,920	83,374	83,772	105,526
Transit	209,299	236,573	247,623	269,843
Community and Economic Development				
Planning and Development Services	46,578	54,005	57,638	71,929
Neighborhood Services and Housing	126,073	133,935	121,605	150,949
Other Economic Development	11,549	10,954	12,178	12,348
Community Enrichment				
Parks and Recreation	102,021	106,580	113,976	116,723
Libraries	34,712	40,154	36,795	40,903
Other Community Enrichment	8,039	9,110	11,907	4,267
Human Services	63,497	63,867	73,934	93,588
Environmental Services	15,426	15,107	19,582	20,758
Contingencies	—	—	—	110,412
Total Governmental Expenditures	1,740,035	1,869,882	1,954,065	2,307,452
Enterprise Funds				
Aviation	245,116	262,990	261,174	275,732
Phoenix Convention Center	44,065	45,946	47,360	60,112
Water System and Val Vista	171,905	195,997	208,663	232,511
Wastewater and SROG	95,168	98,848	102,932	110,685
Solid Waste	126,156	128,539	136,191	145,290
Total Operating Expenditures	2,422,445	2,602,202	2,710,385	3,131,782
Capital Improvement Program				
Governmental Funds				
General Government	8,129	8,671	7,211	13,723
Public Safety	941	—	—	6,100
Transportation	191,220	120,812	243,658	336,706
Public Works	3,691	5,268	8,482	16,365
Community and Economic Development	36,676	30,678	25,889	67,811
Community Enrichment	11,523	9,858	6,690	77,946
Enterprise Funds				
Aviation	41,814	56,989	167,487	93,233
Phoenix Convention Center	1,436	6,386	13,546	14,684
Water System and Val Vista	154,376	104,880	61,766	120,909
Wastewater and SROG	79,610	31,659	5,611	66,180
Solid Waste	6,400	6,181	6,034	13,625
Total Capital Improvement Program	$ 535,816	$ 381,382	$ 546,374	$ 827,282

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
	2017	2018	2019	2020
EXPENDITURES AND ENCUMBRANCES (Continued)				
Debt Service				
General Obligation Bonds				
Various Purpose				
Principal	$ 70,300	$ 49,185	$ 57,460	$ 68,825
Interest	55,665	52,057	49,845	47,385
Arbitrage Rebate and Other	730	358	13	652
Airport				
Principal	—	—	4,520	3,345
Interest	197	197	197	83
Water				
Principal	5,755	—	—	6,735
Interest	556	197	197	197
Solid Waste				
Principal	1,090	1,845	1,595	920
Interest	288	236	144	78
Sanitary Sewer				
Principal	895	590	1,160	1,350
Interest	186	138	107	62
Lease-Purchase				
Airport				
Principal	26,310	29,759	23,797	32,821
Interest	28,420	32,166	38,095	62,840
Water				
Principal	47,690	52,976	58,678	62,025
Interest	59,339	56,861	54,325	59,109
Sanitary Sewer				
Principal	39,485	42,052	42,899	42,778
Interest	29,704	26,971	30,850	28,597
Lease-Purchase Excise Tax Bonds	143,722	147,905	154,830	178,119
Total Debt Service Expenditures	510,332	493,493	518,712	595,921
Total Expenditures	3,468,593	3,477,077	3,775,471	4,554,985
FUND BALANCES, END OF YEAR	$1,332,634	$1,355,997	$1,288,756	$ 499,182

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

	Actual			Adopted Budget
	2017	2018	2019	2020
GENERAL FUND	$ 144,494	$ 134,620	$ 133,580	$ —
SPECIAL REVENUE FUNDS				
Highway User Revenue	55,415	63,108	41,347	8,570
Parks and Preserves	43,795	52,363	63,604	22,120
Golf Courses	250	—	796	61
Planning & Development	54,220	59,849	70,367	33,208
Community Reinvestment	12,030	14,253	13,274	11,247
Grants	7,605	6,427	3,616	—
Transit(1)	(12,711)	(7,548)	(8,228)	(11,729)
Transportation 2050	254,758	214,336	158,917	23,235
Public Housing	15,878	20,681	25,394	12,556
Court Awards	235	258	(300)	301
Sports Facilities	37,809	49,674	52,882	50,119
Capital Construction	11,224	15,780	15,992	6,076
Regional Wireless Cooperative	1,756	1,825	1,823	1,558
Other Restricted	85,566	85,296	90,732	54,710
Neighborhood Protection	23,541	22,378	24,953	12,750
Public Safety Enhancement	9,711	19,595	24,076	14,314
Public Safety Expansion	15,161	32,772	36,357	15,851
DEBT SERVICE FUNDS				
Secondary Property Tax	526	100	100	100
City Improvement Debt Service	116	—	—	—
ENTERPRISE FUNDS				
Aviation	334,111	354,000	272,617	154,583
Phoenix Convention Center	43,780	46,643	58,271	34,680
Water System and Val Vista	62,593	92,772	90,191	2,354
Wastewater and SROG	86,870	39,206	85,046	46,620
Solid Waste	43,901	37,609	33,349	5,898
Total Operating Funds	$1,332,634	$1,355,997	$1,288,756	$499,182

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

(1) The negative fund balance for Transit is due to the timing of reimbursements for project costs from the regional transportation plan (Proposition 400).

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

	Actual			Adopted Budget
	2017	2018	2019	2020
GENERAL FUND				
Transfers From				
Excise Tax	$ 744,408	$ 774,514	$ 811,839	$ 896,212
Development Services	3,289	3,494	3,414	3,513
Public Housing	261	274	230	200
Neighborhood Protection	173	317	347	404
Sports Facilities	299	265	230	230
Public Safety Enhancement	290	199	224	260
Public Safety Expansion	406	466	519	607
Other Restricted	1,645	5,350	1,275	3,510
Transportation 2050	752	945	894	1,023
Community Reinvestment	2,064	2,068	2,063	2,065
Aviation	9,538	10,306	10,188	9,876
Phoenix Convention Center	2,663	2,710	2,767	2,879
Water System and Val Vista	22,587	23,304	23,794	25,563
Wastewater and SROG	14,189	14,814	15,089	15,983
Solid Waste	8,193	8,494	7,663	7,968
Capital Projects	17,600	—	—	—
Total	828,357	847,520	880,536	970,293
Transfers To				
Capital Projects	3,729	—	—	—
City Improvement Debt Service	—	115	115	43,729
Infrastructure Repayment Agreement Trust	—	283	553	1,638
Other Restricted	18,009	17,000	17,145	17,000
Federal Trust Grants	—	—	31	—
Worker’s Compensation Trust	—	—	7,000	—
PSPRS Pension Reserve Trust Fund	—	24,750	10,250	5,500
Aviation	—	168	284	200
Total	21,738	42,316	35,378	68,067
EXCISE TAX				
Transfers To				
General Fund	744,408	774,514	811,839	896,212
Parks and Preserves	30,082	31,594	35,013	36,619
Transportation 2050	202,842	215,806	239,179	249,936
Sports Facilities	18,435	19,979	20,732	23,063
Capital Construction	11,064	9,574	8,812	8,743
Other Restricted	4,815	5,518	5,731	5,724
Neighborhood Protection	30,084	31,593	35,013	36,619
Public Safety Enhancement	25,059	25,797	26,019	28,077
Public Safety Expansion	60,167	63,188	70,033	73,237
City Improvement Debt Service	34,380	37,781	42,621	—
Phoenix Convention Center	49,051	52,730	61,200	66,626
Total	1,210,387	1,268,074	1,356,192	1,424,856

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

	Actual 2017	Actual 2018	Actual 2019	Adopted Budget 2020
HIGHWAY USER REVENUE				
Transfers From				
Other Restricted	$ 1,575	$ —	$ —	$ —
Capital Projects	—	131	—	—
Total	1,575	131	—	—
Transfers To				
City Improvement Debt Service	—	—	1,258	3,910
PARKS AND PRESERVES				
Transfers From				
Excise Tax	30,082	31,594	35,013	36,619
Aviation	90	90	60	—
Other Restricted	—	3,279	—	—
Total	30,172	34,963	35,073	36,619
Transfers To				
Infrastructure Repayment Agreement Trust	4	28	221	211
DEVELOPMENT SERVICES				
Transfers To				
General Fund	3,289	3,494	3,414	3,513
FEDERAL TRANSIT GRANTS				
Transfers From				
Other Agency Transit Grants	24	—	—	—
Transfers To				
Transportation 2050	—	—	1,774	—
OTHER AGENCY TRANSIT GRANTS				
Transfers To				
Federal Transit Grants	24	—	—	—

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

	Actual			Adopted Budget
	2017	2018	2019	2020
TRANSPORTATION 2050				
Transfers From				
Excise Tax	$202,842	$215,806	$239,179	$249,936
Aviation	358	358	239	—
Federal Transit Gramts	—	—	1,774	—
Other Restricted	510	—	—	—
Total	203,710	216,164	241,192	249,936
Transfers To				
Infrastructure Repayment Agreement Trust.	14	199	1,549	1,474
General Fund	752	945	894	1,023
City Improvement Debt Service	61,007	64,033	67,289	70,789
Capital Projects	5	—	—	—
Other Restricted	—	1,199	1,568	—
Total	61,778	66,376	71,300	73,286
COMMUNITY REINVESTMENT				
Transfers From				
Other Restricted	—	—	676	2,560
Transfers To				
General Fund	2,064	2,068	2,063	2,065
PUBLIC HOUSING				
Transfers From				
Capital Projects	1,971	1,781	57	—
Other Restricted	170	43	—	—
Total	2,141	1,824	57	—
Transfers To				
General Fund	261	274	230	200
City Improvement Debt Service	73	73	72	71
Total	334	347	302	271
FEDERAL TRUST GRANTS				
Transfers From				
General Fund	—	—	31	—
Transfers To				
Other Restricted	6	—	—	—
SPORTS FACILITIES				
Transfers From				
Excise Tax	18,435	19,979	20,732	23,063
Other Restricted	3,622	427	—	—
City Improvement Debt Service	1,026	1,026	1,028	1,027
Total	23,083	21,432	21,760	24,090
Transfers To				
General Fund	299	265	230	230
City Improvement Debt Service	—	—	10,332	21,965
Infrastructure Repayment Agreement Trust	—	—	25	7
Other Restricted	—	—	—	135
Capital Projects	—	—	—	177
Total	299	265	10,587	22,514

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

	Actual 2017	Actual 2018	Actual 2019	Adopted Budget 2020
CAPITAL CONSTRUCTION				
Transfers From				
Excise Tax	$11,064	$ 9,574	$ 8,812	$ 8,743
Capital Projects	—	106	—	—
Total	11,064	9,680	8,812	8,743
OTHER RESTRICTED				
Transfers From				
General Fund	18,009	17,000	17,145	17,000
Capital Projects	614	—	—	—
Excise Tax	4,815	5,518	5,731	5,724
Transportation 2050	—	1,199	1,568	—
Phoenix Convention Center	—	—	—	567
Sports Facilities	—	—	—	135
Federal Trust Grants	6	—	—	—
Total	23,444	23,717	24,444	23,426
Transfers To				
General Fund	1,645	5,350	1,275	3,510
Capital Projects	253	—	—	—
Community Reinvestment	—	—	676	2,560
Parks and Preserves	—	3,279	—	—
Transportation 2050	510	—	—	—
Sports Facilities	3,622	427	—	—
Public Housing	170	43	—	—
Highway User Revenue	1,575	—	—	—
Total	7,775	9,099	1,951	6,070
NEIGHBORHOOD PROTECTION				
Transfers From				
Excise Tax	30,084	31,593	35,013	36,619
Aviation	90	90	60	—
Total	30,174	31,683	35,073	36,619
Transfers To				
Infrastructure Repayment Agreement Trust	—	28	27	211
General Fund	173	317	347	404
Total	173	345	374	615
PUBLIC SAFETY ENHANCEMENT				
Transfers From				
Excise Tax	25,059	25,797	26,019	28,077
Transfers To				
General Fund	290	199	224	260

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

	Actual 2017	Actual 2018	Actual 2019	Adopted Budget 2020
PUBLIC SAFETY EXPANSION				
Transfers From				
Excise Tax	$60,167	$ 63,188	$ 70,033	$ 73,237
Aviation	179	179	119	—
Total	60,346	63,367	70,152	73,237
Transfers To				
Infrastructure Repayment Agreement Trust	—	57	56	422
General Fund	406	466	519	607
Total	406	523	575	1,029
CITY IMPROVEMENT DEBT SERVICE				
Transfers From				
General Fund	—	115	115	43,729
Excise Tax	34,380	37,781	42,621	—
Transportation 2050	61,007	64,033	67,289	70,789
Sports Facilities	—	—	10,332	21,965
Public Housing	73	73	72	71
Aviation	—	949	948	949
Water System and Val Vista	—	—	—	160
Solid Waste	—	624	624	720
Wastewater and SROG	—	—	—	112
Phoenix Convention Center	—	94	94	94
Capital Projects	—	7	—	—
Highway User	—	—	1,258	3,910
Total	95,460	103,676	123,353	142,499
Transfers To				
Sports Facilities	1,026	1,026	1,028	1,027
SECONDARY PROPERTY TAX				
Transfers From				
General Obligation Reserve Fund	30,112	987	881	3,559
AVIATION				
Transfers From				
General Fund	—	168	284	200
Capital Projects	2,769	12,708	10,251	15,884
Total	2,769	12,876	10,535	16,084
Transfers To				
General Fund	9,538	10,306	10,188	9,876
Capital Projects	14,039	2,867	—	—
City Improvement Debt Service	—	949	948	949
Neighborhood Protection	90	90	60	—
Parks and Preserves	90	90	60	—
Public Safety Expansion	179	179	119	—
Transportation 2050	358	358	239	—
Total	24,294	14,839	11,614	10,825

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

	Actual			Adopted Budget
	2017	2018	2019	2020
PHOENIX CONVENTION CENTER				
Transfers From				
Excise Tax	$49,051	$52,730	$61,200	$66,626
Capital Projects	—	4	—	—
Total	49,051	52,734	61,200	66,626
Transfers To				
General Fund	2,663	2,710	2,767	2,879
Infrastructure Repayment Agreement Trust	5	58	794	905
City Improvement Debt Service	—	94	94	94
Other Restricted	—	—	—	567
Capital Projects	12	—	—	3,801
Total	2,680	2,862	3,655	8,246
WATER SYSTEM AND VAL VISTA				
Transfers From				
Capital Projects	352	25,000	—	—
Transfers To				
General Fund	22,587	23,304	23,794	25,563
Capital Projects	3,441	—	—	—
City Improvement Debt Service	—	—	—	160
Total	26,028	23,304	23,794	25,723
WASTEWATER AND SROG				
Transfers From				
Capital Projects	105	—	69	—
Transfers To				
General Fund	14,189	14,814	15,089	15,983
Capital Projects	2,287	—	—	—
City Improvement Debt Service	—	—	—	112
COPERS	—	70,000	—	—
Total	16,476	84,814	15,089	16,095
SOLID WASTE				
Transfers From				
Capital Projects	—	—	6,775	—
Transfers To				
General Fund	8,193	8,494	7,663	7,968
Capital Projects	4,511	1,276	1,291	1,250
City Improvement Debt Service	—	624	624	720
Total	12,704	10,394	9,578	9,938
COPERS				
Transfers From				
Wastewater and SROG	—	70,000	—	—

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

	Actual			Adopted Budget
	2017	2018	2019	2020
WORKER'S COMPENSATION TRUST FUND				
Transfers From				
General Fund	$ —	$ —	$ 7,000	$ —
CAPITAL PROJECTS				
Transfers From				
General Fund	3,729	—	—	—
Sports Facilities	—	—	—	177
Transportation 2050	5	—	—	—
Other Restricted	253	—	—	—
Aviation	14,039	2,867	—	—
Phoenix Convention Center	12	—	—	3,801
Water System and Val Vista	3,441	—	—	—
Wastewater and SROG	2,287	—	—	—
Solid Waste	4,511	1,276	1,291	1,250
Total	28,277	4,143	1,291	5,228
Transfers To				
General Fund	17,600	—	—	—
Highway User Revenue	—	131	—	—
Other Restricted	614	—	—	—
City Improvement Debt Service	—	7	—	—
Capital Construction	—	106	—	—
Public Housing	1,971	1,781	57	—
Aviation	2,769	12,708	10,251	15,884
Phoenix Convention Center	—	4	—	—
Water System and Val Vista	352	25,000	—	—
Wastewater and SROG	105	—	69	—
Solid Waste	—	—	6,775	—
Total	23,411	39,737	17,152	15,884
GENERAL OBLIGATION RESERVE FUND				
Transfers To				
Secondary Property Tax	30,112	987	881	3,559
INFRASTRUCTURE REPAYMENT AGREEMENT TRUST				
Transfers From				
General Fund	—	283	553	1,638
Parks and Preserves	4	28	221	211
Transportation 2050	14	199	1,549	1,474
Sports Facilities	—	—	25	7
Neighborhood Protection	—	28	27	211
Public Safety Expansion	—	57	56	422
Phoenix Convention Center	5	58	794	905
Total	23	653	3,225	4,868
PSPRS PENSION STABILIZATION RESERVE				
Transfers From				
General Fund	—	24,750	10,250	5,500
Total Transfers From	$1,445,298	$1,571,097	$1,568,404	$1,697,964
Total Transfers To	$1,445,298	$1,571,097	$1,568,404	$1,697,964

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APPENDIX C

City Sales Taxes and State-Shared Revenues

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

CITY TRANSACTION PRIVILEGE (SALES) TAXES

The City's transaction privilege (sales) tax rate for most business activity categories is 2.3%, while the rate for utilities is 2.7%, advertising is 0.5%, transient room rental is 5.3%, short-term car rental is 4.0%, telecommunications is 4.7% and commercial real estate rental is 2.4%. The City collected $764,075,000 from all transaction privilege tax categories in fiscal year 2014-15, $814,023,000 in 2015-16, $872,307,000 in 2016-17, $909,168,000 in 2017-18, $991,240,000 in 2018-19. The estimate for fiscal year 2019-20 is $988,350,000.

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

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

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

Beginning June 30, 2015, ADOR began to collect fees to recover a portion of the administrative, program and other operating costs incurred in providing tax administration and collection services to local governments. A one-time fee of $1.1 million was assessed to the City for the initial implementation of TPT reform. In addition, an annual fee will be assessed to each jurisdiction, such as the City, to pay for ongoing ADOR operations. This annual fee will be calculated in proportion to each jurisdiction's share of State-Shared Revenues distributed in the preceding fiscal year. Local governments can pay these obligations 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 $20.76 million in any fiscal year. For fiscal year 2019-20, the City of Phoenix was assessed a fee of $4.3 million.

City of Phoenix
Transaction Privilege Tax Rates by Category

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

(1) On October 5, 1993, City of Phoenix voters approved a 0.1% increase in the City's transaction privilege (sales) tax rate. The revenues produced by the increase must be used to add police officers and firefighters and to expand neighborhood programs designed to deter crime. The increase affects all transaction privilege tax categories except advertising, utilities, jet fuel, and telecommunications and became effective December 1, 1993. The revenues resulting from this increase generated $29.9 million in 2014-15, $28.7 million in 2015-16, $30.1 million in 2016-17, $31.6 million in 2017-18 and $35.0 in 2018-19. The estimate for 2019-20 is $35.3 million.

On September 7, 1999, City of Phoenix voters approved a 0.1% increase in the City's transaction privilege (sales) tax rate to be levied for a 10-year period, effective November 1, 1999. The revenues produced by the increase will be used for the acquisition of desert preserve open space and the development and improvement of regional and neighborhood parks located within the City. The increase affects all transaction privilege tax categories except advertising, utilities, jet fuel, telecommunications, and mining. On May 20, 2008, City of Phoenix voters approved a 30-year extension of this tax. This extension also expands the possible uses of these funds to include operational expenses such as salaries for park rangers and maintenance workers. Forty percent of the revenues produced by the extension will be used to acquire land for Phoenix's Sonoran Preserve. The remaining 60% will be used to finance improvements to parks throughout the City. The extension became effective July 1, 2008. The revenues resulting from this increase generated $29.9 million in 2014-15, $28.7 million in 2015-16, $30.1 million in 2016-17, $31.6 million in 2017-18 and $35.0 in 2018-19. The estimate for 2019-20 is $35.3 million.

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

On August 25, 2015, voters approved a new comprehensive transportation plan and funding tax proposal that increased the existing Transit Sales Tax dedicated for transportation. The dedicated Transit Sales Tax rate was increased from the previous 0.4% sales tax rate to 0.7% and became effective January 1, 2016, with a sunset date of December 31, 2050. The increased Transit Sales Tax will continue to fund expanded local bus and Dial-A-Ride service, bus rapid transit service, neighborhood circulators and the operation of the light rail system. The increased Transit Sales Tax will also provide for expanded bus and light rail service hours and routes, high capacity transit corridors, and infrastructure improvements to bus stops, maintenance facilities and transit centers. In addition, the increased Transit Sales Tax will provide for street improvements including pavement maintenance, new bicycle lanes, sidewalk installation and traffic signal enhancements. The revenues resulting from this increase generated $110.3 million in 2014-15, $154.6 million in 2015-16, $202.8 million in 2016-17, $215.8 million in 2017-18 and $239.2 in 2018-19. The estimate for 2019-20 is $240.1.

On September 11, 2007, City of Phoenix voters approved a 0.2% increase in the City's transaction privilege (sales) tax rate. Eighty percent of the revenues produced by the increase will be used by the Phoenix Police Department to recruit, hire, train and equip at least 500 police officers and police personnel; hire crime scene investigation (CSI) forensic teams; and to make service calls more efficient. Twenty percent of the revenues produced by the increase will be used by the Phoenix Fire Department to recruit, hire, train and equip at least 100 firefighters and fire personnel to improve fire protection services. The increase affects all privilege transaction tax categories except advertising, utilities, jet fuel, telecommunications and mining, and became effective December 1, 2007. The revenues resulted from the increase generated $59.8 million in 2014-15, $57.4 in 2015-16, $60.2 million in 2016-17, $63.2 million in 2017-18 and $70.0 in 2018-19. The estimate for 2019-20 is $70.1 million.

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

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 $478,777,000 in State-Shared Revenues in, 2014-15, $492,617,000 in 2015-16, $527,086,000 in 2016-17, $558,538,000 in 2017-18 and $575,278,000 in 2018-19. The estimate for 2019-20 is $586,886,000.

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

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
2019-20 (Estimate)	$168,964,000
2018-19	165,066,000
2017-18	155,998,000
2016-17	143,975,000
2015-16	137,544,000
2014-15	132,218,000
2013-14	127,005,000
2012-13	118,730,000
2011-12	114,017,000
2010-11	111,787,000

State Sales Tax
Taxable Activities, Tax Rates and Distribution Share

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

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

State Income Tax Receipts

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

State Income Tax Receipts

Fiscal Year	Amount
2019-20 (Estimate)	$214,697,000
2018-19	196,918,000
2017-18	200,035,000
2016-17	191,225,000
2015-16	174,234,000
2014-15	175,184,000
2013-14	161,580,000
2012-13	147,668,000
2011-12	122,012,000
2010-11	143,647,000

Recent Legislation Regarding Withholding of State Shared Revenues

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

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

Highway User Revenues

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

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

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

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

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

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

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

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

City of Phoenix, Arizona

Highway User Tax Revenues		Vehicle License Tax Receipts	
Fiscal Year	**Amount**	**Fiscal Year**	**Amount**
2019-20 (Estimate)	$127,717,000	2019-20 (Estimate)	$71,386,000
2018-19	138,864,000	2018-19	70,210,000
2017-18	131,355,000	2017-18	66,784,000
2016-17	126,058,000	2016-17	61,586,000
2015-16	116,682,000	2015-16	59,801,000
2014-15	111,748,000	2014-15	55,293,000
2013-14	102,009,000	2013-14	51,689,000
2012-13	98,804,000	2012-13	48,370,000
2011-12	90,368,000	2011-12	46,400,000
2010-11	104,908,000	2010-11	48,299,000

Local Transportation Assistance

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

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

On March 11, 2010, then Governor Jan Brewer signed a State budget package that permanently eliminated funding to the LTAF and the LTAF II, effective immediately. On September 2, 2011, a Federal judge issued a Court Order reinstating LTAF II Funding in Maricopa County. The City received $4,334,263 in 2014-15, $4,356,077 in 2015-16, $4,241,703 in 2016-17, $4,366,304 in fiscal year 2017-18 and $4,220,195 in 2018-19. The estimate for 2019-20 is $4,220,195.

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
2019-20 (Estimate)	$71.7	$94.1	$165.8
2018-19	67.5	88.6	156.1
2017-18	63.1	82.9	146.0
2016-17	59.6	78.2	137.8
2015-16	57.1	75.0	132.1
2014-15	55.1	72.3	127.3
2013-14	52.7	69.1	121.8
2012-13	49.2	64.6	113.8
2011-12	46.7	61.2	107.9
2010-11	44.5	58.3	102.8

CITY OF PHOENIX TRANSIT EXCISE TAX

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

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

APPENDIX D
State Expenditure Limitation

Since fiscal year 1982-83, the City has been subject to an annual expenditure limitation imposed by the Arizona Constitution. This limitation is based upon the City's actual 1979-80 expenditures adjusted annually for subsequent growth in population and inflation. The 2019-20 expenditure limit supplied by the Economic Estimates Commission was $1,574,234,282. The City increased this limit to $8,122,071,000 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 current 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 is in effect through 2019-20. In 2018, voters approved a proposition that moved regular City candidate elections from the fall of odd-numbered years to November of even-numbered years. State legislation allows the four-year home rule option to be extended in conjunction with the change of election dates. The new expiration date for the most recently approved home rule option will be at the end of 2020-21. The City plans to seek voter approval for an additional four-year option at an election to be held on November 2020.

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

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APPENDIX E

Retirement and Pension Plans

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

City of Phoenix Employees' Retirement System

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

The general administration, management and operation of COPERS is vested in a nine-member Retirement Board consisting of three elected employee members, four statutory members, a citizen member and a retiree member. The Retirement Board appoints the Retirement Program Administrator and contracts investment counsel and other services necessary to properly administer the plan. Additional information regarding the City's financial statements, including reporting of the City's net position and the net pension liability, is available in the City's Comprehensive Annual Financial Report (CAFR). The CAFR is available at http://emma.msrb.org or www.phoenix.gov under Departments-Finance-Comprehensive Annual 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://phoenix.gov/copers/pension-plan-reports.

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

	June 30	
	2019	**2018**
Active Members		
Tier 1	5,197	5,638
Tier 2	657	737
Tier 3	2,087	1,602
Total	7,941	7,977
Deferred Vested Members	1,008	943
In Pay Members		
Service Retirees	6,013	5,813
Beneficiaries	1,110	1,076
Disabled Retirees	245	249
Total	7,368	7,138
Total Members	16,317	16,058

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 19-year period. For the fiscal year ended June 30, 2019, the total contribution rate was 37.98% 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 $165.8 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
2019	$ 165,796	$ 165,796	—	100%	$ 561,938	29.50%
2018	159,006	229,006	(70,000)	144	526,667	43.48
2017	152,153	152,153	—	100	521,295	29.19

The actuarially determined recommended pension contribution rate is 31.77% for fiscal year 2019-20 and 31.60% for fiscal year 2020-21.

The following schedule shows the funding progress of the plan for the last three fiscal years. The total pension liability increased $96,594,000 from 2017 to 2018 and $175,779,000 from 2018 to 2019.

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

	Fiscal Year End 2019	Fiscal Year End 2018	Fiscal Year End 2017
Total Pension Liability			
Service cost	$ 73,255	$ 73,072	$ 72,876
Interest on the total pension liability	300,543	293,883	293,258
Changes of benefit terms	—	—	—
Differences between expected and actual experience of the total pension liability	39,370	(42,785)	429
Changes of assumptions	—	—	2,420
Benefit payments, including refunds of employee contributions	(237,389)	(227,576)	(223,668)
Net change in total pension liability	175,779	96,594	145,315
Total pension liability—beginning	4,226,046	4,129,452	3,984,137
Total pension liability—ending	$4,401,825	$4,226,046	$4,129,452
Plan Fiduciary Net Position			
Employer contributions	$ 165,796	$ 229,006	$ 152,153
Employee contributions	35,042	33,340	30,870
Pension plan net investment income	142,963	166,514	243,211
Benefit payments, including refunds of employee contributions	(237,389)	(227,576)	(223,668)
Pension plan administrative expense	(793)	(377)	(380)
Net change in plan fiduciary net position	105,619	200,907	202,186
Plan fiduciary net position—beginning	2,554,514	2,353,607	2,151,421
Plan fiduciary net position—ending	$2,660,133	$2,554,514	$2,353,607
Net pension liability	$1,741,692	$1,671,532	$1,775,845
Plan fiduciary net position as a percentage of the total pension liability	60.43%	60.45%	57.00%
Covered payroll	$ 561,938	$ 526,667	$ 521,295
Net pension liability as a percentage of covered payroll	309.94%	317.38%	340.66%

Actuarial assumptions used to determine the total pension liability in the June 30, 2019 valuation were based on the results of the actuarial experience study covering the period from July 1, 2009 through June 30, 2014. Those assumption, applied to all periods included in the measurement, are as follows:

Investment Rate of Return	7.25%
Inflation	2.5%
Salary Increase Rate	Individual salary increases are composed of a price inflation component, a real wage growth component, and a merit or longevity component that varies by age. Total salary increases range from 9.6% at age 20 to 3.0% for members age 65 and older.
Cost of Living Adjustment	1.25%
Administrative Expenses	Assumed to be equal to the prior year's amount, increased by 3.0%.

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, 7.25%, 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, CV-19-0116 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, COPERS' consulting actuary has prepared a recommendation to remove 7.5% of that load, holding back 1.5% to account for negative experience related to certain assumptions. The Board will soon consider removing that hold-back from the actuarial valuation. Based on the June 30, 2019 valuation, this would result in a $67,349,030 decrease to the unfunded actuarial accrued liability and a -3.6% ($8.08 million) reduction in the actuarially determined contribution for fiscal year 2021-2022. It is estimated that continuing the practices upheld by the Court will result in savings of $156.9 million over a 20-year period.

Citizen Pension Reform Initiative

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

State of Arizona Public Safety Personnel Retirement System

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

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

The System, for both police and fire personnel, is funded via member contributions of 7.65% of compensation for employees whose membership date was prior to July 20, 2011, and 11.65% of compensation for employees whose membership date began on or after July 20, 2011. Employees whose membership date was on or after January 1, 2012 have the option of participating in the hybrid plan for non-social security positions with contributions of 14.65%, of which 3.0% goes toward a defined contribution plan and is matched by the employer. Employer rates are set by an actuarial valuation and expressed as a percent of compensation. For fiscal year ended June 30, 2019, the required employer contribution rates were as follows:

	Police	Fire
Tier 1	59.76%	57.48%
Tier 2	59.76%	57.48%
Tier 3	10.15%	10.15%
Tier 3 Legacy	44.41%	41.57%

For Fiscal year ended June 30, 2019, the City chose to contribute $151.9 million and $84.8 million for Police and Fire, respectively and were based on the following contribution rates:

	Police	Fire
Tier 1	65.00%	62.39%
Tier 2	65.00%	62.39%
Tier 3	10.15%	10.15%
Tier 3 Legacy	49.65%	46.48%

The City's APSPRS membership data is as follows:

	June 30, 2018	
	Police	Fire
Retirees and Beneficiaries	2,374	1,102
Inactive and Non-Retired Members	768	253
Active Members	2,501	1,426
Total	5,643	2,781

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

(thousands)

	POLICE		
	Fiscal Year 2019	**Fiscal Year 2018**	**Fiscal Year 2017**
Total Pension Liability			
Service cost	$ 49,601	$ 58,148	$ 47,232
Interest on the total pension liability	231,824	217,244	199,120
Changes of benefit terms	—	22,618	171,696
Difference between expected and actual experience of the total pension liability	(906)	1,601	3,644
Changes of assumptions	—	107,195	100,323
Benefit payments, including refunds of employee contributions	(168,682)	(164,031)	(170,877)
Net change in total pension liability	111,837	242,775	351,138
Total pension liability—beginning	3,192,300	2,949,525	2,598,387
Total pension liability—ending	$3,304,137	$3,192,300	$2,949,525
Plan Fiduciary Net Position			
Employer contributions	$ 124,618	$ 113,645	$ 92,298
Employee contributions	22,728	31,289	31,061
Pension plan net investment income	89,411	139,676	7,019
Hall/Parker Settlement	(42,201)	—	—
Benefit payments, including refunds of employee contributions	(168,682)	(164,031)	(170,877)
Pension plan administrative expense	(1,364)	(1,236)	(1,010)
Other(1)	(443)	652	411
Net change in plan fiduciary net position	24,067	119,995	(41,098)
Plan fiduciary net position—beginning	1,291,612	1,171,617	1,212,715
Plan fiduciary net position—ending	$1,315,679	$1,291,612	$1,171,617
Net pension liability	$1,988,458	$1,900,688	$1,777,908
Plan fiduciary net position as a percentage of the total pension liability	39.82%	40.46%	39.72%
Covered payroll	$ 221,105	$ 231,023	$ 225,236
Net pension liability as a percentage of covered valuation payroll	899.33%	822.73%	789.35%

(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 2019	**Fiscal Year 2018**	**Fiscal Year 2017**
Total Pension Liability			
Service cost	$ 30,634	$ 31,155	$ 25,101
Interest on the total pension liability	123,038	114,721	107,388
Changes of benefit terms	—	9,098	95,865
Difference between expected and actual experience of the total pension liability	21,387	5,985	(22,672)
Changes of assumptions	—	61,290	51,468
Benefit payments, including refunds of employee contributions	(89,735)	(88,133)	(108,988)
Net change in total pension liability	85,324	134,116	148,162
Total pension liability–beginning	1,692,224	1,558,108	1,409,946
Total pension liability–ending	$1,777,548	$1,692,224	$1,558,108
Plan Fiduciary Net Position			
Employer contributions	$ 73,288	$ 56,671	$ 49,932
Employee contributions	13,413	16,694	16,039
Pension plan net investment income	49,178	76,651	3,927
Hall/Parker Settlement	(21,840)	—	—
Benefit payments, including refunds of employee contributions	(89,735)	(88,133)	(108,988)
Pension plan administrative expense	(751)	(679)	(565)
Other(1)	251	11	1,050
Net change in plan fiduciary net position	23,804	61,215	(38,605)
Plan fiduciary net position–beginning	710,511	649,296	687,901
Plan fiduciary net position–ending	$ 734,315	$ 710,511	$ 649,296
Net pension liability	$1,043,233	$ 981,713	$ 908,812
Plan fiduciary net position as a percentage of the total pension liability	41.31%	41.99%	41.67%
Covered payroll	$ 132,503	$ 127,530	$ 124,322
Net pension liability as a percentage of covered valuation payroll	787.33%	769.79%	731.02%

(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, 2018 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
Payroll Growth	3.5%
Price Inflation	2.5%
Salary Increases	3.5% to 7.5% including inflation
Tier 1 and 2 Investment Rate of Return	7.4%, net of investment and administrative expense
Tier 3 Investment Rate of Return	7.0%, net of investment and administrative expense
Retirement Age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period July 1, 2011 – June 30, 2016.
Mortality	RP-2014 mortality tables projected backwards 1 year to 2013 with MP-2014 (110% of female healthy annuitant mortality table.) Future mortality improvements are assumed each year using 75.0% of scale MP-2016.

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

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

	Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution(1)	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Valuation Payroll
POLICE	2019	$ —	$151,919	$ —	$ —	—%
	2018	124,618	124,618	—	221,105	56.36
	2017	113,645	113,645	—	231,023	49.19
	2016	92,298	92,298	—	225,236	40.98
FIRE	2019	$ —	$ 84,790	$ —	$ —	—%
	2018	73,288	73,288	—	132,503	55.31
	2017	56,671	56,671	—	127,530	44.44
	2016	49,932	49,932	—	124,322	40.16

(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 2019 actual contributions represent contributions made subsequent to the measurement date.

The actuarially determined recommended pension contribution rates for Police was 67.30% for fiscal year 2017-18, and is 59.76% for fiscal year 2018-19 and 64.64% for fiscal year 2019-20. The actuarially determined recommended pension contribution rates for Fire was 62.69% for fiscal year 2017-18, and is 57.48% for fiscal year 2018-19 and 58.95% for fiscal year 2019-20.

APSPRS Pension Reform

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

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

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

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

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

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

Elected Officials' Retirement Plan

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

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

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

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

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

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

Additional Information

Additional information regarding the City's Retirement and Pension Plans, including trend information and detailed assumptions, is available in the City's CAFR under the headings "Pension Plans" and "Required Supplementary Information". The CAFR is available at http://emma.msrb.org or www.phoenix.gov under Departments-Finance-Comprehensive Annual 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, 2019 are:

	2019
Plan Members Currently Receiving Benefits	9,352
Active Plan Members	3,527
Total Plan Members	12,879

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, 2019, the City contributed $24.1 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
2019	$ 22,465	$ 24,100	$ (1,635)	$ 270,600	8.91%
2018	22,465	25,881	(3,416)	329,982	7.84

The City's net OPEB liability for MERP was measured as of June 30, 2019, 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, 2019. 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 7.0% was used to measure the total MERP OPEB liability as of June 30, 2019. This single discount rate was based on an expected rate of return on MERP OPEB plan investments of 7.0%. 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 increased $4,969,000 from 2018 to 2019.

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

	MERP	
	Fiscal Year End 2019	**Fiscal Year End 2018**
Total OPEB Liability		
Service cost	$ 4,282	$ 4,690
Interest on the total OPEB liability	25,141	24,826
Changes of benefit terms	19,835	—
Differences between expected and actual experience	(18,132)	—
Changes of assumptions	(637)	—
Benefit payments, including refunds of employee contributions	(25,520)	(24,107)
Net change in total OPEB liability	4,969	5,409
Total OPEB liability–beginning	369,774	364,365
Total OPEB liability–ending	$374,743	$369,774
Plan Fiduciary Net Position		
Employer contributions	$ 24,100	$ 25,881
OPEB plan net investment income	8,734	9,761
Benefit payments, including refunds of employee contributions	(25,520)	(24,107)
Other	(17)	6
Net change in plan fiduciary net position	7,297	11,541
Plan fiduciary net position–beginning	170,869	159,328
Plan fiduciary net position–ending	$178,166	$170,869
Net OPEB liability–ending	$196,577	$198,905
Plan fiduciary net position as a percentage of total OPEB liability	47.54%	46.21%
Covered payroll	$270,600	$329,982
Net OPEB liability as a percentage of covered payroll	72.64%	60.28%

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, 2018, the effective date of the biennial OPEB valuation, follows:

	Police	Fire	General City	Total
Active Employees	3,038	1,685	7,910	12,633
Disabled Employees	19	5	264	288
Total Covered Participants	3,057	1,690	8,174	12,921

Contributions by the City (plus earnings thereon) are the sole source of funding for the LTD program. The LTD Trust's Board of Trustees, subject to oversight by the City Council has the authority to establish and amend the contribution requirements of the City and active employees. The Board of Trustees establishes the rates based on an actuarially determined rate recommended by an independent actuary. The actuarial determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the years ended June 30, 2019, the City contributed $1.8 million. Employees are not required to contribute to the LTD program.

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

LTD
Schedule of Employer Contributions
(in thousands)

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
2019	$ 1,772	$ 1,758	$ 14	$ 831,706	0.21%
2018	1,772	1,643	129	832,952	0.20

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

A single discount rate of 7.00% was used to measure the total OPEB liability for LTD as of June 30, 2019. This single discount rate was based on an expected rate of return on LTD OPEB plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the LTD OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on LTD OPEB plan investments was applied to all periods of projected benefit payments to determine the total LTD OPEB liability.

The following schedule shows the funding progress of the plan for the last two fiscal years. The total LTD OPEB liability decreased $7,624,000 from 2018 to 2019.

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

	LTD	
	Fiscal Year End 2019	**Fiscal Year End 2018**
Total OPEB liability/(asset)		
Service cost	$ 3,679	$ 3,554
Interest on the total OPEB liability/(asset)	3,614	3,407
Differences between expected and actual experience	(2,778)	—
Changes of assumptions	(8,013)	—
Benefit payments, including refunds of employee contributions	(4,126)	(3,993)
Net change in total OPEB liability/(asset)	(7,624)	2,968
Total OPEB liability/(asset)–beginning	51,854	48,886
Total OPEB liability/(asset)–ending	$ 44,230	$ 51,854
Plan Fiduciary Net Position		
Employer contributions	$ 1,758	$ 1,643
OPEB plan net investment income	3,983	4,611
Benefit payments, including refunds of employee contributions	(4,126)	(3,993)
OPEB plan administrative expense	(380)	(409)
Other	(86)	167
Net change in plan fiduciary net position	1,149	2,019
Plan fiduciary net position–beginning	78,930	76,911
Plan fiduciary net position–ending	$ 80,079	$ 78,930
Net OPEB liability/(asset)–ending	$ (35,849)	$ (27,076)
Plan fiduciary net position as a percentage of total OPEB liability/(asset)	181.05%	152.23%
Covered payroll	$831,706	$832,952
Net OPEB liability/(asset) as a percentage of covered payroll	(4.31)%	(3.25)%

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, 2018	
	Police	**Fire**
Retirees and Beneficiaries	2,374	1,102
Inactive, Non-Retired Members	405	224
Active Members	2,501	1,426
Total	5,280	2,752

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

For the year ended June 30, 2019, there were no employer contributions. Employees are not required to contribute to the APSPRS OPEB Plan.

APSPRS
Schedule of Employer Contributions
(in thousands)

	Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
Police	2018	$ —	$ —	$ —	$ 221,105	— %
Fire	2018	—	—	—	132,503	—

The following schedule shows the funding progress of the APSPRS OPEB plan for the last two fiscal years. The City's net OPEB liability for APSPRS was measured as of June 30, 2018, 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 2019	**Fire 2019**
Total OPEB Liability		
Service cost	$ 647	$ 338
Interest on the total OPEB liability	3,440	1,755
Changes of benefit terms	—	—
Differences between expected and actual experience of the Total OPEB Liability	(632)	(116)
Changes of assumptions	—	—
Benefit payments, including refunds of employee contributions	(3,253)	(1,766)
Net change in total OPEB liability	202	211
Total OPEB liability–beginning	47,791	24,430
Total OPEB liability–ending	$ 47,993	$ 24,641
Plan Fiduciary Net Position		
Contributions–employer	$ —	$ —
Contributions–employee	5	1
Net Investment Income	4,483	2,529
Benefit payments, including refunds of employee contributions	(3,253)	(1,766)
OPEB Plan administrative expense	(68)	(39)
Other	—	—
Net change in Plan fiduciary net position	1,167	725
Plan fiduciary net position–beginning	65,659	37,001
Plan fiduciary net position–ending	$ 66,826	$ 37,726
Net OPEB liability/(asset)	$ (18,833)	$ (13,085)
Plan fiduciary net position as a percentage of total OPEB liability	139.24%	153.10%
Covered payroll	$221,105	$132,503
Net OPEB liability as a percentage of covered payroll	(8.52)%	(9.88)%

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 CAFR under the heading "Other Postemployment Benefits (*OPEB*)". The CAFR is available at http://emma.msrb.org or www.phoenix.gov under Departments-Finance-Comprehensive Annual Financial Report or by calling the City at (602) 262-7166.

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APPENDIX G

Summary of Certain Provisions of the Indenture and the Loan Agreement

Certain Definitions

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

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

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

"*Bond Counsel*" means a firm of attorneys of national reputation experienced in the field of municipal bonds, designated by the City Representative, whose opinions are generally accepted by purchasers of municipal bonds, acceptable to the Trustee, and who is independent.

"*Bond Fund*" means the Bond Fund established pursuant to the Indenture.

"*Bond Resolution*" means, collectively, the resolutions adopted by the Board of Directors of the Corporation providing for the issuance of the Bonds and authorizing 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 his or her designee 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.

"*Defeasance Obligations*" means:

1. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series "SLGs");
2. Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
3. Resolution Funding Corp. (REFCORP). Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable; and
4. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:
   a. <u>U.S. Export-Import Bank (Eximbank)</u>
   Direct obligations or fully guaranteed certificates of beneficial ownership;

   b. <u>Farmers Home Administration (FmHA)</u>
   Certificates of beneficial ownership;

c. Federal Financing Bank;

d. General Services Administration
Participation certificates;

e. U.S. Maritime Administration
Guaranteed Title XI financing; and

f. 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 Notes and Bonds — U.S. government guaranteed public housing notes and bonds.

"*Event of Bankruptcy*" means the filing of a petition in bankruptcy by or against the specified Person under the United States Bankruptcy Code.

"*Event of Default*" means an event of default under the Indenture.

"*Indenture*" means the Subordinated Trust Indenture, dated as of August 1, 2020, by and between the Corporation and the Trustee, as amended and supplemented from time to time.

"*Independent*" means a person or entity of which no partner (treating a shareholder of a professional association as though such shareholder were a partner), director, officer or employee is a member, director, officer or elected official of the City or the Corporation.

"*Interest Fund*" means the Interest Fund established pursuant to the Indenture.

"*Interest Payment Date*" means January 1 and July 1 of each year, commencing January 1, 2021.

"*Loan Agreement*" means the Subordinated Loan Agreement, dated as of August 1, 2020, between the Corporation, as lender, and the City, as obligor, together with any duly authorized and executed amendments or supplements thereto, pursuant to which the City makes Loan Payments sufficient to pay principal of and interest on the Bonds.

"*Loan Payment Date*" means any date on which Loan Payments are to be paid as set forth in the Loan Agreement.

"*Loan Payments*" means all payments required to be paid by the City on any date required by the Loan Agreement.

"*Outstanding Bonds*," "*Bonds Outstanding*" or "*Outstanding*" as applied to Bonds, mean, as of the applicable date, all Bonds which have been authenticated and delivered, or which are being delivered by the Trustee under the Indenture, except:

(a) Bonds, or the portion thereof, cancelled upon surrender, exchange or transfer, or cancelled because of payment or redemption on or prior to that date;

(b) Bonds, or the portion thereof, for the payment, redemption or purchase for cancellation of which sufficient monies have been deposited and credited with the Trustee or any Paying Agents on or prior to that date for that purpose (whether upon or prior to the maturity or redemption date of those Bonds); provided, that if any of those Bonds are to be redeemed prior to their maturity, notice of that redemption shall have been given or arrangements satisfactory to the Trustee shall have been made for giving notice of that redemption, or waiver by the affected Owners of that notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(c) Bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of the Indenture; and

(d) Bonds in lieu of which others have been authenticated under the Indenture.

"*Owner*" or "Bondowner" or "Owner of a Bond" means the Person in whose name a Bond is registered on the Register.

"*Paying Agent*" means the Trustee and 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 Participation certificates;
6. Government National Mortgage Association (GNMA or "*Ginnie Mae*")
   GNMA — guaranteed mortgage-backed bonds, and
   GNMA — guaranteed pass-through obligations (participation certificates) (not acceptable for certain cash-flow sensitive issues);
7. U.S. Maritime Administration Guaranteed Title XI financing; and
8. U.S. Department of Housing and Urban Development (HUD)
   Project Notes, Local Authority Bonds, New Communities Debentures — U.S. government guaranteed debentures, and
   U.S. Public Housing Notices and Bonds — U.S. government guaranteed public housing notes and bonds;

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
   Senior debt obligations (Consolidated debt obligations);
2. Federal Home Loan Mortgage Corporation (FHLMC or "*Freddie Mac*")
   Participation Certificates (Mortgage-backed securities), and Senior debt obligations;

3. Federal National Mortgage Association (FNMA or "*Fannie Mae*")
   Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal); and

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," "Aal" 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 the Trustee (buyer/lender), and the transfer of cash from the Trustee 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 municipal entity in exchange for the securities at a specified date, and which satisfy the following criteria:

1. Repurchase agreements must be between the Trustee 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 FHLB, FNMA & FHLMC);

ii. The term of the repurchase agreement may be up to 180 days;

iii. The collateral must be delivered to the 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 Trustee 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 municipality, then additional cash and/or acceptable securities must be transferred; and

(l) Pre-refunded municipal bonds rated no lower than direct obligations of the United States of America by Moody's and by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or pre-refunded municipals rated no lower than direct obligations of the United States of America by S&P to satisfy this condition;

provided that any investment or deposit described above is not prohibited by applicable law.

"*Person*" or words importing persons mean firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

"*President*" means the President of the Board of Directors of the Corporation.

"*Principal Payment Date*" means, as to the Bonds, July 1 in the years specified herein for the stated amount of principal to be retired at maturity, or any other date on which the principal of the Bonds is payable as a result of redemption.

"*Project*" means the real and personal property financed or refinanced pursuant to the Loan Agreement.

"*Register*" means the books kept and maintained by the Registrar for registration and transfer of Bonds pursuant to the Indenture.

"*Registrar*" means the Trustee, until a successor Registrar shall have become such pursuant to applicable provisions of the Indenture which shall be a transfer agent registered in accordance with Section 17(A)(c) of the Securities Exchange Act of 1934, as amended.

"*Revenue Fund*" means the Revenue Fund established pursuant to the Indenture.

"*Revenues*" means (a) the 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 Trustee pursuant to the Loan Agreement, including without limitation monies and investments in the Bond Fund, the Interest Fund and the Revenue Fund, and (c) all income and profit from the investment of the foregoing monies. The term "Revenues" does not include any monies or investments in the Rebate Fund, as that term is defined in the Indenture.

"*Secretary*" means the Secretary-Treasurer of the Board of Directors of the Corporation.

"*Supplemental Indenture*" means any indenture supplemental to the Indenture entered into between the Corporation and the Trustee in accordance with the Indenture.

"*Unassigned Corporation*'s Rights" means all of the rights of the Corporation to receive additional payments under the Loan Agreement and to give or withhold consent to amendments, changes, modifications and alterations of the Loan Agreement and its right to enforce such rights.

Summary of Certain Provisions of the Indenture

The following, along with the information included under the heading "THE BONDS," is a summary of certain provisions of the Indenture. This summary does not purport to be complete, and reference is made to the Indenture for a full and complete statement of such provisions. Capitalized terms used in this summary are defined in the Indenture and have the same meaning herein as therein unless the context hereof requires some other meaning.

Pledge and Security. To secure the payment of Bond Service Charges, the Corporation has absolutely assigned to the Trustee the following described property (i) all rights and interests of the Corporation, in, under and pursuant to the Loan Agreement, except for Unassigned Corporation's Rights, including any supplements thereto, the Corporation, however, to remain liable to observe and perform all the conditions and covenants in said Loan Agreement provided to be observed and performed by it, (ii) all of the payments, rents, issues and profits payable to or received by the Corporation pursuant to such Loan Agreement described in (i) above, including without limitation, all of the Loan Payments and the amounts to be paid to the Corporation or the Trustee under the terms of such Loan Agreement; and (iii) the Revenues; excluding, however, any money or investments in the Rebate Fund.

Receipt of Revenues. The Loan Payments 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 each Loan Payment Date, determine the amount required to be deposited for the next Loan 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 Loan Payment Date, of the amount required to be deposited by the City for the next Loan Payment.

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 event 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, except at the time of reinvestment of earnings thereof.

Enforcement of Revenue Pledge. As provided in the Loan Agreement, the Trustee shall have the right of specific performance of the pledge of receipts and revenues of the City described in the Loan Agreement by appropriate court action, in the name of the Trustee on behalf of the Owners of the Bonds, in the name of the Corporation, or in the names of both. Nothing contained in the Indenture or the Loan Agreement shall be deemed to create a lien of any kind upon the Project or any other property acquired with the proceeds of the Bonds.

Intervention by the Trustee. The Trustee may intervene on behalf of the Owners, and shall intervene if requested to do so in writing by the Owners of at least 25 percent of the aggregate principal amount of the Bonds then Outstanding (unless otherwise directed by a greater percentage of the owners), 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, upon 30 days' written notice 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 (unless otherwise directed by a greater percentage of owners);

(iv) The occurrence and continuance of any event of default as defined in the Loan Agreement; and

(v) The occurrence of an Event of Bankruptcy as to the Corporation or the Corporation shall: (a) commence a proceeding under any federal or State insolvency, reorganization or similar law, or having such a proceeding commenced against it and either having an order of insolvency or reorganization entered against it or having the proceeding remain undismissed and unstayed for 90 days or (b) have a receiver, conservator, liquidator or trustee appointed for it or for the whole or any substantial part of its property. The declaration of an Event of Default under this provision and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal or State law affecting or precluding such declaration or exercise during the pendency of or immediately following any liquidation or reorganization proceedings.

Notice of Default. If an Event of Default shall occur, the Responsible Officer of the Trustee shall give written notice of the Event of Default, by registered or certified mail, to, among others, the Corporation, the City, the Registrar, and any Paying Agent, within five days after the Trustee has notice of the Event of Default. If a Responsible Officer of the Trustee has notice pursuant to the Indenture of an Event of Default, the Responsible

Officer of the Trustee shall give written notice thereof, within 30 days after a Responsible Officer of the Trustee's receipt of notice of its occurrence, to the Owners of all Bonds then Outstanding and affected thereby as shown by the Register at the close of business 15 days prior to the mailing of that notice; provided that, except in the case of a default in the payment of the principal of or any premium or interest on any Bond, or the occurrence of an Event of Bankruptcy as to the Corporation, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or Responsible Officers of the Trustee in good faith determine that the withholding of notice to the Owners is in the interests of the Owners.

Remedies; No Right of Acceleration. If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may, and upon request of the Owners affected thereby as provided in the Indenture shall, exercise the remedy granted pursuant to the Loan Agreement; provided, however, that notwithstanding anything therein or in the Indenture to the contrary, there shall be no right under any circumstances to accelerate the maturities of the Bonds, or otherwise to declare any amounts due pursuant to the Loan Agreement not then past due or in default to be immediately due and payable.

Application of Monies. After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of monies pursuant to any right given or action taken under the provisions of the Indenture or the provisions of the Loan Agreement (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under the Indenture) and after any required deposit into the Rebate Fund, all monies received by the Trustee, unless the principal of all of the Bonds shall have become due and payable, shall be deposited in the Revenue Fund and shall be applied:

First — To the Interest Fund for the payment to the Owners entitled thereto of all installments of interest then due on the Bonds, in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Owners entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds, and

Second — To the Bond Fund for the payment to the Owners entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds previously called for redemption for the payment of which monies are held pursuant to the provisions of the Indenture), whether at stated maturity or by redemption, in the order of their due dates, beginning with the earliest due date, with interest on those Bonds from the respective dates upon which they may become due at the rates specified in those Bonds, and if the amount available is not sufficient to pay in full all Bonds due on any particular date, together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Owners entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

If principal of all the Bonds shall have become due, all of those monies shall be deposited in the Bond Fund and shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest, of interest over principal, of any installment of interest over any other installment of interest, or of any Bonds over any other Bonds, ratably, according to the amounts due respectively for principal and interest, to the Owners entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

Whenever monies are to be applied pursuant to the provisions of the Indenture, those monies shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of monies available for application and the likelihood of additional monies becoming available for application in the future. Whenever the Trustee shall direct the application of those monies, it shall fix the date upon which the application is to be made, and upon the date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided that the monies are available therefor. The Trustee shall give notice of the deposit with it of any monies and of the fixing of that date, all consistent with the requirements of the Indenture for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of and any premium on a Bond to the Owner thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

Remedies Vested in Trustee. All rights of action (including without limitation, the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto. The sole remedy of the Trustee under the Indenture is that of specific performance as set forth in the Indenture and the Loan Agreement. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Owners as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Owners of the Outstanding Bonds, entitled thereto, subject to the provisions of the Indenture.

Rights and Remedies of Owners. An Owner shall not have any right to institute any suit, action or proceeding for the enforcement of the Indenture, for the execution of any trust of the Indenture, or for the exercise of any other remedy under the Indenture, unless:

(i) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in the Indenture or of which it is deemed to have notice pursuant to the Indenture;

(ii) the Owners of at least 25 percent in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted in the Indenture or to institute the suit, action or proceeding in its own name, and shall have offered indemnity to the Trustee as provided in the Indenture; and

(iii) the Trustee thereafter shall have failed or refused to exercise the remedies, rights and powers granted in the Indenture or to institute the suit, action or proceeding in its own name.

No one or more Owners of the Bonds shall have any right to affect, disturb or prejudice the security or benefit of the Indenture by its or their action, or to enforce, except in the manner provided in the Indenture, any remedy, right or power under the Indenture. Any suit, action or proceedings shall be instituted, had and maintained in the manner provided in the Indenture for the benefit of the Owners of all Bonds then Outstanding. Nothing in the Indenture shall affect or impair, however, the right of any Owner to enforce the payment of the Bond Service Charges on any Bond owned by that Owner at and after the maturity thereof, at the place, from the sources and in the manner expressed in that Bond.

Supplemental Indentures Not Requiring Consent of Owners. Without the consent of, or notice, to, any of the Owners, the Corporation Representative on behalf of the Corporation and the Trustee may enter into 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 for the following purposes:

(a) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture;

(b) to grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Owners or the Trustee;

(c) to assign additional revenues under the Indenture;

(d) to accept additional security and instruments and documents of further assurance with respect to the Bonds;

(e) to add to the covenants, agreements and obligations of the Corporation under the Indenture, other covenants, agreements and obligations to be observed for the protection of the Owners, or to surrender or limit any right, power or authority reserved to or conferred upon the Corporation in the Indenture;

(f) to evidence any succession to the Corporation and the assumption by its successor of the covenants, agreements and obligations of the Corporation under the Indenture, the Loan Agreement and the Bonds;

(g) to permit the exchange of Bonds, at the option of the Owner or Owners thereof, for coupon Bonds payable to bearer, in an aggregate principal amount not exceeding the unmatured and unredeemed principal amount of the predecessor bonds, bearing interest at the same rate or rates and maturing on the same date or dates, with coupons attached representing all unpaid interest due or to become due thereon if, in the opinion of Bond Counsel, that exchange would not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes;

(h) to permit the use of a book entry system to identify the owner of an interest in an obligation issued by the Corporation under the Indenture, whether that obligation was formerly, or could be, evidenced by a tangible security;

(i) to permit the Trustee to comply with any obligations imposed upon it by law;

(j) to specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar and any Paying Agents;

(k) to achieve compliance of the Indenture with any applicable federal securities or tax law;

(l) to make amendments to the provisions of the Indenture relating to arbitrage matters under Section 148 of the Code, if, in the opinion of Bond Counsel selected by the Corporation, those amendments would not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes, which amendments may, among other things, change the responsibility for making the relevant calculations;

(m) to make any change required by any rating agency to which the City or the Corporation has applied for a rating on the Bonds if such change is required in order to obtain or maintain a rating; and

(n) to permit any other amendment which, in the judgment of the Trustee, does not materially adversely affect the interests of the Trustee or the Owners.

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 under the Loan Agreement), 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,

(a) 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

(b) the Trustee and any other Paying Agents shall assign and deliver to the City any property subject at the time to the pledge of the Indenture which then may be in their possession, except amounts in the Bond Fund required otherwise to be held by the Trustee and the Paying Agents under the Indenture or otherwise for the payment of Bond Service Charges.

Payment and Discharge of Bonds. All or any part of the Bonds shall be deemed to have been paid and discharged within the meaning of the Indenture if:

(i) the Trustee as paying agent and any Paying Agents or any qualified trustee shall have received, in trust for and irrevocably committee thereto, sufficient monies, or

(ii) the Trustee or any trustee meeting the requirements of the Indenture shall have received, in trust for and irrevocably committed thereto, noncallable Defeasance Obligations which are certified by an Independent public accounting firm or public finance consulting 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 Trustee meeting the requirements of the Indenture 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 Rebate Fund unless otherwise directed by the City, or transferred by the City to deposit therein.

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 from and after that date, or (ii) a Paying Agent is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed, then payment of Bond Service Charges need not be made by that Paying Agent on that date, but that payment may be made on the next succeeding business day on which that Paying Agent is open for business with the same force and effect as if that payment were made on the Interest Payment Date or Principal Payment Date, and no interest shall accrue for the period after that date; provided, that if the Trustee is open for business on the applicable Interest Payment Date or

Principal Payment Date, it shall make any payment required under the Indenture with respect to payment of Bond Service Charges on Bonds presented to it for payment, regardless of whether any Paying Agent shall be open for business or closed on the applicable Interest Payment Date or Principal Payment Date.

Summary of Certain Provisions of the Loan Agreement

The following is a summary of certain provisions of the Loan Agreement. This summary is not purported to be complete, and reference is made to the full text of the Loan Agreement for a complete recital of its terms, including definitions of capitalized terms herein.

General. The Loan Agreement has been entered into between the City as obligor and the Corporation as lender. The real and personal property comprising the Project has been financed or refinanced, as applicable, pursuant to the loan from the Corporation to the City. The Loan Agreement contains the terms and conditions under which the Project is financed or refinanced.

Loan Payments. On each Loan Payment Date, the City will pay to the Trustee, in lawful money of the United States of America, the Loan Payment with respect to the Bonds for such Loan Payment Date, such Loan Payment being the amount necessary to pay debt service on all Bonds Outstanding under the Indenture on the next Bond Payment Date together with any other amounts due under the Loan Agreement with respect to the Bonds.

The obligation of the City to make the Loan Payments is absolute and unconditional but does not constitute a general obligation of the City and does not constitute an indebtedness of the City, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation restrictions. The City's obligation to make the Loan Payments is enforceable solely against the Excise Taxes subject to the priorities set forth in the Loan Agreement. 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 with interest at the rate of eight percent (8%) per annum from the date said payment was made to the date of payment by the City.

Option to Prepay. The City may prepay all or a part of the Loan to the extent and in the manner permitted by the Indenture. If such prepayment complies with the Indenture, the Corporation agrees to accept such prepayment as directed by the City. No other prepayment of the Loan shall be permitted.

Parity Obligations. Under the Loan Agreement, the City reserves the right to incur obligations payable from the Excise Taxes in the future on a parity with the obligations to make Loan Payments thereunder, but only if upon the incurring of such future obligation or obligations the following conditions are met:

(a) The pledged Excise Taxes received by the City during the completed fiscal year immediately preceding the incurring of the proposed parity obligation are at least equal to the highest combined total, for any succeeding 12 month period, of amounts due on Senior Obligations and Junior Obligations during such period plus two times the interest and principal requirements for all Bonds and parity obligations then outstanding and all proposed parity obligations to be secured by a pledge of taxes during such period; and

(b) In determining compliance with the provisions of (a) above, interest on any obligation which bears or is to bear interest at a variable rate shall be assumed to be a fixed interest rate equal to the greater of: (i) 9.2% or (ii) (a) if any variable rate obligations are outstanding, the highest variable rate actually borne by such obligations over the previous 24 months or (b) if none, the highest rate borne by variable rate debt over the previous 24 months for which the interest rate is computed by reference to an index, or based on other factors, comparable to that to be utilized for the proposed obligations.

(c) The City shall certify through its Chief Financial Officer 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.

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 other than subsection (a) above and further qualified in 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 provided, however, if the failure stated in the notice can be corrected, but not within the applicable period, the Corporation shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected; and

(c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City to promptly lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the federal bankruptcy laws.

Upon the occurrence and continuance of an event of default, the Corporation will be entitled to enforce the Loan Agreement by appropriate action to collect any amounts due and owing or to cause the City to perform its other obligations under the Loan Agreement. The Corporation's sole remedy under the Loan Agreement is that of specific performance. Notwithstanding anything in the Loan Agreement or in the Indenture to the contrary, there shall be no right under any circumstances to accelerate or otherwise to declare any Loan Payment not then past due or in default to be immediately due and payable. The City shall be liable for all expenses and costs which the Corporation incurs or may incur in connection with the enforcement of any of its remedies in the Loan Agreement, including reasonable attorney's fees to the extent permitted by law.

Tax Covenants. Under the Loan Agreement, the City and the Corporation covenant that each shall not make use of the Project or the proceeds of the Tax-Exempt Bonds or take any action which would adversely affect the exclusion of interest on the Tax-Exempt 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 GREENBERG TRAURIG, LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined a certified copy of the proceedings of the City of Phoenix Civic Improvement Corporation (the "Corporation") passed preliminary to the issue of its Subordinated Excise Tax Revenue Bonds, Series 2020A in the amount of $131,595,000 (the "Tax-Exempt Bonds"), and Subordinated Excise Tax Revenue Bonds, Series 2020B (Taxable) (the "Taxable New Money Bonds" and together with the Tax-Exempt Bonds, the "New Money Bonds") in the amount of $150,000,000 and City of Phoenix Civic Improvement Corporation Subordinated Excise Tax Revenue Refunding Bonds, Series 2020C (Taxable) (the "Taxable Refunding Bonds" in the amount of $116,685,000 and together with the New Money Bonds, the "Bonds") in fully registered form, dated the date of initial authentication and delivery thereof. The Tax-Exempt Bonds are being issued for the purpose of funding, or reimbursing the City of Phoenix, Arizona (the "City") for (a) the costs of certain projects, property and equipment and for acquiring, repairing, equipping and improving real and personal property of the City and (b) prepayment of a loan obtained by the City to refinance bonds issued by the Downtown Phoenix Hotel Corporation, (the "Hotel Loan"). The Taxable New Money Bonds are being issued for the purpose of funding, or reimbursing the City for the costs of repairing, renovating and improving a City-owned multipurpose arena. The Taxable Refunding Bonds are being issued for the purpose of refunding certain excise tax revenue obligations (the "Bonds Being Refunded").

We have examined the law and such documents and matters as we have deemed necessary to render this opinion, including, without limitation, the original or a copy identified to our satisfaction as being a true copy of the Indenture (as defined herein).

As to questions of fact material to the opinions expressed herein, we have relied upon, and have assumed due compliance with the provisions of, the proceedings and other documents, and have relied upon certifications and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, the use to be made of the proceeds of the Bonds. Reference is made to certifications of and opinions of counsel to parties other than the Corporation with respect to the existence and powers of such parties to enter into and perform the instruments referred to, the authorization, execution and delivery of such instruments by such parties and such instruments being binding upon and enforceable against such parties; we express no opinion as to such matters.

The Bonds are being issued pursuant to a Subordinated Trust Indenture, dated as of August 1, 2020 (the "Indenture") between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds are payable solely, as to both principal and interest, from payments made by the City under the Subordinated Loan Agreement, dated as of August 1, 2020 (the "Loan Agreement") between the Corporation and the City.

Based upon the foregoing, we are of the opinion as of this date, which is the date of initial delivery of the Bonds against payment therefor, that:

1. The Indenture, the Loan Agreement and the Bonds have been duly authorized, executed and delivered by the Corporation and are valid and binding upon and enforceable against the Corporation.

2. The Bonds constitute special obligations of the Corporation, and the principal of and interest and any premium on the Bonds (collectively, *"debt service"*), unless paid from other sources, are payable solely from the revenues and other moneys pledged and assigned by the Indenture to secure that payment. Those revenues and other moneys include payments required to be made by the City under the Loan Agreement, and the City's obligation to make those payments is secured by a pledge of certain excise taxes levied and collected by the City and certain shared taxes received by the City from the State of Arizona. The Indenture creates the pledge which it purports to create in the pledged revenues and of other moneys in the funds and accounts created by the Indenture

(other than the Rebate Fund), which pledge will be perfected only as to the revenue and other moneys on deposit in the funds and accounts created by the Indenture and held by the Trustee. The Bonds and the payment of debt service are not secured by an obligation or pledge of any moneys raised by taxation other than the specified taxes and shared taxes; the Bonds do not represent or constitute a debt or pledge of the general credit of the Corporation, the City or the State of Arizona; and the Loan Agreement, including the City's obligation to make the payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

3. The Internal Revenue Code of 1986, as amended (the *"Code"*), includes requirements which the City and the Corporation must continue to meet after the issuance of the Tax-Exempt Bonds in order that interest on the Tax-Exempt Bonds be excludible from gross income for federal income tax purposes. The failure of the City and the Corporation to meet these requirements may cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The City and the Corporation have covenanted to take the actions required by the Code in order to maintain the excludability from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds. (Subject to the limitations in the next to last paragraph hereof, the City and the Corporation have full legal power and authority to comply with such covenants.) Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated in the last sentence of this paragraph, interest on the Tax-Exempt Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and, if the foregoing is the case, the interest on the Tax-Exempt Bonds is exempt from income taxation under the laws of the State of Arizona. Interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. We express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Tax-Exempt Bonds. In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to above that must be met after the issuance of the Tax-Exempt Bonds in order that interest on the Tax-Exempt Bonds not be included in gross income for federal tax purposes.

We express no opinion as to the exclusion of interest on the Taxable New Money Bonds and the Taxable Refunding Bonds, collectively, the "Taxable Bonds" from gross income for federal or Arizona income tax purposes. Ownership of the Taxable Bonds may result in other federal or State of Arizona income tax consequences to certain taxpayers and we express no opinion regarding any such collateral consequences arising with respect to the Taxable Bonds.

In rendering the foregoing opinions, we have assumed and relied upon compliance with the City's and the Corporation's covenants and the accuracy, including with respect to the application of the proceeds of the Bonds, the Hotel Loan and the Bonds Being Refunded which we have not independently verified, of the City's and the Corporation's representations and certifications contained in the transcript. The accuracy of those representations and certifications, and the City's and the Corporation's compliance with those covenants, may be necessary for the interest on the Tax-Exempt Bonds to be and remain excluded from gross income for federal and State income tax purposes and for certain of the other tax effects stated above. We have also relied upon the Verification Report of Samuel Klein and Company, certified public accountants, as to the adequacy of the obligations issued or guaranteed by the United States Government in which proceeds of the Taxable Refunding Bonds have been invested to provide for retirement of the Bonds Being Refunded. Failure to comply with certain requirements subsequent to issuance of the Tax-Exempt Bonds could cause interest on the Tax-Exempt Bonds to be included in gross income for federal and State income tax purposes retroactively to the date of issuance of the Tax-Exempt Bonds.

The rights of the owners of the Bonds and the enforceability of those rights under the Bonds and the documents referred to above may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and the enforcement of those rights may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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APPENDIX I

Form of Continuing Disclosure Undertaking

This Continuing Disclosure Undertaking dated August 25, 2020 (the "Undertaking" or the "Agreement") is being executed and delivered by the City of Phoenix, Arizona (the "City") in connection with the issuance of $131,595,000 Subordinated Excise Tax Revenue Bonds, Series 2020A (the "Tax-Exempt Bonds"), $150,000,000 Subordinated Excise Tax Revenue Bonds, Series 2020B (Taxable) (the "Taxable New Money Bonds" and, together with the Tax-Exempt Bonds, the "New Money Bonds") and $116,685,000 Subordinated Excise Tax Revenue Refunding Bonds, Series 2020C (Taxable) (the "Taxable Refunding Bonds" and together with the New Money Bonds, the "Bonds"). The Bonds are being issued by the City of Phoenix Civic Improvement Corporation (the "Corporation") pursuant to the terms of a Subordinated Trust Indenture, dated as of August 1, 2020 (the "Indenture"), between the Corporation and U.S. Bank 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 a 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 Subordinated Loan Agreement, dated as of August 1, 2020, 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.

"Taxable Bonds", means, collectively, the Taxable New Money Bonds and the Taxable Refunding Bonds.

"*Undertaking*" means the obligations of the City pursuant to Sections 4 and 5 hereof.

3. *CUSIP Number/Final Official Statement.* The CUSIP Numbers of the Bonds are as follows:

Subordinated Excise Tax Revenue Bonds,
Series 2020A

Maturity Date	CUSIP No.†	Coupon	Maturity Date	CUSIP No.†	Coupon
07/01/2021	71884AB99	4.000%	07/01/2032	71884AD48	5.000%
07/01/2022	71884AC23	5.000	07/01/2033	71884AD55	5.000
07/01/2023	71884AC31	5.000	07/01/2034	71884AD63	5.000
07/01/2024	71884AC49	5.000	07/01/2035	71884AD71	5.000
07/01/2025	71884AC56	5.000	07/01/2036	71884AD89	5.000
07/01/2026	71884AC64	5.000	07/01/2037	71884AD97	4.000
07/01/2027	71884AC72	5.000	07/01/2038	71884AE21	4.000
07/01/2028	71884AC80	5.000	07/01/2039	71884AE39	4.000
07/01/2029	71884AC98	5.000	07/01/2040	71884AE47	4.000
07/01/2030	71884AD22	5.000	07/01/2045	71884AE54	4.000
07/01/2031	71884AD30	5.000			

Subordinated Excise Tax Revenue Bonds,
Series 2020B (Taxable)

Maturity Date	CUSIP No.†	Coupon	Maturity Date	CUSIP No.†	Coupon
07/01/2021	71884AE62	0.457%	07/01/2030	71884AF79	1.665%
07/01/2022	71884AE70	0.557	07/01/2031	71884AF87	1.835
07/01/2023	71884AE88	0.679	07/01/2032	71884AF95	1.965
07/01/2024	71884AE96	0.879	07/01/2033	71884AG29	2.065
07/01/2025	71884AF20	0.959	07/01/2034	71884AG37	2.155
07/01/2026	71884AF38	1.157	07/01/2035	71884AG45	2.205
07/01/2027	71884AF46	1.257	07/01/2040	71884AG52	2.564
07/01/2028	71884AF53	1.455	07/01/2045	71884AG60	2.704
07/01/2029	71884AF61	1.585			

Subordinated Excise Tax Revenue Bonds,
Series 2020C (Taxable)

Maturity Date	CUSIP No.†	Coupon	Maturity Date	CUSIP No.†	Coupon
07/01/2023	71884AG78	0.679%	07/01/2030	71884AH69	1.665%
07/01/2024	71884AG86	0.879	07/01/2031	71884AH77	1.835
07/01/2025	71884AG94	0.959	07/01/2032	71884AH85	1.965
07/01/2026	71884AH28	1.157	07/01/2033	71884AH93	2.065
07/01/2027	71884AH36	1.257	07/01/2034	71884AJ26	2.155
07/01/2028	71884AH44	1.455	07/01/2035	71884AJ34	2.205
07/01/2029	71884AH51	1.585	07/01/2036	71884AJ42	2.255

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2020 CUSIP Global Services. All rights reserved. CUSIP® numbers are provided for convenience of reference only. None of the City, the Financial Advisor of the City, the Participating Underwriters or their respective counsel or agents takes responsibility for the accuracy of such numbers.

The Final Official Statement relating to the Bonds is dated August 4, 2020 (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: ____
Denise M. Olson
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 — Outstanding Senior Obligations," "— Junior Obligations," "— Outstanding Subordinated Junior Obligations," "EXCISE TAXES AND COVERAGE — Actual Excise Tax Receipts for the Fiscal Years Ended June 30," and "APPENDIX B — City of Phoenix, Arizona — Financial Data — OTHER LONG-TERM OBLIGATIONS."

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB through EMMA. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available from the MSRB through EMMA or the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided to the MSRB through EMMA by February 1 of each year, commencing February 1, 2021. 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.

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 (other than the Taxable Bonds), or other material events affecting the tax status of the Bonds (other than the Taxable New Money Bonds and the Taxable Refunding 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.

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APPENDIX J - COVID-19

General

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States, and to the City, has been declared a pandemic by the World Health Organization. On January 31, 2020, the President of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of the COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Center for Disease Control and Prevention (*"CDC"*) called upon Americans to take actions to slow the spread of COVID-19 in the United States.

On March 11, 2020, as part of the State's response to address COVID-19, Arizona Governor, Doug Ducey, declared a state of emergency. Additionally, on March 30, 2020, the Governor, following guidance from the CDC, issued an Executive Order effective March 31, 2020 at 5:00 pm (the *"Order"*). The Order, titled, 'Stay Home, Stay Healthy, Stay Connected,' provides that all individuals in the State shall limit their time away from their place of residence or property, except in limited circumstances as described in the Order.

On April 29, 2020, Governor Doug A. Ducey issued the 'Returning Stronger' amendment to the original 'Stay home, Stay Healthy, Stay connected' Executive Order. The amendment extended the current standing Executive Order through May 15, 2020 with modifications. In partnership with public health officials and guidance from the CDC, Arizona will gradually phase in formerly restricted operations through the months of May and June with policy that promotes social distancing, as well as encouraging social connectedness.

Effective May 16, 2020, Governor Doug A. Ducey issued Executive Order 'Stay Healthy, Return Smarter, Return Stronger' policy that promotes physical distancing, while encouraging social connectedness and allows businesses to gradually and safely open in compliance with federal guidelines, as the state continues to mitigate and prevent the spread of COVID-19. This builds on actions the state has already taken, and further memorializes some already in effect, to slow the spread of COVID-19 and protect our citizens. Provisions of all other orders issued and still in effect since the March 11, 2020 Declaration of Public Health Emergency remain in place unless guidance is or has been provided by Arizona Department of Health Services on how to safely reopen or operate, while mitigating COVID-19 or the orders expire, are amended or rescinded.

On June 29, 2020, Governor Doug A. Ducey issued Executive Order 'Pausing of Arizona's Reopening' to slow the spread of COVID-19 after an increase in State's number of reported positive cases and hospitalizations. The Order prohibits organized public events of more than 50 people, unless the city, town or county in unincorporated areas has approved the event. Bars, gyms, fitness clubs, indoor movie theaters and water parks pause operations until at least July 27, 2020, unless extended.

On July 1, 2020, Governor Doug A. Ducey issued Executive Order 'Reducing the Risk, Slowing the Spread' to impose additional measures that protect public health and decrease the strain on health care providers. The Order limits restaurant indoor seating at less than 50 percent of the permitted fire code occupant load.

Additional information regarding State Executive Orders can be found on the State's website.

The CARES Act

In response to COVID-19 and the President's declaration of a national emergency, the federal government enacted the Coronavirus Aid, Relief and Economic Security Act (the "*CARES Act*"). The CARES Act provides many types of funding for which local governments can apply to offset COVID-19 related expenses. There are several categories of funding available to the City. Some of the funding categories are intended to supplement existing grants while other funding categories are intended to be used to pay for a variety of services including operating costs for specific activities such as human services, transit and airport. Some funding categories have already been awarded using standing formulas and other funding categories are in the application process.

One such funding category is intended to cover necessary expenditures incurred due to the public health emergency with respect to COVID-19 that were not accounted for in the budget (the "*Coronavirus Relief Fund*"). The City received $293 million from the Coronavirus Relief Fund. On May 5, 2020, City Council members voted and agreed to allocate approximately half of the monies from the Coronavirus Relief Fund to community investments and city-specific needs, while holding the rest for potential future expenses. On June 30, 2020, based on revised guidance from the United States Treasury and the State of Arizona, City Council voted and approved unanimously to allocate the other half of the Coronavirus Relief Fund, approximately $143 million for public safety payroll. The Coronavirus Relief Fund monies are being allocated to the following categories:

- Business and employee assistance
- Utility, rent and mortgage assistance
- Distance learning and Wi-Fi access
- Mitigation and care for vulnerable population
- Food Delivery
- Better health outcomes and community testing
- City employee COVID-19 tests
- PPE, sanitation and cleaning
- Medical and public safety measures
- Payroll expenses
- Telework expenses
- Public facility retrofit
- Public safety payroll

CARES Act monies have helped fund the City's response to COVID-19 and relieve pressure on the City's budget from COVID-19 related costs.

City Manager's Proposed Budget

Prior to the outbreak, the City of Phoenix Budget and Research Department's ("*B&R*") five-year General Fund *("GF")* forecast projected a surplus of approximately $28 million. At the time, City sales tax revenues were approximately 6% higher than the previous fiscal year.

Due to COVID-19 and subsequent business closures and social distancing orders, B&R revised earlier GF forecasts to reflect the impact to the local economy. B&R presented City Council with several scenarios, each representative of a different timeframe for the duration of COVID-19 and state and federal mandates. On April 13, 2020, City Council approved a Revised Trial Budget which assumes the business closures and social distancing orders continue through July 31, 2020. The Revised Trial Budget preserves existing City services by cautiously and strategically identifying $27 million worth of reductions and balancing actions.

As with all City budget processes, citizens were afforded opportunities to provide feedback on the Revised Trial Budget. On May 19, 2020, City Council approved City Manager's proposed budget for fiscal year 2020-21 and on June 17, 2020 City Council adopted the Final Budget.

Future Actions That May Be Required

The current COVID-19 and economic crisis is expected to have a negative impact on certain City funds, including excise tax revenues, enterprise funds and special revenue funds. Over the coming weeks and months, City staff will continually monitor the situation and take appropriate action where necessary. In mid-July, B&R staff will have March, April and May revenue data, which will allow the City to update the financial status based on real data rather than subjective information. City recognizes this process will be difficult and challenging as the full economic impact of the COVID-19 crisis on the City's budget is uncertain at this point.

Assumptions Regarding Length of Economic Downturn

The duration and depth of the economic downturn will correlate with both the measures required to contain the spread of the virus and the economic dislocation that occurs during this period, both of which are unknown at this time. Given this uncertainty, the information below presents projected Excise Tax receipts for fiscal years 2019-20 through 2023-24 under three hypothetical scenarios. The scenarios all assume no impact to state shared revenue formulas or legislation that could further impact revenue collections. (See "EXCISE TAXES AND COVERAGE – Excise Tax Collections and Coverage" for actual Excise Tax receipts for fiscal years 2015-16 through 2019-20).

Optimistic Model - Downturn Ends October 2020
Projected Excise Tax Receipts for the Fiscal Years Ended June 30

Revenue Source	2020	2021	2022	2023	2024	2025
Privilege License Tax & Fees	$474,447,000	$ 466,361,000	$ 486,620,000	$ 509,728,000	$ 530,793,000	$ 555,316,000
Utility & Franchise	131,853,000	130,207,000	132,390,000	134,636,000	136,867,000	139,114,000
Licenses & Permits	2,960,000	2,960,000	3,025,000	3,101,000	3,178,000	3,254,000
State Sales Tax	168,964,000	168,126,000	175,157,000	182,949,000	191,586,000	201,303,000
State Income Tax	214,697,000	241,167,000	204,000,000	250,000,000	245,000,000	259,000,000
Total	$992,921,000	$1,008,821,000	$1,001,192,000	$1,080,414,000	$1,107,424,000	$1,157,987,000
Percent Growth	1.63%	1.60%	-0.76%	7.91%	2.50%	4.57%
Total Coverage	11.56	12.03	14.10	11.73	12.19	13.70

Official Statement Model – Downturn Ends December 2020
Projected Excise Tax Receipts for the Fiscal Years Ended June 30

Revenue Source	2020	2021	2022	2023	2024	2025
Privilege License Tax & Fees	$474,447,000	$448,747,000	$468,247,000	$ 490,495,000	$ 510,770,000	$ 534,372,000
Utility & Franchise	131,853,000	129,375,000	131,542,000	133,772,000	135,987,000	138,217,000
Licenses & Permits	2,960,000	2,960,000	3,025,000	3,101,000	3,178,000	3,254,000
State Sales Tax	168,964,000	163,493,000	170,331,000	177,908,000	186,307,000	195,757,000
State Income Tax	214,697,000	241,167,000	204,000,000	250,000,000	245,000,000	259,000,000
Total	$992,921,000	$985,742,000	$977,145,000	$1,055,276,000	$1,081,242,000	$1,130,600,000
Percent Growth	1.63%	-0.72%	-0.87%	8.00%	2.46%	4.56%
Total Coverage	11.56	11.75	13.76	11.45	11.90	13.38

Pessimistic Model – Downturn Ends June 2021
Projected Excise Tax Receipts for the Fiscal Years Ended June 30

Revenue Source	2020	2021	2022	2023	2024	2025
Privilege License Tax & Fees	$474,447,000	$409,106,000	$426,909,000	$447,241,000	$ 465,751,000	$ 487,296,000
Utility & Franchise	131,853,000	127,426,000	129,555,000	131,747,000	133,924,000	136,116,000
Licenses & Permits	2,960,000	2,960,000	3,025,000	3,101,000	3,178,000	3,254,000
State Sales Tax	168,964,000	153,785,000	160,217,000	167,344,000	175,243,000	184,132,000
State Income Tax	214,697,000	241,167,000	204,000,000	250,000,000	245,000,000	259,000,000
Total	$992,921,000	$934,444,000	$923,706,000	$999,433,000	$1,023,096,000	$1,069,798,000
Percent Growth	1.63%	-5.89%	-1.15%	8.20%	2.37%	4.56%
Total Coverage	11.56	11.14	13.01	10.85	11.26	12.66