**NEW ISSUE — BOOK-ENTRY-ONLY**

**RATINGS: S&P: AAA**
**Moody's: Aa1**
**Fitch: AA+**

**PRELIMINARY OFFICIAL STATEMENT DATED JUNE 10, 2025**

*In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and (ii) interest on the Tax-Exempt Bonds is not included in the taxable income of individuals or corporations for Arizona income tax purposes so long as that interest is excluded from gross income for federal income tax purposes. Interest on the Tax-Exempt Bonds may be subject to certain federal taxes imposed only on certain corporations. Interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.*

# CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

| **\$139,405,000*** | **\$26,000,000*** | **\$220,210,000*** |
|---|---|---|
| **Subordinated Excise Tax Revenue Bonds, Series 2025A** | **Subordinated Excise Tax Revenue Bonds, Series 2025B (Taxable)** | **Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C** |

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

The Subordinated Excise Tax Revenue Bonds, Series 2025A (the "*Tax-Exempt New Money Bonds*"), Subordinated Excise Tax Revenue Bonds, Series 2025B (Taxable) (the "*Taxable New Money Bonds*"), and the Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C (the "*Refunding Bonds*" and, together with the Tax-Exempt New Money Bonds, the "*Tax-Exempt Bonds*" and, collectively with the Taxable 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 Trust Company, National Association, Tempe, Arizona, as trustee (the *"Trustee,"* also referred to herein as the *"Registrar"* and *"Paying Agent"*). The Bonds are being issued pursuant to a Subordinated Trust Indenture, dated as of July 1, 2025 (the *"Indenture"*), between the Corporation and the Trustee.

Interest on the Bonds is payable semiannually on January 1 and July 1 of each year, commencing January 1, 2026. The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS—Redemption Provisions" herein.

The principal of and premium, if any, and interest on the Bonds are payable solely from payments to be made by the City of Phoenix, Arizona (the *"City"*), to the Corporation pursuant to a Subordinated Loan Agreement, dated as of July 1, 2025 (the *"Loan Agreement"*), between the City and the Corporation. The obligations of the City to make payments under the Loan Agreement are absolute and unconditional but do not constitute a pledge of the full faith and credit or the ad valorem taxing power of the City. Except to the extent the City appropriates other lawfully available funds for such payments, the City's payments under the Loan Agreement are payable solely from Excise Taxes (as defined herein). The pledge of Excise Taxes to amounts due under the Loan Agreement and other Subordinated Junior Obligations (as defined herein) of the City are junior and subordinate to amounts due under 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 in order to obtain information essential to making an informed investment decision.

*The Bonds are offered when, as and if issued, and subject to the legal opinion of Squire Patton Boggs (US) LLP, Phoenix, Arizona, Bond Counsel, as to validity and, with respect to the Tax-Exempt Bonds, tax exemption. Greenberg Traurig, LLP, Phoenix, Arizona, has acted as Disclosure Counsel to the City in connection with the preparation of this Official Statement. It is expected that the Bonds will be available for delivery in book-entry-only form through the facilities of DTC on or about July , 2025.*

**See "APPENDIX J — Notice Inviting Proposals for the Purchase of Tax-Exempt Subordinated Excise Tax Revenue Bonds" and "APPENDIX K — Notice Inviting Proposals for the Purchase of Taxable Subordinated Excise Tax Revenue Bonds."**

* Subject to change.

## MATURITY SCHEDULES*
## CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

### $139,405,000*
### Subordinated Excise Tax Revenue Bonds, Series 2025A

| Maturity July 1 | Principal Amount | Interest Rate | Price or Yield | Maturity July 1 | Principal Amount | Interest Rate | Price or Yield |
|---|---|---|---|---|---|---|---|
| 2028 | $4,955,000 | % | % | 2037 | $ 7,685,000 | % | % |
| 2029 | 5,205,000 | | | 2038 | 8,070,000 | | |
| 2030 | 5,465,000 | | | 2039 | 8,475,000 | | |
| 2031 | 5,735,000 | | | 2040 | 8,900,000 | | |
| 2032 | 6,025,000 | | | 2041 | 9,345,000 | | |
| 2033 | 6,325,000 | | | 2042 | 9,810,000 | | |
| 2034 | 6,640,000 | | | 2043 | 10,300,000 | | |
| 2035 | 6,975,000 | | | 2044 | 10,815,000 | | |
| 2036 | 7,320,000 | | | 2045 | 11,360,000 | | |

**$ % Term Bonds Due July 1, , Price %**

### $ 26,000,000*
### Subordinated Excise Tax Revenue Bonds, Series 2025B (Taxable)

| Maturity July 1 | Principal Amount | Interest Rate | Price or Yield | Maturity July 1 | Principal Amount | Interest Rate | Price or Yield |
|---|---|---|---|---|---|---|---|
| 2028 | $ 905,000 | % | % | 2037 | $1,410,000 | % | % |
| 2029 | 945,000 | | | 2038 | 1,490,000 | | |
| 2030 | 990,000 | | | 2039 | 1,575,000 | | |
| 2031 | 1,035,000 | | | 2040 | 1,665,000 | | |
| 2032 | 1,090,000 | | | 2041 | 1,760,000 | | |
| 2033 | 1,145,000 | | | 2042 | 1,870,000 | | |
| 2034 | 1,205,000 | | | 2043 | 1,980,000 | | |
| 2035 | 1,270,000 | | | 2044 | 2,100,000 | | |
| 2036 | 1,340,000 | | | 2045 | 2,225,000 | | |

**$ % Term Bonds Due July 1, , Price %**

### $220,210,000*
### Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C

| Maturity July 1 | Principal Amount | Interest Rate | Price or Yield | Maturity July 1 | Principal Amount | Interest Rate | Price or Yield |
|---|---|---|---|---|---|---|---|
| 2026 | $ 500,000 | % | % | 2034 | $14,375,000 | % | % |
| 2027 | 9,500,000 | | | 2035 | 15,095,000 | | |
| 2028 | 10,720,000 | | | 2036 | 15,850,000 | | |
| 2029 | 11,255,000 | | | 2037 | 16,640,000 | | |
| 2030 | 11,825,000 | | | 2038 | 17,470,000 | | |
| 2031 | 12,415,000 | | | 2039 | 18,345,000 | | |
| 2032 | 13,040,000 | | | 2040 | 19,265,000 | | |
| 2033 | 13,690,000 | | | 2041 | 20,225,000 | | |

**$ % Term Bonds Due July 1, , Price %**

* Subject to change.

# CITY OF PHOENIX, ARIZONA
## CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

Michael R. Davis
*President and Director*

Bruce Covill
*Vice President and Director*

James H. Lundy
*Secretary-Treasurer and Director*

Barbara Barone
*Director*

Rosellen Papp
*Director*

Marian Yim
*Director*

## CITY OF PHOENIX, ARIZONA
## MAYOR AND CITY COUNCIL

Kate Gallego, *Mayor*

Ann O'Brien, *Vice Mayor*
District 1

Jim Waring, *Member*
District 2

Debra Stark, *Member*
District 3

Laura Pastor, *Member*
District 4

Betty Guardado, *Member*
District 5

Kevin Robinson, *Member*
District 6

Anna Hernandez, *Member*
District 7

Kesha Hodge Washington, *Member*
District 8

## ADMINISTRATIVE OFFICIALS

Jeffrey J. Barton
*City Manager*

Lori Bays
*Assistant City Manager*

Inger Erickson
*Assistant City Manager*

Julie Kriegh
*City Attorney*

Kathleen Gitkin
*Chief Financial Officer*

Denise Archibald
*City Clerk*

## SPECIAL SERVICES

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

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

PUBLIC RESOURCES ADVISORY GROUP
New York, New York
*Financial Advisor*

SAMUEL KLEIN AND COMPANY
Newark, New Jersey
In Conjunction With
PUBLIC FINANCE PARTNERS LLC
Minneapolis, Minnesota
*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 dealer, salesman or other person has been authorized to give any information or make any representation with respect to the Bonds other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the Corporation, the City or the Financial Advisor (as defined herein). This Official Statement shall not constitute an offer to sell or the solicitation of an offer to buy, and there shall be no sale of any of the Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Corporation or the City described herein since the date hereof. There is no obligation on the part of the Corporation or the City to provide any continuing secondary market disclosure other than as described herein under the heading "CONTINUING DISCLOSURE" and in "APPENDIX I — Form of Continuing Disclosure Undertaking."

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

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

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# OFFICIAL STATEMENT
**Relating to**

# CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

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| **$139,405,000*** | **$26,000,000*** | **$220,210,000*** |
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## INTRODUCTION

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

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

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

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

## THE BONDS

### Authorization and Purpose

The Subordinated Excise Tax Revenue Bonds, Series 2025A (the "*Tax-Exempt New Money Bonds*"), Subordinated Excise Tax Revenue Bonds, Series 2025B (Taxable) (the "*Taxable New Money Bonds*" or the "*Taxable Bonds*"), and the Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C (the "*Refunding Bonds*" and, together with the Tax-Exempt New Money Bonds, the "*Tax-Exempt Bonds*" and, collectively with the Taxable 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 July 1, 2025 (the *"Indenture"*), between the Corporation and U.S. Bank Trust Company, National Association, as trustee (together with any successor, referred to herein as the *"Trustee,"* the *"Registrar"* and the *"Paying Agent,"* as applicable).

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* Subject to change.

The Tax-Exempt New Money Bonds and the Taxable New Money Bonds are being issued for the purpose of funding, or reimbursing the city for the costs of certain projects, property and equipment and for acquiring, constructing, equipping and improving real and personal property for the City. See "PLAN OF FINANCE – The Projects." The Refunding Bonds are being issued for the purpose of refunding a portion of certain issues of the Corporation's outstanding excise tax revenue refunding bonds. See "PLAN OF FINANCE – Plan of Refunding." 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 CAPTION "TAX MATTERS") WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS. PRINCIPAL, PREMIUM, IF ANY, AND INTEREST PAYMENTS ON THE BONDS ARE TO BE MADE TO DTC AND ALL SUCH PAYMENTS WILL BE VALID AND EFFECTIVE TO SATISFY FULLY AND TO DISCHARGE THE OBLIGATIONS OF THE CORPORATION AND THE CITY WITH RESPECT TO, AND TO THE EXTENT OF, THE AMOUNTS SO PAID.

The Bonds will be dated the date of initial delivery thereof and will bear interest payable semiannually on January 1 and July 1 of each year (each an *"Interest Payment Date"*), commencing January 1, 2026. The Bonds will bear interest at the rates and will mature on the dates and in the amounts set forth on the inside front cover of this Official Statement. The Bonds may be issued in fully registered form in the denomination of $5,000 each or any whole multiple thereof (but no Bond may represent installments of principal maturing on more than one date).

Subject to the provisions contained under the heading "Book-Entry-Only System" below, principal of and premium, if any, will be payable upon presentation and surrender of such Bond at the designated corporate trust office of the Trustee. Interest on each Bond will be paid on each Interest Payment Date by check or draft of said Trustee, mailed to the person shown on the bond register of the Corporation maintained by the Trustee as being the registered owner of such Bond (the *"Owner"*) as of the 15th day of the month immediately preceding such Interest Payment Date (the *"Regular Record Date"*) at the address appearing on said bond register or at such other address as is furnished to the Trustee in writing by such Owner before the 15th day of the month prior to such Interest Payment Date.

The Indenture also provides that, with the approval of the Corporation, the Trustee may enter into an agreement with any Owner of $1,000,000 or more in aggregate principal amount of Bonds providing for making all payments to that Owner of principal of and interest and any premium on that Bond or any part thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner other than as described above, without presentation or surrender of the Bond, upon any conditions which shall be satisfactory to the Trustee and the Corporation; provided that without a special agreement or consent of the Corporation, payment of interest on the Bonds may be made by wire transfer to any Owner of $1,000,000 aggregate principal of Bonds upon two day prior written notice to the Trustee specifying a wire transfer address of a bank or trust company in the United States.

If the Corporation fails to pay the interest due on any Interest Payment Date, that interest shall cease to be payable to the person who was the Owner as of the Regular Record Date. When monies become available for payment of the interest, the Trustee will establish a special record date (the *"Special Record Date"*) preceding payment which Special Record Date will be no more than 15 nor fewer than 10 days prior to the date of the proposed payment and the interest will be payable to the persons who are Owners on the Special Record Date. The Trustee will mail notice of the proposed payment and of the Special Record Date to each Owner.

**Book-Entry-Only System**

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

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (*"Direct Participants"*) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (*"DTCC"*). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"* and together with Direct Participants, *"Participants"*). DTC has a rating from S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (*"Beneficial Owner"*) is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Corporation, or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Corporation may decide to discontinue the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE SOLE REGISTERED OWNER, THE CORPORATION AND THE TRUSTEE WILL TREAT CEDE & CO. AS THE ONLY OWNER OF THE BONDS FOR ALL PURPOSES UNDER THE INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE CORPORATION AND THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER SUCH INDENTURE. THE CORPORATION AND THE TRUSTEE HAVE NO RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (B) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER WITH RESPECT TO THE PRINCIPAL OF AND INTEREST ON THE BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS

REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (D) THE SELECTION BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; (E) CONSENTS OR OTHER ACTION TAKEN BY DTC OR CEDE & CO., AS REGISTERED OWNER OR (F) ANY OTHER MATTER.

**Redemption Provisions***

*Optional Redemption of Tax-Exempt Bonds*. Tax-Exempt Bonds maturing on or prior to July 1, 2035 are not subject to optional redemption prior to maturity. Tax-Exempt Bonds maturing on and after July 1, 2036 are subject to redemption at the option of the Corporation, as directed by the City, on July 1, 2035 and thereafter, in whole or in part at any time, in increments of $5,000, in any order of maturity within a series of 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.

*Mandatory Sinking Fund Redemption of Tax-Exempt Bonds*. Tax-Exempt New Money Bonds maturing on July 1, 20      and the Refunding Bonds maturing on July 1, 20      (collectively, the *"Tax-Exempt 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 Tax-Exempt Term Bonds called for redemption plus the interest accrued to the date fixed for redemption, but without premium, as follows:

**Tax-Exempt New Money Term Bonds Maturing July 1,**

| Sinking Fund Retirement Date | Sinking Fund Requirement |
|---|---|
| * | $ |

* Maturity

**Refunding Term Bonds Maturing July 1,**

| Sinking Fund Retirement Date | Sinking Fund Requirement |
|---|---|
| * | $ |

* Maturity

At the option of the Corporation, as directed by the City, whenever Tax-Exempt 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 Tax-Exempt Term Bonds so retired will satisfy and be credited against the Sinking Fund Requirement (and the corresponding redemption requirements) relating to such Tax-Exempt 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.

* Subject to change.

*Optional Redemption of Taxable New Money Bonds*. The Taxable New Money Bonds maturing on and after July 1, 2036 are subject to redemption at the option of the Corporation, as directed by the City, on July 1, 2035 and thereafter, in whole or in part at any time, in increments of $5,000, in any order of maturity within the Taxable New Money 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 Taxable New Money Bond called for redemption plus accrued interest to the date fixed for redemption, but without premium.

*Make-Whole Optional Redemption.* The Taxable New Money Bonds are subject to redemption at the option of the Corporation, as directed by the City, in whole or in part, on any date prior to July 1, 2035, at a redemption price equal to the greater of:

(a) the issue price set forth on the inside cover page hereof (but not less than 100%) of the principal amount of such Taxable New Money Bonds to be redeemed or tendered; or

(b) the sum of the present value of the remaining scheduled payments of principal and interest to 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 New Money 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 (i) for the Taxable New Money Bonds maturing July 1, 2028 through and including July 1, 2034, 15 basis points; (ii) for the Taxable New Money Bonds maturing July 1, 2035 through and including July 1, 2045, 20 basis points, plus in each case accrued interest to the date fixed for redemption.

"Treasury Rate" 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 Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but not more than 60 calendar days, prior to the redemption date (excluding inflation 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.

The make-whole call redemption price will be calculated by an independent investment banking institution or municipal advisory firm of national standing appointed by the City. If the City fails to appoint an independent investment banker or municipal advisory firm, at least 35 days prior to the redemption date, or if the independent investment banker or municipal advisory firm appointed by the City is unwilling or unable to make the calculation, the calculation will be made by an independent investment banking institution or municipal advisory firm of national standing appointed by the Trustee.

Any Taxable New Money Bonds that are escrowed to maturity will remain subject to optional redemption.

*Mandatory Sinking Fund Redemption of Taxable New Money Bonds.* Taxable New Money Bonds maturing on July 1, 20     (the *"Taxable Term Bond"*) are subject to mandatory redemption and will be redeemed on July 1 of the respective years set forth below (the *"Sinking Fund Retirement Date"*) and in the amounts set forth below (the *"Sinking Fund Requirement"*), by payment of a redemption price equal to the principal amount of such Taxable Term Bonds called for redemption plus the interest accrued to the date fixed for redemption, but without premium, as follows:

**Taxable New Money Term Bonds Maturing July 1,**

| **Sinking Fund Retirement Date** | **Sinking Fund Requirement** |
|---|---|
| * | **$** |

* Maturity

At the option of the Corporation, as directed by the City, whenever Taxable 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 Taxable Term Bonds so retired will satisfy and be credited against the Sinking Fund Requirement (and the corresponding redemption requirements) relating to such Taxable 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 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 affect such redemption or (b) the redemption notice states that redemption is contingent upon receipt of such funds prior to the redemption date.

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

* Subject to change.

## SOURCES AND APPLICATIONS OF FUNDS

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

| | Subordinated Excise Tax Revenue Bonds, Series 2025A | Subordinated Excise Tax Revenue Bonds, Series 2025B (Taxable) | Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C | Total |
|---|---|---|---|---|
| **Sources**: | | | | |
| Par Amount of the Bonds | $ | $ | $ | $ |
| Original Issue Premium (Discount) | | | | |
| Total | $ | $ | $ | $ |
| **Applications:** | | | | |
| Deposit to Trust Account | $ | $ | $ | $ |
| Costs of the Projects | | | | |
| Cost of Issuance | | | | |
| Underwriter's Discount | | | | |
| Total | $ | $ | $ | $ |

## PLAN OF FINANCE

### The Projects

The proceeds of the Tax-Exempt New Money Bonds, together with other available monies, will be used to fund, or to reimburse the City for the costs of acquiring, constructing, expanding and improving real and personal property for technology upgrades, public safety property, systems and equipment and other municipal facilities for the City, as described in the Loan Agreement (the "*Tax-Exempt Projects*"). The proceeds of the Taxable New Money Bonds, together with other available monies, will be used to fund, or to reimburse the City for the costs of acquiring, constructing, expanding and improving real and personal property for technology upgrades, public safety property, systems and equipment and other municipal facilities for the City, all as described in the Loan Agreement (collectively, with the Tax-Exempt Projects, the "*Projects*"). The City may substitute alternative equipment or real property in accordance with the provisions set forth in the Loan Agreement.

### Plan of Refunding*

The proceeds of the sale of the Refunding Bonds remaining after deduction of allocable issuance costs will be applied to the payment and discharge of the outstanding debt described below. The proceeds will be placed, together with certain debt service funds provided by the City, in an irrevocable trust account (the "*Trust Account*") with U.S. Bank Trust Company, National Association, as escrow agent (the "*Escrow Agent*"), to be applied to pay the principal and interest due on the Corporation's Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A, as described below (the "*Bonds Being Refunded*"). Amounts in the Trust Account will be used to acquire obligations issued by the United States government, or one of its agencies or obligations fully guaranteed by the United States government as to principal and interest (collectively, the "*Government Obligations*"), the principal of, premium, if any, and interest on which, when due, are calculated to be sufficient, together with the initial cash balance in the Trust Account, to provide monies to pay the principal and interest to become due on the 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 the principal and interest on the Bonds Being Refunded pursuant to the terms of an Escrow Agent Agreement between the Corporation and the Escrow Agent.

* Subject to change.

**Schedule of Maturities and Principal Amounts of Bonds Being Refunded***

| 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† |
|---|---|---|---|---|---|---|---|
| 2015A | 2026 | $ 17,930,000 | $ 17,930,000 | 5.00% | 08/19/2025 | 100.0% | 71884AYS2 |
| | 2027 | 11,830,000 | 11,830,000 | 5.00 | 08/19/2025 | 100.0 | 71884AYT0 |
| | 2028 | 10,770,000 | 10,770,000 | 5.00 | 08/19/2025 | 100.0 | 71884AYU7 |
| | 2029 | 2,545,000 | 2,545,000 | 3.00 | 08/19/2025 | 100.0 | 71884AYV5 |
| | 2029 | 8,760,000 | 8,760,000 | 5.00 | 08/19/2025 | 100.0 | 71884AZD4 |
| | 2030 | 11,825,000 | 11,825,000 | 5.00 | 08/19/2025 | 100.0 | 71884AYW3 |
| | 2031 | 12,415,000 | 12,415,000 | 5.00 | 08/19/2025 | 100.0 | 71884AYX1 |
| | 2032 | 13,040,000 | 13,040,000 | 5.00 | 08/19/2025 | 100.0 | 71884AYY9 |
| | 2033 | 13,690,000 | 13,690,000 | 5.00 | 08/19/2025 | 100.0 | 71884AYZ6 |
| | 2034 | 14,375,000 | 14,375,000 | 5.00 | 08/19/2025 | 100.0 | 71884AZA0 |
| | 2035 | 15,095,000 | 15,095,000 | 5.00 | 08/19/2025 | 100.0 | 71884AZB8 |
| | 2036 | 15,850,000 | 15,850,000 | 5.00 | 08/19/2025 | 100.0 | 71884AZE2 |
| | 2037 | 16,640,000 | 16,640,000 | 5.00 | 08/19/2025 | 100.0 | 71884AZH5 |
| | 2038 | 17,470,000 (1) | 17,470,000 | 5.00 | 08/19/2025 | 100.0 | 71884AZF9 |
| | 2039 | 18,345,000 (1) | 18,345,000 | 5.00 | 08/19/2025 | 100.0 | 71884AZF9 |
| | 2040 | 19,265,000 (1) | 19,265,000 | 5.00 | 08/19/2025 | 100.0 | 71884AZF9 |
| | 2041 | 20,225,000 | 20,225,000 | 5.00 | 08/19/2025 | 100.0 | 71884AZF9 |
| | | 240,070,000 | 240,070,000 | | | | |

(1) Represents mandatory sinking fund payments of term bond maturing in 2041.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("*CGS*") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Financial Advisor of the City, the Participating Underwriters or their respective counsel or agents takes responsibility for the accuracy of such numbers.

Upon application of funds as described above, the Bonds Being Refunded will no longer be outstanding within the meaning of the indenture under which they were issued and will no longer be secured by Excise Taxes.

## VERIFICATION OF MATHEMETICAL COMPUTATIONS

Samuel Klein and Company LLP, CPA's, a firm of independent public accountants in conjunction with Public Finance Partners LLC will deliver to the City, on or before the settlement date of the 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 LLP, CPA's, a firm of independent public accountants in conjunction with Public Finance Partners LLC will be solely based upon data, information and documents provided to Samuel Klein and Company, LLP, CPA's, a firm of independent public accountants in conjunction with Public Finance Partners LLC by the City and its representatives and it has not evaluated the assumption or information used in the computations.

* Subject to change.

## 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 July 1, 2025 (the *"Loan Agreement"*), between the City and the Corporation. Payments under the Loan Agreement with respect to the Bonds are to be paid by the City to the Trustee for the account of the Corporation. Under the terms of the Loan Agreement, the City is required to make semiannual payments (*"Loan Payments"*) which will be sufficient to pay the principal of, premium, if any, and interest on the Bonds. See "APPENDIX G — Summary of Certain Provisions of the Indenture and the Loan Agreement."

The City pledges for these Loan Payments all 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 "Senior 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" hereafter issued or incurred by the City (collectively, *"Junior Obligations"*). See "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 outstanding Subordinated Junior Obligations described below under "Subordinated Junior Obligations" and obligations hereafter issued or incurred by the City on a parity therewith (collectively, *"Subordinated Junior Obligations"*). See "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.**

### Senior Obligations

There are presently no Senior Obligations outstanding, but the senior lien priority remains available for future use. Future Senior Obligations may be issued under the documents securing the Senior Obligations. As long as any of the Bonds remain outstanding and the principal and interest thereon shall be unpaid or unprovided for, the City has agreed not to issue or incur 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.

### Junior Obligations

There are presently no Junior Obligations outstanding, but the junior lien priority remains available for future use. Future Junior Obligations may be issued under the documents securing the 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.

### Subordinated Junior Obligations

*Bonds of the Corporation*. As of July 1, 2025, there are presently outstanding $942,235,000 principal amount of Subordinated Junior Obligations. The debt service requirements on $31,840,000 of the Subordinated Junior Obligations are supported by solid waste revenues.

The following issues of Subordinated Junior Obligations issued by the Corporation are outstanding:

| Issue Date | Original Issuance | Purpose | Obligations Outstanding As of 7-1-25 |
|---|---|---|---|
| 05-12-15 | $ 319,305,000 | Municipal Facilities Refunding (1)(2) | $240,070,000 |
| 05-12-15 | 60,895,000 | Municipal Facilities Refunding (Taxable) | 24,970,000 |
| 06-01-17 | 116,835,000 | Municipal Facilities | 34,135,000 |
| 06-01-17 | 101,895,000 | Municipal Facilities Refunding | 27,935,000 |
| 08-25-20 | 131,595,000 | Municipal Facilities (3) | 112,130,000 |
| 08-25-20 | 150,000,000 | Municipal Facilities-Arena (Taxable) | 125,330,000 |
| 08-25-20 | 116,685,000 | Municipal Facilities Refunding (Taxable) | 74,415,000 |
| 08-03-22 | 131,650,000 | Municipal Facilities | 128,470,000 |
| 07-17-24 | 180,000,000 | Municipal Facilities | 174,780,000 |
| | $1,308,860,000 | | $942,235,000 |

(1) Represents obligations which are expected to be refunded by the Refunding Bonds offered herein.
(2) Debt service requirements on $6,665,000 of these obligations are supported by solid waste revenues.
(3) Debt service requirements on $25,175,000 of these obligations are supported by solid waste revenues.

As long as any of the Bonds remain outstanding and the principal and interest thereon shall be unpaid or 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, before fiscal year 2027. However, the City may issue transit bonds secured by a transit specific excise tax lien not pledged to the Bonds.

## 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, 2025, 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:

| | Subordinated Excise Tax Revenue Bonds, Series 2025A | | | Subordinated Excise Tax Revenue Bonds, Series 2025B (Taxable) | | | Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C | | | Total 2025 Bonds | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| 2025-26 | $ — | $ 6,679,823 | $ 6,679,823 | $ — | $ 1,394,901 | $ 1,394,901 | $ 500,000 | $ 10,551,729 | $ 11,051,729 | $ 500,000 | $ 18,626,453 | $ 19,126,453 |
| 2026-27 | — | 6,970,250 | 6,970,250 | — | 1,455,549 | 1,455,549 | 9,500,000 | 10,985,500 | 20,485,500 | 9,500,000 | 19,411,299 | 28,911,299 |
| 2027-28 | 4,955,000 | 6,970,250 | 11,925,250 | 905,000 | 1,455,549 | 2,360,549 | 10,720,000 | 10,510,500 | 21,230,500 | 16,580,000 | 18,936,299 | 35,516,299 |
| 2028-29 | 5,205,000 | 6,722,500 | 11,927,500 | 945,000 | 1,415,186 | 2,360,186 | 11,255,000 | 9,974,500 | 21,229,500 | 17,405,000 | 18,112,186 | 35,517,186 |
| 2029-30 | 5,465,000 | 6,462,250 | 11,927,250 | 990,000 | 1,371,338 | 2,361,338 | 11,825,000 | 9,411,750 | 21,236,750 | 18,280,000 | 17,245,338 | 35,525,338 |
| 2030-31 | 5,735,000 | 6,189,000 | 11,924,000 | 1,035,000 | 1,324,412 | 2,359,412 | 12,415,000 | 8,820,500 | 21,235,500 | 19,185,000 | 16,333,912 | 35,518,912 |
| 2031-32 | 6,025,000 | 5,902,250 | 11,927,250 | 1,090,000 | 1,272,869 | 2,362,869 | 13,040,000 | 8,199,750 | 21,239,750 | 20,155,000 | 15,374,869 | 35,529,869 |
| 2032-33 | 6,325,000 | 5,601,000 | 11,926,000 | 1,145,000 | 1,217,497 | 2,362,497 | 13,690,000 | 7,547,750 | 21,237,750 | 21,160,000 | 14,366,247 | 35,526,247 |
| 2033-34 | 6,640,000 | 5,284,750 | 11,924,750 | 1,205,000 | 1,156,812 | 2,361,812 | 14,375,000 | 6,863,250 | 21,238,250 | 22,220,000 | 13,304,812 | 35,524,812 |
| 2034-35 | 6,975,000 | 4,952,750 | 11,927,750 | 1,270,000 | 1,092,344 | 2,362,344 | 15,095,000 | 6,144,500 | 21,239,500 | 23,340,000 | 12,189,594 | 35,529,594 |
| 2035-36 | 7,320,000 | 4,604,000 | 11,924,000 | 1,340,000 | 1,024,019 | 2,364,019 | 15,850,000 | 5,389,750 | 21,239,750 | 24,510,000 | 11,017,769 | 35,527,769 |
| 2036-37 | 7,685,000 | 4,238,000 | 11,923,000 | 1,410,000 | 949,916 | 2,359,916 | 16,640,000 | 4,597,250 | 21,237,250 | 25,735,000 | 9,785,166 | 35,520,166 |
| 2037-38 | 8,070,000 | 3,853,750 | 11,923,750 | 1,490,000 | 870,534 | 2,360,534 | 17,470,000 | 3,765,250 | 21,235,250 | 27,030,000 | 8,489,534 | 35,519,534 |
| 2038-39 | 8,475,000 | 3,450,250 | 11,925,250 | 1,575,000 | 785,901 | 2,360,901 | 18,345,000 | 2,891,750 | 21,236,750 | 28,395,000 | 7,127,901 | 35,522,901 |
| 2039-40 | 8,900,000 | 3,026,500 | 11,926,500 | 1,665,000 | 695,812 | 2,360,812 | 19,265,000 | 1,974,500 | 21,239,500 | 29,830,000 | 5,696,812 | 35,526,812 |
| 2040-41 | 9,345,000 | 2,581,500 | 11,926,500 | 1,760,000 | 600,074 | 2,360,074 | 20,225,000 | 1,011,250 | 21,236,250 | 31,330,000 | 4,192,824 | 35,522,824 |
| 2041-42 | 9,810,000 | 2,114,250 | 11,924,250 | 1,870,000 | 493,770 | 2,363,770 | — | — | — | 11,680,000 | 2,608,020 | 14,288,020 |
| 2042-43 | 10,300,000 | 1,623,750 | 11,923,750 | 1,980,000 | 380,822 | 2,360,822 | — | — | — | 12,280,000 | 2,004,572 | 14,284,572 |
| 2043-44 | 10,815,000 | 1,108,750 | 11,923,750 | 2,100,000 | 261,230 | 2,361,230 | — | — | — | 12,915,000 | 1,369,980 | 14,284,980 |
| 2044-45 | 11,360,000 | 568,000 | 11,928,000 | 2,225,000 | 134,390 | 2,359,390 | — | — | — | 13,585,000 | 702,390 | 14,287,390 |
| | $139,405,000 | $88,903,573 | $228,308,573 | $26,000,000 | $19,352,925 | $45,352,925 | $220,210,000 | $108,639,479 | $328,849,479 | $385,615,000 | $216,895,977 | $602,510,977 |

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

* Subject to change.

## 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 A.R.S. § 42-5029(L), 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.**

On May 14, 2025, three Arizona legislators submitted a request for an investigation to the Arizona Attorney General with legal questions regarding the City's Gift Policy for contributions to non-profit organizations. The request is still pending a determination from the Arizona Attorney General. The City also retains the right to appeal. Only a final decision against the City would subject it to a loss of State-Shared Revenues and, in that situation, the City can amend its policy to prevent the withholding of State-Shared Revenues.

A.R.S. § 42-17451 (the "*Refund Law*") provides that, beginning in tax year 2025, a property owner (i.e., the holder of fee title to the affected real property) may apply to the Arizona Department of Revenue ("*ADOR*") for a property tax refund for expenses incurred by the property owner if the city, town or county (the "*Affected Entity*") in which the property owner's real property is located fails to enforce certain public nuisance laws on or near the property owner's real property. The amount of the refund is equal to the documented expenses incurred by the property owner that were reasonably necessary to mitigate the effects of the failure to enforce such public nuisance laws but may not exceed the amount the property owner paid for the prior tax year in primary property taxes for the tax year to the Affected Entity. If the refund exceeds such amount, the property owner must apply to ADOR for the remaining portion of the refund the following and successive tax years, as needed.

Within 15 days after receipt of an application for a refund, ADOR will notify the Affected Entity. Within 30 days after receiving the notice, the Affected Entity will accept or reject the refund and notify ADOR of that determination. If the refund is accepted by the Affected Entity or if the Affected Entity does not respond to ADOR within the 30-day period, ADOR will pay the refund to the property owner. If the Affected Entity rejects the refund, ADOR may not pay the refund and the property owner may file a cause of action in the superior court of the county in which the real property is located to challenge the rejection of the refund. In any such cause of action, the Affected Entity will bear the burden of demonstrating that its actions are lawful or that the amount of the refund is unreasonable.

On notice from ADOR, the State Treasurer will withhold from the distribution of State-Shared Sales Taxes, a component of State-Shared Revenues, to the Affected Entity the aggregate amount of refunds issued under the Refund Law. The State Treasurer will continue to withhold such State-Shared Sales Taxes until the entire amount provided by ADOR has been withheld. Any monies withheld by the State Treasurer will be credited as reimbursement to ADOR for issuing refunds. Notwithstanding the foregoing, pursuant to the Refund Law, the State Treasurer may not withhold any payments for debt service on bonds or other long-term obligations of the Affected Entity that were issued or incurred before the refund was issued.

The City is not able to determine or predict what impact, if any, the Refund Law will have on the receipt of the City's State-Shared Revenues. The withholding of State-Shared Sales Taxes, a component of the Excise Taxes pledged under the Loan Agreement, could have a material adverse effect on the payment of principal of and interest on the Bonds during any period of withholding.

**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 ADOR, but allows cities and towns to retain audit resources. Multi-jurisdictional audits will be the responsibility of ADOR, while businesses located solely within one jurisdiction can be audited by the local city or town.

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

On September 30, 2021, the Arizona State Legislature established the Municipal Firefighters Cancer Reimbursement Fund ("*MFCR*") under the new statutes in Title 23, Chapter 11. The MFCR assessment is billed by the Industrial Commission of Arizona ("*ICA*"). Local governments can pay these obligations to ICA from any revenue source and these fees are not expected to reduce the City's State-Shared Revenues. State statutes set the maximum total amount that can be collected from all jurisdictions at $15 million in any fiscal year. For fiscal year 2024-25, the City was assessed a fee of $4,156,043.30.

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

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

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

**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 18% of the net proceeds of the State's 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 or town's population to the total population of all incorporated cities and towns in the State as determined by the latest census.

As part of the State's fiscal year 2021-22 budget, on June 30, 2021, the then-Governor of the State signed Senate Bill 1828 ("*SB 1828*"), which consolidated the State's current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning in 2022. Legislative reports produced at the time SB 1828 was signed, indicate that such a rate consolidation will result in an estimated $1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State-Shared Income Taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State-Shared Income Taxes, SB 1828 increased, beginning in fiscal year 2023-24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%. The estimated revenue loss to the City from the reduction in State-Shared Income Taxes as a result of SB 1828 for fiscal years 2024-2025 and 2025-26 compared to the amounts previously estimated by the Legislature's Joint Legislative Budget Committee is approximately $84.7 million, and $22.7 million, respectively.

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

**Other Excise Tax Revenues**

Cities and towns in the State have exclusive control over public rights-of-way dedicated to the municipality and may grant franchise agreements to and impose franchise taxes on utilities using those rights-of-way. A franchise may be granted only with voter approval and the term of franchises is limited to 25 years. The City has granted franchises to and imposed franchise taxes 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 2021 through 2024 and preliminary Excise Tax receipts for fiscal year 2024-25, 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 on page 17 shows the calculations of the estimated available coverage against the annual debt service requirements for all Subordinated Junior Obligations, including the Bonds, all of which are secured by the pledge of Excise Tax receipts.

As described above, on March 18, 2025, City Council passed a resolution increasing the transaction privilege tax and use tax from 2.3% to 2.8% effective July 1, 2025 to offset the State's actions to reduce the City's revenue, ensure the sustainability of the City's budget going forward and provide additional resources for public safety and community programs.

**Actual Excise Tax Receipts**
**for the Fiscal Years Ended June 30**

| Revenue Source | 2021 | 2022 | 2023 | 2024 | 2025[1] |
|---|---|---|---|---|---|
| Privilege License Tax & Fees (2) | $ 527,525,000 | $ 653,428,000 | $ 715,179,000 | $ 733,615,000 | $ 705,930,000 |
| Utility & Franchise (3) | 137,138,000 | 139,766,000 | 149,145,000 | 161,906,000 | 178,857,000 |
| Licenses & Permits | 2,694,000 | 3,022,000 | 3,018,000 | 2,882,000 | 2,887,000 |
| State-Shared Sales Tax | 201,292,000 | 229,901,000 | 241,813,000 | 249,504,000 | 252,575,000 |
| State-Shared Income Tax (4) | 240,237,000 | 213,294,000 | 308,183,000 | 435,754,000 | 351,016,000 |
| Recreational Marijuana Sales Tax | 3,424,000 | 12,812,000 | 15,175,000 | 12,006,000 | 12,368,000 |
| Total | $1,112,310,000 | $1,252,223,000 | $1,432,513,000 | $1,595,667,000 | $1,503,633,000 |

**Projected Excise Tax Receipts**
**for the Fiscal Years Ended June 30**

| Revenue Source | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| Privilege License Tax & Fees (2)(5) | $ 846,006,000 | $ 887,876,000 | $ 932,028,000 | $ 977,155,000 | $1,022,589,000 |
| Utility & Franchise (3) | 181,412,000 | 186,209,000 | 189,533,000 | 192,803,000 | 196,958,000 |
| Licenses & Permits | 2,937,000 | 3,015,000 | 3,081,000 | 3,150,000 | 3,223,000 |
| State-Shared Sales Tax (5) | 262,745,000 | 274,228,000 | 286,424,000 | 299,189,000 | 312,643,000 |
| State-Shared Income Tax (4) | 328,334,000 | 351,965,000 | 369,437,000 | 389,146,000 | 409,335,000 |
| Recreational Marijuana Sales Tax | 12,875,000 | 13,455,000 | 14,073,000 | 14,721,000 | 15,398,000 |
| Total | $1,634,309,000 | $1,716,748,000 | $1,794,576,000 | $1,876,164,000 | $1,960,146,000 |

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 $40.9 million in 2020-21, $49.2 million in 2021-22, $53.1 million in 2022-23, and $55.0 million in 2023-24. The estimate for 2024-25 is $52.3 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 this increase totaled $40.9 million in 2020-21, $49.2 million in 2021-22, $53.1 million in 2022-23, and $55.0 million in 2023-24. The estimate for 2024-25 is $52.3 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 $279.3 million in 2020-21, $335.6 million in 2021-22, $362.5 million in 2022-23, and $376.2 million in 2023-24. The estimate for 2024-25 is $359.1 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 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 $81.9 million in 2020-21, $98.3 million in 2021-22, $106.3 million in 2022-23, and $110.0 million in 2023-24. The estimate for 2024-25 is $105.2 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 $24.5 million in 2020-21, $26.5 million in 2021-22, $30.1 million in 2022-23, and $31.3 million in 2023-24. The estimate for 2024-25 is $35.3 million.

(4) As part of the State's fiscal year 2021-22 budget, on June 30, 2021, the then-Governor of the State signed SB 1828 which consolidated the State's four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning in 2022. Legislative reports produced at the time SB1828 was signed indicate that such a rate consolidation will result in an estimated $1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State-Shared Income Taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State-Shared Income Taxes, SB 1828 increased, beginning in fiscal year 2023-24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%. The estimated revenue loss to the City from the reduction in State-Shared Income Taxes as a result of SB 1828 for fiscal years 2024-25 and 2025-26 compared to the amounts previously estimated by the Legislature's Joint Legislative Budget Committee is approximately $84.7 million, and $22.7 million respectively. The projected revenues shown in the table above reflect the potential reductions.

(5) As a result of the passage of SB 1131, effective January 1, 2025, Arizona municipalities are prohibited from levying a tax or fee on the business of renting or leasing real property for residential purposes. The revised estimated five-month impact to the City of the loss of residential rental tax income for fiscal year 2024-25 is estimated to be approximately $19.3 million and the ongoing annual impact beginning in fiscal year 2025-26 is estimated to be approximately $47.4 million. The projected revenues shown in the table above reflect the potential reductions.

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

**Schedule of Projected Excise Tax Revenues, Subordinated Junior Lien Debt Service Requirements and Estimated Subordinated Junior Lien Debt Service Coverage***

| Fiscal Year | Projected Excise Taxes Pledged | Total Outstanding Subordinated Junior Lien Debt Service Requirements(1) | Projected Coverage of Subordinated Junior Lien Debt Service Requirements |
|---|---|---|---|
| 2025-26 | $1,634,309,000 | $ 97,734,545 | 16.7 |
| 2026-27 | 1,716,748,000 | 105,449,152 | 16.3 |
| 2027-28 | 1,794,576,000 | 108,578,743 | 16.5 |
| 2028-29 | 1,876,164,000 | 103,204,520 | 18.2 |
| 2029-30 | 1,960,146,000 | 92,215,312 | 21.3 |
| 2030-31 | | 92,217,687 | |
| 2031-32 | | 91,595,484 | |
| 2032-33 | | 87,232,190 | |
| 2033-34 | | 84,618,559 | |
| 2034-35 | | 84,620,217 | |
| 2035-36 | | 81,551,819 | |
| 2036-37 | | 70,988,950 | |
| 2037-38 | | 70,990,210 | |
| 2038-39 | | 70,983,889 | |
| 2039-40 | | 70,989,781 | |
| 2040-41 | | 70,986,665 | |
| 2041-42 | | 49,754,426 | |
| 2042-43 | | 49,747,004 | |
| 2043-44 | | 49,754,516 | |
| 2044-45 | | 35,296,772 | |
| 2045-46 | | 9,762,500 | |
| 2046-47 | | 9,759,750 | |
| | | $1,588,032,691 | |

(1) Schedule includes all outstanding debt service requirements and the estimated debt service on the Bonds offered herein and excludes the debt service of Bonds Being Refunded. 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.

* Subject to change.

## GENERAL FUND SUMMARY[1]

The table below presents the General Fund revenues by major source for fiscal year 2023-24. The General Fund revenues for fiscal year 2024-25 are based on seven months of actual 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 | Actual 2023-24 | Estimated 2024-25[1] |
|---|---|---|
| **Local Taxes:** | | |
| Sales Tax | $ 707,310 | $ 695,243 |
| Privilege License Fees | 3,469 | 3,368 |
| Other General Fund Excise Taxes | 19,575 | 19,759 |
| **State-Shared Revenues:** | | |
| Sales Tax | 249,504 | 252,575 |
| State Income Tax | 435,754 | 351,016 |
| Vehicle License Tax | 83,823 | 88,000 |
| **Primary Property Tax** | 206,394 | 215,419 |
| **User Fees/Other Revenues** | 199,572 | 193,969 |
| **Total General Fund** | $1,905,401 | $1,819,349 |

The table below presents the General Fund balance for fiscal year 2023-24. The ending General Fund balance for fiscal year 2024-25 is based on seven months of actual data, with the balance of the year estimated.

### GENERAL FUND BALANCE
**(Budgetary Basis)**
(in thousands)

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

[1] The ending General Fund balance for fiscal year 2024-25 is based on ten months of actual unaudited data, with the balance of the year estimated.

## COMBINED FINANCIAL SCHEDULES

The schedules summarized on pages B-36 through B-47 present the revenues, expenditures and encumbrances, fund balances and transfers of all City operating funds on a non-GAAP budgetary basis. The schedules reflect actual results for fiscal years 2021-22, 2022-23, and 2023-24 and estimated amounts for fiscal year 2024-25. The schedules are presented on a budgetary basis to provide a meaningful comparison of actual results with the City's budget for all City operating funds.

## 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 2025, the City began the budget preparation process for fiscal year 2025-26. The City Manager presented a balanced Trial Budget for fiscal year 2025-26 for City Council discussion in March 2025. In fiscal year 2025-26, there is a projected deficit of $36 million. The City is considering a range of potential options, including the recent increase in sales tax and budget reductions, to address the potential deficits. Virtual community budget hearings were held in April for citizens to provide comments on the 2024-25 City Manager's Trial Budget. Feedback received from residents was provided to the City Council regularly as staff progressed through the budget adoption process. On May 6, 2025, the City Council formally adopted the proposed budget. A final adoption is scheduled for June 18, 2025, followed by the Property Tax Levy adopted, scheduled for July 2, 2025.

**Future Budget Actions**

As a result of the loss of revenue from taxes on leases of residential rental property and lower than projected State-Shared Income Taxes as a result of SB 1828, the most recent forecast presented to the City Council projects a range of general fund ending balances with deficits in fiscal year 2025-26 of $36 million and deficits of $102 million to $64 million in fiscal year 2026-27 and a $41 million deficit to a $29 million surplus in fiscal year 2027-28. The City has considered a range of options, including the recent increase in sales tax and budget reductions, to address the potential deficits.

## THE CITY

The City is a municipal corporation organized and existing under the laws of the State of Arizona. Pursuant to the Loan Agreement, the City will agree to make payments sufficient to pay amounts due on the Bonds. Detailed information on the City is set forth in Appendices A through F.

## THE CORPORATION

The Corporation is a nonprofit corporation organized under the laws of the State of Arizona for the purpose of assisting the City in the acquisition and financing or refinancing of municipal property and equipment.

The Corporation will enter into the Loan Agreement and the Indenture to facilitate the refunding of the Bonds Being Refunded. 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.

*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 "EXCISE TAXES AND COVERAGE", "APPENDIX A — City of Phoenix, Arizona – Description", "APPENDIX B – City of Phoenix, Arizona – Financial Data" and "APPENDIX C — City Sales Taxes and State-Shared Revenues".

*Possible Future Actions on 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. For a recent example of such potential actions by the State, see "EXCISE TAXES AND

COVERAGE — City Transaction Privilege (Sales) Taxes." 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 or eliminate 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. For a recent example of such potential actions by the State, see "EXCISE TAXES AND COVERAGE – State-Shared Income Taxes and APPENDIX C — City Sales Taxes and State-Shared Revenues." While the City cannot 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.

## LITIGATION

The City is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. The City Attorney has advised City Management of the nature and extent of pending and threatened claims against the City. In the opinion of City Management, such matters will not have a materially adverse effect on the City's ability to comply with the requirements of the Loan Agreement.

To the knowledge of the City Attorney, no pending or threatened litigation or administrative action or proceeding has (i) restrained or enjoined the City from entering into the Loan Agreement or approving the issuance and delivery of the Bonds or (ii) contested or questioned the validity of the Bonds or the proceedings and authority under which the Bonds have been authorized and are to be issued, secured, sold, executed, or delivered. Certificates of the City to that effect will be delivered at the time of delivery of the Bonds.

To the knowledge of special counsel to the Corporation, no pending or threatened litigation or administrative action or proceeding has (i) restrained or enjoined the Corporation from entering into the Indenture or the Loan Agreement or approving the issuance and delivery of the Bonds or (ii) contested or questioned the validity of the Bonds or the proceedings and authority under which the Bonds have been authorized and are to be issued, secured, sold, executed or delivered. Certificates of the Corporation to that effect will be delivered at the time of delivery of the Bonds.

## TAX MATTERS

### Tax Matters – Tax-Exempt Bonds

*General*

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "*Code*"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (ii) interest on the Tax-Exempt Bonds is not included in the taxable income of individuals or corporations for Arizona income tax purposes so long as that interest is excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion as to any other tax consequences regarding the Tax-Exempt Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Corporation and the City contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Tax-Exempt Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the Corporation's or the City's representations and certifications or the continuing compliance with the Corporation's or the City's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (the "*IRS*") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Corporation or the City may cause loss of such status and result in the interest on the Tax-Exempt Bonds being 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 each covenanted to take the actions required of it for the interest on the Tax-Exempt Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Tax-Exempt Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds or the market value of the Tax-Exempt Bonds.

Interest on the Tax-Exempt Bonds may be subject: (1) to a federal branch profits tax imposed on certain foreign corporations doing business in the United States; (2) to a federal tax imposed on excess net passive income of certain S corporations; and (3) to the alternative minimum tax imposed under Section 55(b) of the Code on "applicable corporations" (within the meaning of Section 59(k) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Tax-Exempt Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Tax-Exempt Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Tax-Exempt Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Tax-Exempt Bonds ends with the issuance of the Tax-Exempt Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners of the Tax-Exempt Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Tax-Exempt Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Tax-Exempt

Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Tax-Exempt Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Tax-Exempt Bonds.

Prospective purchasers of the Tax-Exempt Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Tax-Exempt Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

**Risk of Future Legislative Changes and/or Court Decisions**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Tax-Exempt Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Tax-Exempt Bonds will not have an adverse effect on the tax status of interest on the Tax-Exempt Bonds or the market value or marketability of the Tax-Exempt Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Tax-Exempt Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax that was in effect at that time, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Tax-Exempt Bonds should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Tax-Exempt Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Tax-Exempt Bonds may be affected and the ability of holders to sell their Tax-Exempt Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

**Original Issue Discount and Original Issue Premium – Tax-Exempt Bonds**

Certain of the Tax-Exempt Bonds ("*Tax-Exempt Discount Bonds*") may be offered and sold to the public at an original issue discount ("*OID*"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "*issue price*" of a Tax-Exempt Discount Bond. The issue price of a Tax-Exempt Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Tax-Exempt Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Tax-Exempt Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Tax-Exempt Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Tax-Exempt Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, sale or other disposition of that Tax-Exempt Discount Bond. A purchaser of a Tax-Exempt Discount Bond in the initial public offering at the issue price (described above) for that Tax-Exempt Discount Bond who holds that Tax-Exempt Discount Bond to maturity will realize no gain or loss upon the retirement of that Tax-Exempt Discount Bond.

Certain of the Tax-Exempt Bonds ("*Tax-Exempt Premium Bonds*") may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Tax-Exempt Premium Bond, based on the yield to maturity of that Tax-Exempt Premium Bond (or, in the case of a Tax-Exempt 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 Tax-Exempt Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Tax-Exempt 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 Tax-Exempt Premium Bond, the owner's tax basis in the Tax-Exempt Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Tax-Exempt Premium Bond for an amount equal to or less than the amount paid by the owner for that Tax-Exempt Premium Bond. A purchaser of a Tax-Exempt Premium Bond in the initial public offering who holds that Tax-Exempt Premium Bond to maturity (or, in the case of a callable Tax-Exempt Premium Bond, to its earlier call date that results in the lowest yield on that Tax-Exempt Premium Bond) will realize no gain or loss upon the retirement of that Tax-Exempt Premium Bond.

***Owners of Tax-Exempt Discount and Tax-Exempt Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Tax-Exempt Discount or Tax-Exempt Premium Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.***

**Tax Matters Generally – Taxable Bonds**

*General*

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion as to any other tax consequences regarding the Taxable Bonds. The legal defeasance of the Taxable Bonds might result in a deemed sale or exchange of the Taxable Bonds under certain circumstances; owners of the Taxable Bonds should consult their tax advisors as to the federal income tax consequences of such an event. Prospective purchasers of the Taxable Bonds should consult their tax advisors as to the federal, state and local, and foreign tax consequences of their acquisition, ownership, and disposition of the Taxable Bonds.

The following discussion is generally limited to "U.S. owners," meaning beneficial owners of Taxable Bonds that for United States federal income tax purposes are either individual citizens or residents of the United States or 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). ***Partnerships (including entities treated as partnerships for United States federal income tax purposes) holding Taxable Bonds, and partners in such partnerships, and estates or trusts holding Taxable Bonds, and beneficiaries of such estates or trusts, should consult their tax advisors regarding the tax consequences of an investment in the Taxable Bonds (including their status as U.S. owners).***

Prospective purchasers of the Taxable Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Taxable Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

*Payment of Interest*

In general, interest paid or accrued on the Taxable Bonds, including qualified stated interest on Taxable Discount Bonds (as defined below), if any, will be treated as ordinary income to U.S. owners. A U.S. owner using the accrual method of accounting for U.S. federal income tax purposes must include interest paid or accrued on the Taxable Bonds in ordinary income as the interest accrues, while a U.S. owner using the cash receipts and disbursements method of accounting for U.S. federal income tax purposes must include interest in ordinary income when payments are received or constructively received by the owner, except as described below under the section entitled **"Original Issue Discount and Original Issue Premium – Taxable Bonds."**

*Original Issue Discount and Original Issue Premium – Taxable Bonds*

Certain of the Taxable Bonds ("*Taxable Discount Bonds*") may be offered and sold to the public at an original issue discount ("*OID*"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Taxable Discount Bond, provided that excess equals or exceeds a statutory *de minimis* amount (one-quarter of one percent of the Taxable Discount Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity (or, if required by applicable Treasury Regulations, to an earlier call date)). The issue price of a Taxable Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Taxable Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Taxable Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the time a U.S. owner owns a Taxable Discount Bond (i) is interest includable in the U.S. owner's gross income for federal income tax purposes, and (ii) is added to the U.S. owner's tax basis for purposes of determining gain or loss on the maturity, redemption, sale, or other disposition of the Taxable Discount Bond. The effect of OID is to accelerate the recognition of taxable income for a U.S. owner who uses the cash method of accounting during the term of the Taxable Discount Bond.

Certain of the Taxable Bonds ("*Taxable Premium Bonds*") may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). If a U.S. owner purchases a Taxable Premium Bond, that owner will be considered to have purchased such Taxable Premium Bond with "amortizable bond premium" equal in amount to such excess. The U.S. owner may elect (which election shall apply to all securities purchased at a premium by such U.S. owner), in accordance with the applicable provisions of Section 171 of the Code, to amortize that premium as an offset to the interest payments on the Taxable Premium Bond using a constant yield to maturity method over the remaining term of the Taxable Premium Bond (or, if required by applicable Treasury Regulations, to an earlier call date). Pursuant to Section 67(b)(11) of the Code, the amortization of that premium is not considered a miscellaneous itemized deduction. Any amortization of bond premium will reduce the basis of the Taxable Premium Bond pursuant to Section 1016(a)(5) of the Code.

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

*Sale, Exchange, Retirement or Other Taxable Disposition of Taxable Bonds*

Upon the sale, exchange, retirement or other taxable disposition of a Taxable Bond, a U.S. owner will recognize gain or loss equal to the difference between the amount realized from the sale, exchange, retirement or other disposition and the owner's adjusted basis in the Taxable Bond or applicable portion of the adjusted basis.

The owner's adjusted basis generally will equal the cost of the Taxable Bond to the owner, increased by any OID includible in the owner's ordinary income for the Taxable Bond and reduced by any principal payments on the Taxable Bond previously received by the owner (including any other payments on the Taxable Bond that are not qualified stated interest payments) and by any amortizable bond premium allowed as a deduction as described above under the section entitled "Original Issue Discount and Original Issue Premium – Taxable Bonds." Any gain or loss recognized upon a sale, exchange, retirement or other disposition of a Taxable Bond (excluding amounts attributable to accrued interest or OID) will generally be capital gain or loss and will be long-term capital gain or loss if the U.S. owner's holding period in the Taxable Bond exceeds one year. Long-term capital gains of individuals are currently eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

*Information Reporting and Backup Withholding*

General information reporting requirements will apply to payments of principal and interest made on the Taxable Bonds and the proceeds of the sale of Taxable Bonds to non-corporate holders of the Taxable Bonds, and "backup withholding," currently at a rate of 24%, will apply to such payments if the owner fails to provide an accurate taxpayer identification number in the manner required or fails to report all interest required to be shown on its federal income tax returns. A beneficial owner of Taxable Bonds that is a U.S. owner generally can obtain complete exemption from backup withholding by providing a properly completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification).

*Medicare Tax Affecting U.S. Owners*

A U.S. owner that is an individual is subject to a 3.8% Medicare tax on the lesser of (1) the U.S. owner's "net investment income" for the taxable year and (2) the excess of the U.S. owner's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between $125,000 and $250,000, depending on the individual's circumstances). A U.S. owner's net investment income generally includes interest income on, and net gains from the disposition of, Taxable Bonds, unless such interest income or net gains are derived in the ordinary course of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. owner that is an individual should consult its tax advisor regarding the applicability of the Medicare tax.

*Non-U.S. Owners*

Under the Code, interest and OID on any Taxable Bond whose beneficial owner is not a U.S. owner is generally not subject to United States income tax or withholding tax (including backup withholding) if the non-U.S. owner provides the payor of interest on the Taxable Bonds with an appropriate statement as to its status as a non-U.S. owner. This statement can be made on IRS Form W-8BEN or a successor form. If, however, the non-U.S. owner conducts a trade or business in the United States and the interest or OID on the Taxable Bonds held by the non-U.S. owner is effectively connected with such trade or business, that interest or OID will be subject to United States income tax but will generally not be subject to United States withholding tax (including backup withholding). The foregoing is a brief summary of certain federal income tax consequences to a non-U.S. owner. ***Non-U.S. owners should consult their tax advisors regarding the tax consequences of an investment in the Taxable Bonds.***

*Foreign Account Tax Compliance Act*

The Foreign Account Tax Compliance Act ("*FATCA*") generally imposes a 30% withholding tax on interest payments to (i) certain foreign financial institutions (including certain investment funds) that fail to certify their FATCA status and (ii) non-financial foreign entities if certain disclosure requirements related to direct and indirect United States shareholders are not satisfied. Proposed Treasury Regulations, which may be relied upon until final Treasury Regulations are promulgated, suspend the requirement to apply the 30% withholding tax to gross proceeds from the sale or other disposition of Taxable Bonds. This requirement otherwise would have applied to a sale or other disposition of Taxable Bonds made on or after January 1, 2019.

In the case of payments made to a "foreign financial institution" (generally including an investment fund), as a beneficial owner or as an intermediary, the FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such institution (i) enters into (or is otherwise subject to) and complies with an agreement with the U.S. government (a "FATCA Agreement") or (ii) is required by and complies with applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an "IGA"), in either case to, among other things, collect and provide to the U.S. or other relevant tax authorities certain information regarding U.S. account holders of such institution. In the case of payments made to a foreign entity that is not a financial institution (as a beneficial owner), the FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such entity either provides the withholding agent with a certification that it does not have any "substantial" U.S. owner (generally, any specified U.S. person that directly or indirectly owns more than a specified percentage of such entity) or identifies its "substantial" U.S. owners.

If Taxable Bonds are held through a foreign financial institution that enters into (or is otherwise subject to) a FATCA Agreement, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign financial institution) generally will be required, subject to certain exceptions, to withhold the 30% FATCA tax on payments of interest as described above made to (i) a person (including an individual) that fails to comply with certain information requests or (ii) a foreign financial institution that has not entered into (and is not otherwise subject to) a FATCA Agreement and that is not required to comply with FATCA pursuant to applicable foreign law enacted in connection with an IGA. Coordinating rules may limit duplicative withholding in cases where the withholding described above in **"Non-U.S. Owners"** or **"Information Reporting and Backup Withholding"** also applies.

If any amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from payments on Taxable Bonds as a result of a failure by an investor (or by an institution through which an investor holds the Taxable Bonds) to comply with FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the terms of the Taxable Bonds, be required to pay additional amounts with respect to any Taxable Bond as a result of the deduction or withholding of such tax. ***Non-U.S. owners should consult their tax advisors regarding the application of FATCA to the ownership and disposition of Taxable Bonds.***

## 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 MATTERS") are subject to the legal opinions of Squire Patton Boggs (US) LLP, Phoenix, Arizona, which has been retained by, and acts as Bond Counsel to, the Corporation and the City. Greenberg Traurig, LLP has acted as disclosure counsel to the Corporation and the City in connection with the preparation of this Official Statement.

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 its 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 its date.

## RATINGS

Moody's Ratings ("*Moody's*") has assigned the rating of "Aa1" to the Bonds. S&P Global Ratings, ("*S&P*") has assigned to the Bonds a rating of "AAA" to the Bonds. Fitch Ratings Inc. ("*Fitch*") has assigned a rating of "AA+" to the Bonds. No application was made to any other rating service for the purpose of obtaining ratings on the Bonds. The City furnished these rating agencies with certain information and materials with respect to the Bonds. The ratings reflect only the view of S&P, Moody's, and Fitch respectively. An explanation of the significance of such ratings may be obtained from S&P at 55 Water Street, New York, New York 10041, from Moody's at 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, and from Fitch at 33 Whitehall Street, New York, NY 10004. There is no assurance that the ratings will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by S&P, Moody's or Fitch if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings by S&P, Moody's or Fitch may have an adverse effect on the market price of the Bonds.

## FINANCIAL ADVISOR

Public Resources Advisory Group, Inc. ("*PRAG*") is employed as Financial Advisor to the City in connection with the issuance of the Bonds. The Financial Advisor's compensation for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. PRAG in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, ending or future actions taken by any legislative or judicial bodies.

## PUBLIC SALE

The Corporation expects to offer the Bonds at public sale on June 24, 2025. See "APPENDIX J — Notice Inviting Proposals for the Purchase of Tax-Exempt Subordinated Excise Tax Revenue Bonds" and see "APPENDIX K — Notice Inviting Proposals for the Purchase of Taxable Subordinated Excise Tax Revenue Bonds."

## CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the "*Undertaking*") with respect to the Bonds for the benefit of the beneficial owners of such Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access ("*EMMA*") system pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "*Rule*") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The specific nature of the information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Undertaking, are set forth in "APPENDIX I — Form of Continuing Disclosure Undertaking."

The City has represented that except as set forth below, it has complied with each and every undertaking previously entered into by it pursuant to the Rule. A failure by the City to comply with the Undertaking will not constitute a default under the Loan Agreement or the Indenture and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See "APPENDIX I — Form of Continuing Disclosure Undertaking." A failure by the City to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The February 1, 2024, filing of certain operating data for the fiscal year ending June 30, 2023, was not associated with all related CUSIP numbers until June 17, 2024.

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

The financial statements of the City as of June 30, 2024, for its fiscal year then ended have been audited by Forvis Mazars, independent auditors, as stated in their report. The financial statements and auditor's report are part of the City's Annual Comprehensive Financial Report (the "*ACFR*"), which may be obtained from EMMA, free of charge at http://emma.msrb.org, or from the City, free of charge, at the following location: 251 West Washington Street, 9th Floor, Phoenix, Arizona 85003, Attention: Finance Department, Telephone: (602) 262-7166. The ACFR may also be downloaded from the City's website at www.phoenix.gov under Departments-Finance-Financial Information & Reports. The ACFR so filed with EMMA as part of the City's continuing disclosure undertakings pursuant to the Rule is hereby incorporated by reference.

## MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Corporation or the City and the purchasers or holders of any of the Bonds.

This Official Statement has been approved, executed and delivered by the Corporation and the City.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION

By: ______________________________
President

CITY OF PHOENIX, ARIZONA

By: ______________________________
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 Avondale, Buckeye, Chandler, El Mirage, Glendale, Goodyear, Mesa, Peoria, Scottsdale, Surprise, Tempe; the towns of Gilbert, Fountain Hills, Paradise Valley, and Queen Creek as well as several smaller cities and towns and all unincorporated areas of the County. It is situated 1,117 feet above sea level in the semi-arid Salt River Valley. The area is well known for its mild, sunny winters and hot summers and receives average rainfall of 6.85 inches annually.

Phoenix was founded in 1870 as an agricultural community. In 1881, it was incorporated as a city (the *"City"*). The City Charter under which it is presently governed was adopted in 1913 and has been amended from time to time. The City has grown steadily since its inception and has shown especially strong growth since 1950. The 1900 census recorded Phoenix's population at 5,544. In 1950, the City occupied 17 square miles with a population of almost 107,000 ranking it 99th among American cities. The U.S. Census Bureau estimated Phoenix population at 1,692,268 as of July 1, 2024. As of February 1, 2025, the City encompasses 519.41 square miles.

**Population Statistics(1)**
**Phoenix, Maricopa County and Arizona**

| **Area** | **1950** | **1970** | **1990** | **2000** | **2020** | **2024** | **Percent Change** **1950-24** | **Percent Change** **1990-24** |
|---|---|---|---|---|---|---|---|---|
| Phoenix | 106,818 | 584,303 | 983,403 | 1,321,045 | 1,608,139 | 1,692,268 | 1,484.3% | 72.1% |
| Maricopa County | 331,770 | 971,228 | 2,122,101 | 3,072,149 | 4,420,568 | 4,726,247 | 1,324.6% | 122.7% |
| State of Arizona | 749,587 | 1,775,399 | 3,665,228 | 5,130,632 | 7,151,502 | 7,621,703 | 916.8% | 107.9% |

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

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

The metropolitan area is presently served by 35 elementary school districts, 6 high school districts, 15 unified school districts, and 2 technical institutes, operating over 900 schools. Education is also provided by public charter schools and private and parochial schools located throughout the metropolitan area. Maricopa County Community College District serves the educational needs of the Phoenix area through 10 institutions. Arizona State University (*"ASU"*) houses 17 colleges and schools and has a total equivalent enrollment of more than 152,810 undergraduate, graduate and professional students. There are 4 campuses in Metro Phoenix and online. ASU's main campus is located just east of Phoenix in the city of Tempe and has enrollment of nearly 56,643 students. The Arizona State University West campus opened in 1991, is located in northwest Phoenix, and has an enrollment of nearly 5,354 students. The Arizona State University Polytechnic campus opened in 1996, is located in southeast Metro Phoenix in the city of Mesa, and has an enrollment of more than 6,183 students. The Arizona State University Downtown Phoenix campus opened in 2006 and has an enrollment of more than 10,325 students. ASU Online has nearly 73,000 students. Grand Canyon University, a private university offering undergraduate and postsecondary degree programs, has a main campus located northwest of downtown Phoenix. In Fall 2023, enrollment at Grand Canyon University was approximately 108,000 including both on-campus and online students. The City also contains a number of private universities, colleges, and technical institutions. The U.S. Census Bureau's 2022 American Community Survey, the most recently available, estimated that more than 67.2% of the adult residents of Maricopa County attended college, compared to 63.5% 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 Information Technology Services Department has dedicated staff specifically targeting cybersecurity initiatives such as security awareness programs, advanced email security, Endpoint Detection and Response, as well as event monitoring. In addition, the City has a $5.0 million insurance policy with AIG Specialty Insurance Company, a $10.0 million policy with Tysers, and $5.0 million policy with Crum & Forster, for a total of $20 million in coverage, which insures against cyber extortion and network interruption. No assurance can be given, however, that the City's current efforts to manage cyber threats and security will, in all cases, be successful. The City cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

## SIGNIFICANT DEVELOPMENTS

### Downtown Development

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

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

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

In 2020, the City of Phoenix, re-certified, updated, and expanded the boundaries of the downtown Redevelopment Area. The Downtown Redevelopment Area has been critical to the redevelopment efforts in downtown Phoenix over the past several decades. The updated boundaries will focus redevelopment efforts where they are most needed, and expanding the area of impact outside the traditional boundaries of the core. A related effort to update the redevelopment area plan that accompanies the redevelopment area kicked off in 2022. The plan has now entered its final draft stage.

**General Plan**

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

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

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

On July 1, 2009, the City Council approved plans to implement a public participation process in developing the Phoenix General Plan 2015 Update. In August 2012, the Planning and Development Department, in partnership with the Mayor and City Council, launched PlanPHX in an effort to enhance community outreach. In order to facilitate public participation, the PlanPHX project included the debut of www.myplanphx.com. The website served as an interactive and innovative way for Phoenix residents to be involved in the Phoenix General Plan 2015 Update. In addition to the website, the Planning and Development Department conducted meetings throughout the community to obtain input and ideas from residents. The Phoenix General Plan 2015 focused on five Core Values — Connecting People and Places, Building the Sustainable Desert City, Creating an Even More Vibrant Downtown, Celebrating our Diverse Communities and Neighborhoods, and Strengthening Our Local Economy. The General Plan 2015 Update was unanimously approved by the Phoenix Planning Commission on January 13, 2015. The General Plan 2015 Update was approved by the City Council on March 4, 2015 and was approved by voters in the August 25, 2015 Citywide election. In January 2023, the City Council approved the PlanPHX General Plan 2025 Update Public Participation Plan which outlined an engagement approach to re-appoint a PlanPHX 2025 Leadership Committee and work closely with Planning Commission and Village Planning Committees on a strategic and focused update to the General Plan. The General Plan 2025 Update incorporated a new Core Value to Create a Vibrant Network of Cores, Centers and Corridors while revealing several new goals while preserving and elevating several key established goals from the prior General Plan and more current city-wide policies and plans. The General Plan strengthened its purpose as a unified policy framework for the entire City.

The General Plan 2025 Update was unanimously approved by all 15 Urban Village Planning Committees in January and February 2024 and unanimously approved by the Phoenix Planning Commission on March 7, 2024. The Phoenix City Council adopted the updated General Plan 2025 on April 17, 2024, and referred it to the November 2024 ballot. Phoenix residents approved the updated General Plan with nearly 80% of the votes in support.

**Phoenix Convention Center**

Redevelopment of the downtown Phoenix area has accompanied the construction and expansion of the Phoenix Convention Center (previously Phoenix Civic Plaza). Opened in 1972, the original convention and cultural center facility encompassed eight city-blocks in downtown Phoenix, having a capacity of 10,000 persons and containing a variety of meeting and exhibition halls in addition to Symphony Hall.

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

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

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

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

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

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

The expanded Phoenix Convention Center surpassed its projected goals for 2009, hosting 68 conventions with approximately 309,379 delegates, which equated to an economic impact of approximately $449 million in direct spending. Since its expansion in 2009, the Phoenix Convention Center has hosted 814 conventions, or an average of 62 conventions per year, with an estimated 3,000,000 delegates through 2022. The Phoenix Convention Center hosted over 65 conventions in 2024 with an estimated economic impact of over $400 million.

**Business Development**

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

Phoenix was just recognized as the number one location for manufacturing job growth in the United States and was recently named as one of the top ten best cities for corporate headquarters. CEDD works to attract and grow quality businesses that strengthen and diversify Phoenix's economy through job growth, private investment and creating a sense of place for our community. The Arizona Commerce Authority, Greater Phoenix Economic Council and the Greater Phoenix Chamber of Commerce are strong allies in these endeavors. With these partners, the City continues several initiatives aimed at workforce development, creating and maintaining high quality jobs and industry diversification. These partnerships also establish sound economic development programs that enhance regional and statewide competitiveness.

In calendar year 2024, the CEDD attracted 18 new employers across various industries. These companies added 2,589 new jobs, with a capital investment of almost $262,442,607 million. Combined with the attraction efforts, CEDD's expansion and retention efforts totaled 218 new jobs in the last fiscal year, and attracted $15,565,000 million in capital investment. The workforce team also hosted 80 recruitment events this year.

Phoenix continues to see strong growth in its labor force population. According to the Bureau of Labor Statistics ("*BLS*"), between 2023 and 2024, the City's labor force grew 2.2% and has grown over 7.78% since 2020. According to the Bureau of Labor Statistics Industry Employment, as pre-pandemic routines rebound, the Phoenix metro area has seen the largest industry growth focused on accommodations, food services, arts, entertainment, recreation, and management of companies and enterprises. Phoenix continues demonstrating resilience in its economy and workforce by having an annual average unemployment rate of 3.5% between 2023 and 2024. Furthermore, 2024 has ended strongly, with an average 3.1% unemployment rate compared to the state unemployment rate of 3.8% in the fourth quarter, according to the latest data from BLS.

**Arts, Cultural and Sports Facilities**

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

The Herberger Theater Center, a performing arts facility, opened in October 1989 adjacent to the Phoenix Convention Center. Located on a one-block site immediately north of the original Phoenix Convention Center, the Herberger Theater Center was financed with $18 million in public and private funds. Renovations to the Herberger Theater were performed during the summer 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 (currently Arizona Financial Theatre) totals 165,000 square feet and cost approximately $39 million. Construction began in September 2000 and was completed in April 2002.

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

A multi-phased renovation of City-owned multipurpose arena began in the spring 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 was funded by the City and the Suns, with the City contributing $150 million and the Suns contributing $80 million plus any cost overruns. Major building systems including electrical, mechanical, plumbing and technology infrastructure are being updated or replaced. Additional upgrades underway include improvements to social spaces, suite renovations, retail space improvements, and modernization of locker rooms. The renovations commenced in 2019 and completed in 2021. The new agreement commits the Suns to stay in the arena until at least 2037.

Major League Baseball owners awarded a Phoenix-based ownership group a major league baseball franchise in March 1995. The team, the Arizona Diamondbacks, began play in March 1998. A $354 million, 48,500-seat, natural grass baseball stadium currently named Chase Field, was constructed at the southwest corner of Jefferson

Street and Seventh Street in downtown Phoenix through a public/private partnership. Public participation was authorized in early 1994, when the Maricopa County Stadium District approved the expenditure of $238 million for the development of the stadium. The balance of the construction costs were financed by the team ownership group.

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

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

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

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

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

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

In 2023, the City along with the Arizona Super Bowl Host Committee, dedicated a new public art installation at the Phoenix Convention Center in downtown Phoenix. The sprawling installation, titled Flowing Alchemy by renowned local artist Katharine Leigh Simpson, was prominently displayed during the 2023 NFL Super Bowl Experience, and helped to raise awareness about the importance of the City's recycling and resource management efforts. The suspended sculpture, which is made entirely of upcycled plastic waste, highlights the need to ensure harmony between modern society and the natural environment and is inspired by the symbiotic relationship between Arizona's native birds and the Rio Salado that allowed the ancestors of the O'odham people to make our valley inhabitable.

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

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

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

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

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

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

On March 7, 2024, the NBA announced that Phoenix had been selected to host NBA All-Star 2027. The 76th NBA All-Star game will take place at Footprint Center on February 21, 2027, and will be the fourth time Phoenix has hosted the event, including in 2009, 1995, and 1975 respectively. Phoenix hosted the 2024 WNBA All-Star Game. NBA All-Star events take place over multiple days in Phoenix and include activities for all ages, and fans such as the Kia Skills Challenge, the STARRY 3-Point Challenge, and AT&T Slam Dunk, wrapping up with the All-Star game the final day.

**Commercial Development**

In the 1970s, three major commercial banks located their high-rise headquarters buildings in the downtown area. Additional banks followed, including the Citibank building (now a City owned building for the Public Transit Department and other tenants), consisting of 113,000 square feet of space situated on the northwest corner of Van Buren Street and First Avenue, was opened on August 1, 1989.

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

The Barron Collier Company and Opus West initiated a mixed-use downtown development project in 1998. The plans for Collier Center included three high-rise towers with 1.5 million square feet of office space, 200,000 square feet of retail shops and restaurants, and parking for 2,400 vehicles. The project is located on a 7.2-acre site bounded by Washington, Jefferson, First and Third Streets. Collier Center's Phase I, a $500 million, 23-story office tower, was completed in September 2000 and is the Arizona headquarters for Bank of America. The tower contains over 500,000 square feet of office space, 85,000 square feet of retail space and a 1,500-space underground parking garage.

In 2007, RED Development commenced construction on an approximately 5-acre, mixed-use development that blends urban living with work, shopping and entertainment and includes restaurants, a hotel, offices and outdoor event space. The CityScape project encompasses two blocks in downtown Phoenix and is one block from the City-owned multipurpose arena and within two blocks of Chase Field. The first phase of CityScape opened in March 2010 and includes 660,000 square feet of Class A office space, 200,000 square feet of retail, 1,300 parking spaces and redevelopment of Patriot's Square Park. Construction of the second phase commenced in February 2011 and included construction of the 242 room Hotel Palomar which was completed in June 2012. The final phase of the project, The Residences at CityScape, is comprised of 224 high-rise apartment units, constructed above the Hotel Palomar. The Residences at CityScape opened in the spring 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 includes approximately 300 multi-family, for rent, high-rise residential units in one tower with 150,000 square feet of creative, open, office space attractive to technology and innovative tenants and 50,000 square feet of commercial space including an urban Fry's grocery store in the other tower, plus 1,000 above and below grade structured parking stalls and streetscape improvements. The Fry's Grocery store, downtown Phoenix's first new grocery store in decades, opened in October 2019, and the remainder of the project was completed in late 2020.

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

In 2019, the 147-room, 7-story Cambria Hotel opened in the Roosevelt Row Arts District. The $26 million hotel brings a new hotel and dining option to the area.

In 2019, Downtown Phoenix's Arizona Center underwent a $25 million renovation that led to several improvements such as modern shade structures, upgraded landscaping and water features, valet parking, bike racks, entertainment stage and a 60-foot LED jumbotron. With new developments coming, such as the AC Hotel and the residential Palmcourt Tower, these investments will help improve AZ Center's downtown experience.

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

In 2020, LaPour Partners opened the new 199-room hotel AC Marriott at the Arizona Center. The 13-story hotel is walking distance from many downtown venues including the Phoenix Convention Center, Footprint Center, Chase Field, Symphony Hall and the Herberger Theater.

In 2021, Mortenson Construction completed the 238-room, eight story Hyatt Place hotel in downtown Phoenix. The development located adjacent to Phoenix City Hall, represents a $60 million investment in downtown and is an easy walk to venues such as the Orpheum Theatre and the Arizona Federal Theatre.

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

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

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

Phoenix's Central Station is a landmark development coming to Central Avenue and Van Buren Street in Phoenix's booming Downtown area and is set to open in Fall of 2025. Not only will this project bring 70,000 square-feet of office space, and 30,000 square-feet of retail space, but it will also be built with public transit in mind by providing connections to bus stops, light rail, and 400 underground parking spaces. This will be one of Arizona's tallest structures measuring 424 feet in height and consisting of two towers. Total investment for this project is $275 million.

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

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

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

**Biotechnology**

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

In 2004, the Arizona Board of Regents, the University of Arizona ("*U of A*") and ASU (collectively, the *"Arizona Biomedical Collaborative"*) entered into a memorandum of understanding outlining a combined vision to expand the U of A's colleges of medicine and pharmacy in downtown Phoenix, perform complementary research and develop facilities at the Phoenix Biomedical Campus renamed the Phoenix Bioscience Core in March 2022 (*"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 $77 million, 225,000-square-foot building which was constructed by Wexford Science and Technology. The PBC Innovation center celebrated its ribbon cutting on March 30, 2021. The building ultimately opened in the fall of 2020 as a 7-story, 227,000 square-foot, lab-enabled building by Wexford Science+Technology renamed as 850 PBC. The building is designed to integrate research, entrepreneurial activity, and corporate engagement, the building offers opportunities for meaningful collaboration with the building tenants and community. In Fall 2021, discussions began about the second phase of ASU's Health Solutions Campus. Construction started in early 2025.

In order to meet the additional business needs of the growing biomedical sector, the City is looking beyond the 30-acre downtown PBC. The City is collaborating with the Arizona State Land Department, ASU and the Mayo Clinic to develop the 600-acre Arizona Biomedical Corridor in north Phoenix. The City is assisting ASU with infrastructure on their 24-acre Health Solutions Campus. Groundbreaking for the first building occurred in April 2019.

In January 2021, ASU's Health Futures Center opened and houses four ASU programs - the College of Health Solutions, Edson College of Nursing and Health Innovation, Ira A. Fulton Schools of Engineering and the J. Orin Edson Entrepreneurship and Innovation Institute, along with researchers from various ASU schools and colleges. The 150,000 square-foot three-story facility represents a $80+ million investment in the Arizona Biomedical Corridor.

In February 2021, the Mayo Clinic approved the construction of a $131 million 150,000 square-foot facility as part of its larger expansion plans. In 2018, Mayo launched its $748 million plan to add 1.6 million square feet of space, essentially doubling its capacity in the Arizona Biomedical Corridor. The expansion plan will result in almost 100 additional beds by 2023 and an additional 2,000 new jobs by 2029, including nearly 200 additional physicians.

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

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

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

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

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

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

**Education**

In 2004, ASU and the City entered into a partnership to develop the ASU Downtown Phoenix campus. Phoenix voters committed $223 million to the ASU Downtown Phoenix campus in the 2006 bond election. The campus is located in downtown Phoenix between Van Buren and Fillmore Streets on the north and south and First Avenue and Seventh Street on the west and east, respectively. Over 11,700 students were enrolled in degree programs at the ASU Downtown Phoenix campus during the fall 2021 semester. The anticipated economic impact of the ASU Downtown Phoenix campus is estimated to be $570 million, including the creation of 7,700 jobs. The City and ASU are working together to develop the State's workforce through education, generating academic and intellectual capital.

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

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

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

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

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

In 2018, ASU committed to relocate the ASU Thunderbird School of Global Management (*"Thunderbird"*) from Glendale, Arizona to a new building on the square block also containing the ASU Sandra Day O'Connor College of Law. Thunderbird was moved to a temporary space at the Arizona Center before moving the graduate school to a newly constructed $60 million, 100,000 square-foot, four-story building at the corner of Second and Polk Streets and opened April 8, 2022.

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

In 2019, ASU began construction of a 16-story student housing building designed for upper classmen, and graduate students. The building features three-stories of classroom space and exhibition space on the ground-floor. In August 2021 the building, renamed Fusion on First, opened and welcomed over 500 students. The first three floors of the building feature classrooms and workspaces intended to create a hub that caters to design and art students, while the remaining thirteen floors provide apartment-style housing.

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

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

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

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

**Neighborhood Revitalization and Downtown Housing**

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

Targeted neighborhood strategies are more focused in approach, involving redevelopment of blighted or under-used properties, proactive code enforcement, housing rehabilitation, rental rehabilitation infill housing development, infrastructure improvements, neighborhood capacity building and economic development, as appropriate. Targeted neighborhoods include Neighborhood Initiative Areas, Redevelopment Areas, and other City designated revitalization areas.

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

Beginning in the late 1990s, downtown Phoenix saw the development of several market rate projects for the first time in nearly a decade. The units included apartments, lofts, condominiums and multi-family housing. Residential housing projects continue to be developed in downtown Phoenix. These new units have been developed as urban infill and adaptive reuse as well as low, mid and high-rise development projects.

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

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

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

Cloquet Metrowest, LLC completed a $17 million, five-story mixed-use development, named Union, in the summer 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. Phase II is currently under development by Randolph Street Realty Capital LLC and will feature 110 units and 5,000 square feet of retail.

In 2017, Alliance Residential completed the Broadstone Arts District project, a $49 million four-story, multi-family, rental residential infill project with 280 apartments. The project subsequently renamed Greenleaf Arts District is located at the northeast corner of McDowell Road and Alvarado Street. Since the completion of the Arts District project, Alliance Residential has completed construction on the 316 unit Broadstone Roosevelt complex at the northeast corner of 3rd and Roosevelt streets in 2019 and the 162 unit Portland Broadstone complex at the northeast corner of 3rd and Portland streets in 2021.

In 2019, CA Ventures completed construction on phase one of The Link PHX. The Link PHX is a 30-story high-rise residential rental project with ground floor commercial space. This is the first phase of a three-phase project that will ultimately generate $175 million of new investment in downtown Phoenix. Phase I contained 257 rental units at a capital cost of $67.6 million and was completed in late-2019. Phase II was completed in fall 2022 and contains 234 rental units at a capital cost of $59.4 million. Currently, The Link Phase III is preparing to start construction and will feature a 32-story tower with 277 units, and 8,300 square-feet of commercial space.

In 2019, JMA Ventures, LLC started construction of the 278 Battery Apartments in the Warehouse District on the south end of downtown. The development represents a $43 million investment in downtown Phoenix and includes the adaptive reuse of two historic buildings. Construction was completed in September 2021.

In 2019, PMG Properties Group began construction of Phase I of X Phoenix, a $92 million, 20 story high rise residential project featuring 320 rental units with 39,000 square feet of ground floor commercial and retail space. The total investment of this two-phase project is expected to total a $192 million capital investment. Phase I was completed in early 2022, and Phase II is currently under construction.

In 2019, Trammel Crow broke ground on the first phase of High Street Fillmore, a $70 million, seven-story mid-rise residential project featuring 329 residential units and 10,000 square feet of ground floor commercial space. This is the first phase of a two-phase project that represents a total capital investment of $140 million. Phase I was completed in 2022. Phase II is expected to commence construction in 2024 and will include a multifamily residential component with ground floor retail, attainable residential multifamily for rent, and for-sale townhome condominiums.

In 2020, Ascentris broke ground on Derby Roosevelt Row, a $36 million, 21-story high rise residential project featuring 222 residential units and 4,500 square feet of commercial space. The project was completed in spring 2022.

In 2020, Aspirant Development began construction on Aspire Fillmore, a $58 million, 17-story high rise residential project featuring 249 residential units with 1,600 square feet of commercial space. The project was completed in spring 2022.

In 2020, Hines Development began construction on The Adeline, a $135 million, 25-story high-rise residential project featuring 379 residential units and 4,500 square feet of ground floor commercial space. Construction was completed in fall 2021.

In 2021, Hubbard Street Development began construction on Skye on 6th, a $87 million, 26 story multi-family development. The building includes 309 rental units and 6,500 square-feet of ground level retail space. Skye on 6th opened in summer 2023.

In late 2021, the North American Development Group begin construction on the 28-story, multifamily residential Palm Court Tower. The development, which will include approximately 354 units represents a $107 million investment in downtown. Construction is anticipated to be completed in 2025.

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

Akara Partners completed construction on their $45 million project named Kenect in 2022. Kenect is an innovative 20-story residential high-rise project located at Central Avenue and Polk Street right next door to ASU's downtown Campus and Central Station. With 299 units, Kenect also offers residents a rooftop pool, social and networking events, a state-of-the-art fitness center, concierge, 17,000 square-feet of ground floor retail and coworking spaces.

Moon Tower, by Lincoln Ventures, is a 24-story apartment building which opened in 2023. Located in the Roosevelt Row Arts District, the tower has 326 total units, rooftop pool deck, fitness studio, coworking and conference spaces.

EcoPhx plans to be one of Arizona's most sustainability friendly developments. Currently under construction at the Southwest corner of Roosevelt and 3rd Avenue, EcoPhx will be a 5-story project with 70 apartment units and 3,300 square-feet of retail space on the ground floor. The developer plans incorporating energy and water saving features to all units. Construction is expected to be completed in 2025.

Saiya is a development under construction at McKinley Street and 1st Avenue in Downtown Phoenix. This will be a mixed-use project with 23-story residential high-rise tower with 389 units. There will also be 12,550 square-feet of street level retail/restaurant space. Expected to be completed in 2025, residents will also be just a few minutes' walk away to the light rail or to Roosevelt row.

Phoenix's Central Station is a landmark development coming to Central Avenue and Van Buren Street in Phoenix's booming Downtown area and is set to open in 2025. This project will feature two residential towers of 22 and 33 stories. The 22-story tower will be used for student housing with 655 beds while the 33-story residential tower will hold 362 residential units. The project is also bringing 70,000 square-feet of office space and 30,000 square-feet of retail space. The project is being built between two light rail stations and is designed with public transit in mind by providing connections to bus stops, light rail, and 400 underground parking spaces. This will be one of Arizona's tallest structures measuring 424 feet in height and total investment for this project is $275 million.

In 2023, construction began at 601 N Central by LG Group. When completed, the project will include a 29-story multi-family building with 747 residential units and a total of 29,000 square-feet of ground level retail space. This project will also feature many amenities such as outdoor lounges, a basketball court, a dog park, the largest multifamily pool in Phoenix, and more.

In 2024, VeLa Development Partners started construction on the Ray Phoenix, a 26-story, 401-unit with ground floor retail. The $80 million project will include a variety of floor plans along with various highly amenitized common areas. Construction completion is expected in 2026.

Expected to be completed in 2025, the X Roosevelt, located on Second Avenue between McKinley and Fillmore streets, will have 370 units; 37 will be workforce housing, as defined by the development agreement with the City of Phoenix.

Residential leasing of Sol Modern is scheduled to begin in July 2025. This twenty-nine story building, at 601 North Central, will be the largest residential project in downtown Phoenix, encompassing an entire city block, with 747 residential units in the main tower, eight levels of above grade parking and 30,000 square feet of retail shopping on the first level.

**Government Facilities and Street Transportation**

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

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

Construction of the Phoenix Municipal Court Valdemar A. Cordova Building, a nine-story, 375,000 square-foot City criminal justice facility, was completed in the fall of 1999. The building is located on the northwest corner of Washington Street and Third Avenue, directly west of Phoenix City Hall. The project cost $79 million. It is the largest municipal court in the State and is among the top 10 busiest courts in the United States.

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

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

Maricopa County began construction of a new Maricopa County Sheriff's Office ("*MCSO*") Headquarters in June 2012. Completed in 2014, the five-story, $92.5 million facility is located on Fifth Avenue and Jefferson Street and houses MCSO administrative staff, and 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.

In 2018, the Phoenix City Council authorized advancing $200 million to accelerate pavement maintenance projects. Between January 2019 and June 2023, the Street Transportation Department undertook its largest and most comprehensive pavement maintenance program which entailed accelerating pavement maintenance work on many of the City's major streets. During this period, more than 230 major-street miles were repaved as part of the accelerated pavement maintenance program. This represents a 300 percent increase compared to the number of major-street miles the City traditionally paves each year. The accelerated program was accomplished in conjunction with the City's pavement preservation program for local and collector streets. In total, over 690 miles of streets were repaved between January 2019 and June 2023, including accelerated and existing projects.

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

In May 2023, the Phoenix City Council voted unanimously to approve the Active Transportation Plan as an update to the City's Bicycle Master Plan passed in 2014. The Active Transportation plan will serve as a guide for the expansion and improvement to the City's transportation network. This will help achieve the Transportation 2050 (T2050) goal of adding 1,080 miles of bike lanes in the City of Phoenix. This plan also contains a street design manual for active transportation usage to help City Staff and consultants.

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

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

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

**Downtown Streetscape**

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

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

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

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

In 2015, the City completed construction on a streetscape 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 Avenue to 1st Street, began a $9.5 million capital improvement program that took recommendations from the Adams Street Activation Study. The improvements included relocating the valet area from Adams Street to 1st Street, structured shade elements along the south façade, drought tolerant landscaping and decorative street pavers. This investment transformed Adams Street into a more pedestrian friendly space and set a high standard for future development along Adams Street.

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

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

In 2023, Valley Metro began the installation of public art along the new South-Central Extension/ Downtown Hub expected to open for operation in 2024. There are 18 artists in total and 13 are Arizona local artists. The five-mile extension will connect Baseline Road to Downtown Phoenix and to the regional light rail system. The Public art projects will reflect and celebrate the local area and beautify the transit spaces.

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

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

**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.

In October 2020, the Public Transit Department closed Central Station Transit Center and relocated the Customer Service functions to 302 N. 1st Avenue. In June 2021, and with Federal Transit Administration ("*FTA*") concurrence, the City entered into a City Council-approved development agreement with Electric Red Ventures, LLC for the Central Station Transit Center (300 N. Central Avenue) site. The project has two towers (22 and 33 stories each), and once complete, will return transit service to the interior of the site along with providing 9,000 square feet of office space for Public Transit's Central Station Customer Service Center. The redevelopment project is privately funded, and the City retains ownership of the land through a long-term lease with annual payments. The Central Station project represents a capital investment of $340 million and is projected to be completed by 2025.

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 the Metrocenter transit center which was relocated and integrated with the LRT NWII station. 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 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 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.

In May 2012, the City Council approved the Capitol / I-10 West Locally Preferred Alignment (*"LPA"*). Following the passage of Transportation 2050, City Council approved phasing the Capitol / I-10 West project. In conjunction with analysis for the South-Central Light Rail Transit ("*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, resulting in the separation of the projects into two extensions. In 2021, the projects were renamed the Capitol Extension *("CAPEX")* and I-10 West Extension *("10WEST")* to clearly identify each project's unique character, development schedule and goals/objectives. Based on community input and technical analysis, the 2012 LPA was revised, and a new Locally Preferred Alternative for the Capitol Extension was approved by City Council in November 2021. CAPEX will provide an important connection between the downtown core and the Arizona State Capitol. In early 2024, the CAPEX light rail route was redesigned to comply with recent Arizona legislation, Senate Bill 1102, which restricts the light rail's proximity to the State Capitol. The modified CAPEX route is 1.6 miles with 2 stations. Connecting with the existing Valley Metro Rail system at 3rd Avenue, the route will extend west on Washington Street, turning south on 15th Avenue before returning east on Jefferson Street, again connecting to the existing light rail system at Third Avenue and Jefferson Street. The 15th Avenue route continues to serve a strong ridership base and create an important connection to West Phoenix. In February 2024, preliminary engineering work focused on the location of the guideway, street configuration, and station locations for the CAPEX reached 60% completion. Design and preconstruction work continue to advance throughout the project limits. The project team is beginning the environmental review process and further design advancement. The total cost of the project will be funded with Federal grant funds, Transit Sales Taxes, and other local funding sources.

The 10WEST is approximately 10 miles and will include eight plus stations and the potential for three park and rides. This project is unique and will see light rail trains traveling in the median of Interstate 10, before ultimately crossing to the north side of the freeway to a terminus at the existing Desert Sky Transit Center. The project team is currently in the planning phase working toward an updated LPA that includes the connection to the CAPEX project. Valley Metro and City of Phoenix will engage in public outreach in early 2025 to further define the project, including the connection to the CAPEX and station locations. The project team will continue outreach and engagement with project area communities and key stakeholders. Once the analysis is complete, a recommendation for the connection to the CAPEX will be presented to the Phoenix City Council for consideration. 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, who approved the plan in March 2015 and placed Prop 104 on the ballot. On August 25, 2015, voters approved a new comprehensive transportation plan 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.

On January 27, 2024, the 1.6-mile Northwest Extension Phase II light rail corridor opened for revenue service. The extension expands light rail service farther into northwest Phoenix running west from 19th and Dunlap Avenues, going north on 25th Avenue, then west on Mountain View Road crossing the I-17 freeway to the redeveloping Metrocenter area with a planned $850 million redevelopment project called The Metropolitan. This extension introduces unique features including the first elevated rail station, a rail-only bridge over the I-17 freeway, and seven community-driven public art installations. The project also includes a transit center named in honor of former Phoenix Mayor and Councilmember Thelda Williams, who also served as Chair of Valley Metro Rail. Other project features include: 3 new light rail stations, a four-story parking garage, and 200 new trees along with enhanced landscaping. The total project cost for the Northwest Extension Phase II was $401.3 million. The project was partially funded with a total of $216.2 million in grant funds received through the FTA Capital Investment Grant Program ("*CIG*"), with funding allocated at various stages of the project. In August 2020, the FTA signed and executed a full funding grant agreement in the amount of $158 million to secure their share of funding committed through the CIG. The grant was distributed in three allocations: $50.6 million in August 2020, $49.4 million in December 2020, and $58.1 million in May 2021. In addition to federal grants, funding of the extension comes from Phoenix Transportation 2050, and regional Proposition 400.

In 2019, the 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 Administration FTA granted the project approval to enter the engineering phase of the Capital Investment Grant New Starts program. 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. In September 2020, the notice to proceed was issued for non-utility work to commence in the Downtown Hub, as utility relocations continued to progress along the South-Central Extension alignment. The U.S. Department of Transportation awarded $638 million to help fund the South-Central/ Downtown Hub Light Rail expansion in January 2021. The Full Funding Grant Agreement from the FTA represents the federal government's role in funding and helping manage the project. The extension project received $530 million from the FTA's CIG and $108 million from the Federal Highway Administration. On January 6, 2021, the FTA signed and executed a full funding grant agreement in the amount of $530 million to secure their share of funding committed through the CIG. The $428 million (City's share) of the project will be funded with Federal grant funds, Transit Sales Taxes, and other local funding sources. In March 2022, the South-Central Extension/ Downtown Hub project received $81.3 million from the American Rescue Plan Act ("*ARPA*"). In May 2022, the FTA allocated $232.1 million funding from the FTA's CIG. In December 2022, the South-Central Extension/Downtown Hub project received an additional $21.1 million in ARPA funding. The corridor opened for revenue service on June 7, 2025.

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

**Phoenix Sky Harbor Center**

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

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

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

In 2001, the City Council approved the concept of a consolidated rental car center ("*RCC*") for Phoenix Sky Harbor International Airport. On June 1, 2002, the City initiated a daily Customer Facility Charge ("*CFC*") collected by the rental car companies on all rentals to be used to fund the construction, operation and maintenance of the RCC. The RCC is located on approximately 141 acres within Sky Harbor Center and opened on January 19, 2006. The development includes a customer service building, car service facility, a 5,651 space parking garage, bus fleet, bus maintenance facility, and associated site improvements, infrastructure, roadways, landscaping and signage. The project was funded with CFC revenues and bond funds, and cost approximately $285 million. The RCC is now connected directly with all terminals and parking facilities via the PHX Sky Train® extension which was completed in December 2022.

**Phoenix Sky Harbor International Airport**

In 1990, construction was completed on Terminal 4 at Phoenix Sky Harbor International Airport at a cost of $276 million. The original facility included 4 domestic concourses housing 44 gates, one international concourse with 4 gates, and a 3,400-space parking facility. In July 1994, the City Council approved expansion of Terminal 4 to add ten domestic gates to the international concourse. Construction of the new facilities was completed in February 1996. In September 1995, America West Airlines (subsequently US Airways and now American Airlines) announced plans to expand its Phoenix operations over the next several years. In March 1998, the City Council approved an airport capital expansion program funded primarily by passenger facility charges and airport revenue bonds. Approved and completed projects included rebuilding runways in concrete, construction of two new airport fire stations, a new Terminal 4 concourse to provide more capacity for American Airlines and additional parking facilities at Terminal 4. The additional Terminal 4 concourse was completed in May of 2022 and all 8 additional gates are currently utilized by Southwest Airlines.

Terminal 3, which opened in 1979, originally contained approximately 639,000 square feet and ten gates. The Terminal 3 Modernization Project, which began construction in 2014, with the purpose of removing Terminal 2 from service, providing for passenger growth in Terminal 3, increasing passenger flow efficiencies and increasing concession revenue. The $580 million modernization project was executed in three independent phases that allowed the project to be completed as demand required and finances allowed. Airlines in Terminal 2 were moved into the expanded Terminal 3 facilities. The Airport completed the final phase of the project in the spring of 2020. Terminal 3 now contains approximately 710,000 square feet and 25 gates.

PHX Sky Train® is an automated people mover designed to carry over 35 million riders annually through seven stations at Sky Harbor along an elevated guideway spanning approximately five miles. The PHX Sky

Train® provides a new front door to the Airport, offering a seamless connection with the light rail transit station at 44th Street and Washington. Stage 1 of the PHX Sky Train® connects Phoenix's light rail system, Sky Harbor's east economy parking garages and Terminal 4 and began service on April 8, 2013. Stage 1a (the Terminal 3 Line Extension) began service on December 8, 2014 and runs from Terminal 4 to Terminal 3. The two stages were completed more than $45 million under the combined budget of $884 million. Phase 2, the final extension of the PHX Sky Train®, extended service from Terminal 3 to the Rental Car Center, commenced construction in February 2018, and was completed under budget and opened for service in December 2022.

On June 11, 2019, the Phoenix City Council approved the Airport's Comprehensive Asset Management Plan (the *"CAMP"*), which is a 20-year blueprint for Airport investments. The CAMP is projected to cost $5.7 billion during the 20-year period. Early in calendar year 2020, commercial airports across the United States, including Phoenix Sky Harbor International Airport, saw passenger traffic numbers reduced dramatically as the global economy began to face impacts of the COVID-19 pandemic. The Airport responded to the pandemic-driven reduction in revenue by deferring certain CAMP projects until the projects became justified again by demand and financially feasible. Post pandemic, the Airport has seen robust demand in the mid to high single digits which led to a record 52.3 million passengers in calendar year 2024, the first time the Airport exceeded 50 million passengers. With growth expected to continue, the Airport is looking to the future with additional capital projects. A new crossfield taxiway project ("*Taxiway U*"), made possible with approximately $200 million in federal Bipartisan Infrastructure Law ("*BIL*") funds, is currently under construction and will provide enhanced efficiency on west side of the airfield. The Airport is also in the planning and design stage for an additional concourse on the north side of Terminal 3 Concourse T3 N2 to provide an additional 6 gates, anticipated for completion in 2028.

**Property Tax Supported Bond Program**

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

## PHOENIX CITY GOVERNMENT

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

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

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

The City government is responsible for furnishing basic municipal services. Primary services delivered by the City's 41 departments/functions, 18 initiatives/projects and 16,012 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 2023-24 through an adopted operating budget of $7,243.8 million. Of this, the general purpose funds budget totaled $2,039.9 million, which was for general municipal services and excluded enterprise activities such as water, sewer, refuse and airports and special revenue funds such as grants, secondary property taxes, Arizona Highway User Revenues, impact fees and voter-approved dedicated sales taxes.

The final fiscal year 2024-25 GF budget adopted by City Council is $2,131.8 million. For all funds, which includes General, Enterprise and Special Revenue funds such as grants, and all debt service and pay-as-you-go capital costs, the fiscal year 2024-25 budget is $7,243.8 million.

**Elected Officials**

KATE GALLEGO, MAYOR

Mayor Gallego began her second consecutive term as Mayor in April 2025. Prior to being elected Mayor, Ms. Gallego served on the City Council representing District 8 for nearly five years before resigning in August 2018 to run for Mayor. Ms. Gallego has been an active member of the community and held several volunteer positions including Chair of the Environmental Quality Commission, Chair of the Solar Energy Subcommittee, Vice Chair of MyPlanPHX.com, and as a member of the Central City Village Planning Commission. Additionally, Ms. Gallego is a member of the Board of Directors of the Arizona Latino Arts and Culture Center and serves on the Arizona Commission on Service and Volunteerism. Ms. Gallego has a Master of Business Administration in Entrepreneurial Management from The Wharton School of Business at the University of Pennsylvania and a bachelor's degree in Environmental Studies from Harvard University.

ANN O'BRIEN, VICE MAYOR, DISTRICT 1

Councilmember Ann O'Brien began her second consecutive term in April 2025. Prior to being elected to the Phoenix City Council, Ms. O'Brien worked in project management for the Arizona Department of Child Support Enforcement and as a business broker for a local company. Ms. O'Brien is an Arizona native who has done extensive volunteer service work within the community. She currently serves as the President of the Deer Valley Unified School District Governing Board, President of the Arizona School Board Association and is the appointed chairperson of the 2020 Legislative Committee. Ms. O'Brien holds a bachelor's degree from Arizona State University.

JIM WARING, COUNCILMEMBER, DISTRICT 2

Councilmember Waring began his third consecutive full term on the City Council in April 2023. Mr. Waring has been an active member of the community for many years and has volunteered on many City and charitable organizations, including the Paradise Valley Village Planning Committee, Phoenix Planning Commission and Neighborhood Block Watch Committee. For his contributions, he has earned awards from the Arizona Federation of Taxpayers (Champion of the Taxpayer), National Federation of Independent Business (Guardian of Small Business), and the Arizona Chamber of Commerce (Senator of the Year). In addition, he was recognized for his work fighting domestic violence by the Arizona Coalition Against Domestic Violence (Legislator of the Year twice) and the Men's Anti Violence Network (Man of the Year). Councilmember Waring was awarded the Arizona Veterans Hall of Fame Copper Shield Award and the National Guard Association of the United States Medal of Merit. Mr. Waring was an Arizona State Senator for seven years and has served on the 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 and was reelected in 2020, and began serving her third consecutive term in April 2025. Ms. Stark has spent her entire career in local government working for the City of Phoenix, the County, and the City of Peoria. At the City of Phoenix, Ms. Stark was the Planning and Development Director from 2005 to 2012. She was the President of the Arizona Chapter of the American Planning Association and served as a Board Member for the Arizona Council of the Urban Land Institute and Southwest Center for HIV/AIDS. Ms. Stark holds a Master Degree in Planning from Arizona State University and a bachelor's degree in Sociology from Western Kentucky University.

LAURA PASTOR, COUNCILMEMBER, DISTRICT 4

Councilmember Pastor was first elected in 2013. She began her third consecutive term on the City Council in April 2023. Currently she is the Community Liaison at Phoenix College. Ms. Pastor was Director of Achieving a College Education Program at South Mountain Community College and was a classroom elementary teacher for four years. Previously, Ms. Pastor was with the Department of Employment and Rehabilitation Services at the Arizona Department of Economic Security and was Special Assistant to the Arizona Director of Insurance. Ms. Pastor is a member of the Phoenix Union High School District Board and serves on the O'Connor House Speak Out Against Domestic Violence and Mi Familia Vota advisory boards. She is a former member of the Hispanic Advisory Board of Maricopa Community Colleges, Maricopa Transportation Advisory Board, the Homeless Task Force, and Phoenix Day. Ms. Pastor has a Master of Public Administration from City University of New York and bachelor's degree in Education from Arizona State University.

BETTY GUARDADO, COUNCILMEMBER, DISTRICT 5

Councilmember Betty Guardado began her second consecutive term on the City Council in April 2025. Ms. Guardado has been an active member of the community and has served as the director of union organizing in Phoenix for UNITE HERE Local 11, where she has conducted campaigns and negotiated contracts for thousands of hotel and food-service workers around Maricopa County. Currently, she is a vice president of Local 11. Ms. Guardado has been instrumental in leading successful independent voter turnout campaigns to elect several Phoenix City Council members to develop young leaders, and to empower working-class families.

KEVIN ROBINSON, COUNCILMEMBER, DISTRICT 6

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

ANNA HERNANDEZ, COUNCILMEMBER, DISTRICT 7

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

KESHA HODGE WASHINGTON, COUNCILMEMBER, DISTRICT 8

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

**Administrative Staff**

JEFF BARTON
*City Manager*

Jeff Barton was appointed City Manager in October 2021 after serving as Assistant City Manager since February 2021. Prior to that he served as Deputy City Manager since March 2020 and served as the director of the City's Budget and Research Department since July 2015. Mr. Barton's career with the City of Phoenix started in 1999 as an Internal Auditor in the City Auditor Department. Over the years he held a variety of roles that focused on the City's sound financial stewardship, including multiple auditing positions, Management Assistant, and Deputy Budget and Research Director. Mr. Barton holds a Master of Public Administration from Shippensburg University of Pennsylvania and a bachelor's degree in Political Science from Morehouse College.

LORI BAYS
*Assistant City Manager*

Lori Bays was appointed Assistant City Manager in October 2021. Ms. Bays joined the City in 2017 as a Chief Human Resources Officer, where she has managed human resources strategy and operations for the City's workforce of 14,000 employees. In this role, Ms. Bays has led efforts to develop a Total Compensation and Rewards Strategy for the City, designed and implemented the PHXRespect initiative, as well as serving on the leadership team for the Racial Equity Dialogue Series. Prior to working for the City, she was the Chief Administrative Officer for Salt Lake County, which has a population of more than one million residents. Ms. Bays holds a Master's degree in Clinical Psychology and a bachelor's degree in Psychology.

INGER ERICKSON
*Assistant City Manager*

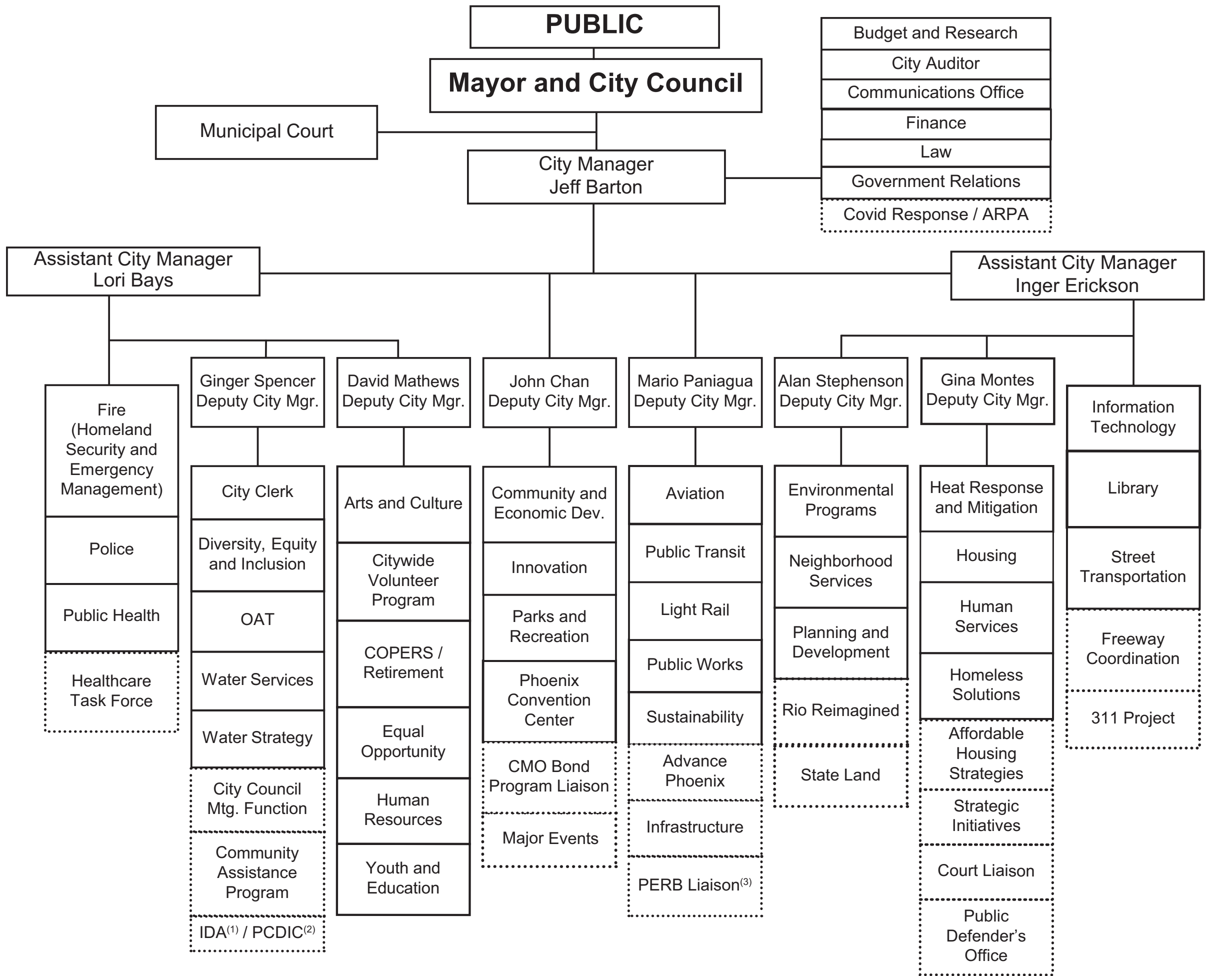
Inger Erickson was appointed Assistant City Manager in February 2025 and will temporarily serve as the organization's second Assistant City Manager through December 2025. Inger has dedicated nearly 40 years of public service to the City of Phoenix. Ms. Erickson began her career at the City in 1986 as a lifeguard at Coronado Pool and progressed through the ranks of the organization, serving as Deputy City Manager for the last five years. In her most recent role as Deputy City Manager, Erickson oversaw a wide range of departments and programs, including Arts and Culture, City Engineer, Equal Opportunity, Information Technology, Library Services, Retirement, Street Transportation, and many others. She holds a Bachelor of Science degree in Physical Education from Grand Canyon University and a Master of Arts degree in Organizational Management from the University of Phoenix.

JULIE KRIEGH
*City Attorney*

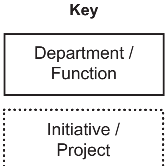
Julie Kriegh was named City Attorney in November 2022 after serving as Chief Assistant City Attorney since 2020. Ms. Kriegh has more than 20 years of experience representing municipal governments in Arizona in a wide range of areas. She joined the City of Phoenix Law Department in 2016, where she has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

KATHLEEN GITKIN
*Chief Financial Officer*

Ms. Gitkin was appointed Chief Financial Officer in July 2021. She began her career with the City in 2004 with the Finance Department, working as an Accountant II in the Utilities Accounting Division and an Accountant III, Accountant IV and Investment and Debt Manager in the Treasury and Debt Management Division. She became Deputy Finance Director/City Treasurer in November 2014 and was promoted to Assistant Finance Director in July 2020. Throughout her career she has managed financial planning, city controller functions, real estate, risk management, banking and cashiering, investments and debt issuances to fund capital expenditures. Ms. Gitkin has a Master of Business Administration from the University of Phoenix and a bachelor's degree in Accountancy from New Mexico State University.




**Key**




(1) Phoenix Industrial Development Authority.
(2) Phoenix Community Development and Investment Corporation.
(3) Phoenix Employee Relations Board.

Effective: March 31, 2025

**Awards**

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

- **Certificate of Achievement for Excellence in Financial Reporting (GFOA)**

This award (formerly the *"Certificate of Conformance in Financial Reporting"*) recognizes the completeness, accuracy and understandability of the City's Annual Comprehensive Financial Reports. Awarded to the City of Phoenix by the Government Finance Officers Association each year since 1976, and to the City of Phoenix Aviation Department each year since 2016, the first year of the Aviation Annual Comprehensive Financial Report.

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

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

- **Distinguished Budget Presentation Award**

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

- **What Works Cities Certification, Platinum**

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

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

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

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

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

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

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

- **ICMA Program Excellence Awards**

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

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

  – **2017 Community Partnership Award**

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

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

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

- **Outstanding Achievement in Innovation**

  – **2017 Outstanding Achievement in Innovation**

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

  – **2016 Outstanding Achievement in Innovation**

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

  – **2013 Outstanding Achievement in Innovation**

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

– **2012 Outstanding Achievement in Innovation**

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

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

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

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

– **2023 AZ Water – Award of Merit**

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

– **2022 AZ Water – Award of Merit**

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

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

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

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

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

- **2019 Sustainable Water Utility Management**

Phoenix Water was one of the fifteen systems that received the Sustainable Water Utility Management Award for achieving a balance of innovative and successful efforts in areas of economic, social and environmental endeavors. Some of the successes that separated Phoenix Water from other municipal utilities include the acquisition of water resources to meet demand 100 years into the future; reduced energy consumption through the adoption of electronic processes such as automated meter reading; and 140 million gallons of wastewater recycled, daily. In all, 19 utilities received awards for demonstrating excellence in various areas of utility management.

- **2016 Platinum Award for Utility Excellence**

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

- **2015 Mayors' Climate Protection Awards**

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

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

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

- **National Association of Clean Water Agencies Awards**

  – **2021 NACWA Platinum and Gold Peak Performance Awards**

The NACWA recognized the City of Phoenix Water Services Department for continued environmental and operational excellence. The Peak Performance Award is presented to utilities for continuously providing outstanding clean water. Phoenix Water received both Platinum, and Gold Awards. Platinum Awards recognize 100% compliance with permits over a consecutive five-year period. Gold Awards are presented to facilities with no permit violations for the entire calendar year.

  – **2020 NACWA Platinum and Silver Peak Performance Awards**

The NACWA recognized the City of Phoenix Water Services Department for continued environmental and operational excellence. The Peak Performance Award is presented to utilities for continuously providing outstanding clean water. Phoenix Water received both Platinum Award and Silver Awards. Platinum Awards recognize 100% compliance with permits over a consecutive five-year period. Silver Award are presented to facilities with less than 5 permit violations for the entire calendar year.

– **2015 NACWA Platinum Peak Performance Award**

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

– **2012 NACWA Gold Peak Performance Award**

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

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

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

- **2014 Top Ten Digital Cities Award**

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

- **National Association of Housing and Redevelopment Officials Award**

– **2014 NAHRO Award**

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

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

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

- **2013 Sunny Award**

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

- **2013 NGWA Outstanding Groundwater Protection Award**

The National Ground Water Association annually awards the Groundwater Protection Award to the organization that exhibits outstanding science, engineering, or innovation in the area of protecting groundwater.

The City of Phoenix Water Services Department received the award for incorporating innovative technologies in the aquifer restoration program. Phoenix was the first city in the country to use the technology, which has reduced annual operations and maintenance costs by over $110,000.

- **2013 Technology ("*Best of the Web*") Award**

  The City of Phoenix Information Technology Services Department received this award from the Multi-State Information Sharing and Analysis Center for the City's Information Security and Privacy website.

- **2013 National Institute of Senior Centers**

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

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

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

- **2024 Arizona Forward Environmental Excellence Award**

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

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

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

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

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

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

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

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

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

## ECONOMY & DEMOGRAPHICS[1]

### Overview

Arizona is the sixth largest state in terms of area, and the 14th largest in terms of population in 2023, with approximately 7.4 million residents. Approximately 5.1 million of these 7.4 million residents live within the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (the "*Phoenix MSA*"), equivalent to 68.2% of the total population. The Phoenix MSA is often described as a sprawling metropolitan area with a low-density population.

The City of Phoenix, both the state capital and largest city in the Phoenix MSA, is generally flat and surrounded by scattered, low mountain ranges. The subtropical desert climate is conducive to a variety of outdoor recreation activities during all twelve months, which attracts many visitors and out-of-state tourists, further bolstering the economy.

At the beginning of the 20th century, the Arizona economy relied heavily on copper, cattle, cotton, climate, and citrus. Today, the local economy is far more diversified. It includes many significant value-added sectors such as aerospace and defense, financial services, and the semi-conductor industry.

In 2023, a total of 2,553,394 in the civilian labor force in the Phoenix MSA were employed – a 2.8% increase in the total number of people employed compared to 2022. The Phoenix MSA also accounted for 71.7% of the state's total employment in 2023.

The largest source of nonfarm employment in the MSA is education and health care (16.3%) who added 26,200 employees in 2023. The other major sources included professional and business services (16.3%), retail and wholesale trade (14.5%), government (10.4%), leisure and hospitality (10.4%), and financial activities (8.8%).

In 2022 the Phoenix MSA was the 26th largest U.S. exporter by merchandise export value based on origin of movement zip code data. In total, the Phoenix MSA exported more than $17.5 billion in goods in 2023, with Mexico, Canada, and China the top export partners.

Local economists forecast the Greater Phoenix population will increase by 1.6% year-on-year in 2025. They also forecast a 2.1% increase in wage and salary employment and 5.4% increase in personal income this year.[2]

### Key Phoenix MSA Statistics:

- 10th most populous MSA in the nation in 2023 with a population of 5,070,110.
- Civilian labor force of 2,623,383 million in 2024.
- Unemployment rate of 3.2% in 2024.
- High compound annual growth rates in multiple industries including transportation, warehousing, and utilities (5.4%), construction (5.9%), education and health services (3.6%), and financial activities (3.6%) over a 11-year period (2013 – 2023).
- Real GDP per capita of $63,666 in 2023 (expressed in 2018 chained dollars).

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(1) Economic information contained herein has been prepared for the City of Phoenix by the L. William Seidman Research Institute, W.P. Carey School of Business, Arizona State University, in March 2025.

(2) Greater Phoenix Blue Chip Economic Forecast, https://seidmaninstitute.com/wp-content/uploads/2024/09/GPBC-Archive-2000-23.pdf

- Contributed 76.2% of annual statewide Gross Domestic Product (GDP) in 2023.
- 26th largest U.S. exporter by merchandise export value ($17.5 billion) in 2023.
- Mexico, Canada, and China are the Phoenix MSA's three leading export markets.
- 30,166 new single-family and 15,349 new multi-family housing permits in 2024.
- A 7.3% annual growth rate for the direct-asking *("Triple Net Lease" or "NNN")* NNN(1) retail lease rate in 2024.
- 35.9 million square feet of industrial market tenants in 2024.

**Key City of Phoenix Statistics:**

- Population of 1,650,070 in 2023 – the fifth most populous city in the nation.
- Accounts for 22.2% of the state's population and 32.5% of the population of the Phoenix MSA in 2023.
- Census Bureau classifies 50.2% of Phoenix residents as male and 49.8% as female.
- Most residents identify as either Caucasian (49.7%) or Hispanic/Latino (41.1%).
- 67.9% of residents ages 16 and older were employed in the civilian labor force in 2023.
- 84.4% of people ages 25 or older have at least a high school diploma or equivalent in 2023.
- 32.3% of people ages 25 or older have a Bachelor's, Graduate or Professional degree in 2023.
- In 2023, the most common employment sectors for city of Phoenix residents are health care & social assistance employing 101,328, retail trade employing 97,527, and construction with 73,224 people employed.
- Median household income of $77,041 in 2023.
- 57.1% owner-occupied housing rate in 2023.
- On average, the City had 2.66 people per unit in 2023.

**Population**

The Phoenix MSA encompasses 14,565 square miles, containing both Maricopa County (9,199 square miles) and Pinal County (5,365 square miles). The U.S. Census Bureau estimates that the Phoenix MSA had over 5.0 million residents in 2023. That equates to 68.2% of the Arizona population. Phoenix is the principal city of the Phoenix MSA, measuring 517.7 square miles. It accounts for 32.5% of the Phoenix MSA population in 2023 and 22.2% of the total Arizona population. Other cities within Phoenix MSA with populations of at least 150,000 are Mesa, Chandler, Gilbert, Glendale, Scottsdale, Peoria, and Tempe.

In recent years, population growth in the Phoenix MSA has usually outpaced population growth within the state as a whole. In 2010, the Phoenix MSA accounted for 65.6% of the State of Arizona's total population. In 2015, it accounted for 66.9% of the State of Arizona's total population. In 2020, the Phoenix MSA accounted for 67.8% of the State of Arizona's total population. In 2023, it accounted for 68.2% of the State of Arizona's total population. The Tucson MSA (Pima County) was home to 14.3% of the state's residents in 2023. Prescott MSA was home to 3.4% of the state's population, Lake Havasu MSA 3.0%, Yuma MSA 2.9%, Flagstaff MSA 1.9%, and Sierra Vista MSA 1.7%. Approximately 4.6% of the state's total population in 2023 live outside the MSAs.

(1) Commercial real estate rents are usually lower in a triple net lease ("*NNN*"), because the tenant agrees to pay the property expenses normally paid by the owner (such as real estate taxes, building insurance, and maintenance), as well as rent, and utilities.

The following table compares the population of the Phoenix MSA with 21 peer MSAs. The peer MSAs consist of every western MSA of more than one million people, plus other Sun Belt MSAs of more than 2 million people. The population numbers for 2010 and 2020 are based on actual counts from the 2010 and 2020 decennial censuses respectively. The estimates for 2011-2019 are based on the 2010 decennial census. The estimates for 2021 through and 2023 are based on the 2020 decennial census. The Phoenix MSA ranked 6th in total population in 2023 among the 22 MSAs listed in the table. Nationwide, it is ranked 10th in total population among all 384 MSAs.

It is important to note that in 1994, the U.S. Office of Management and Budget ("*OMB*") redefined the Phoenix MSA to include both Maricopa and Pinal counties. There have been no further geographic changes to the Phoenix MSA although the name has been subject to change, as different growth rates across cities have changed the rank of the cities within an MSA by population size.

**Population**
**Metropolitan Statistical Areas (1)**
**(in thousands)**

| | As of July 1 | | | | | |
|---|---|---|---|---|---|---|
| | **2013** | **2015** | **2017** | **2019** | **2021** | **2023** |
| Phoenix-Mesa-Scottsdale, AZ | 4,342.20 | 4,480.20 | 4,622.40 | 4,777.50 | 4,948.40 | 5,070.10 |
| Atlanta-Sandy Springs-Roswell, GA | 5,516.50 | 5,695.70 | 5,886.50 | 6,039.70 | 6,145.60 | 6,292.40 |
| Austin-Round Rock, TX | 1,884.90 | 2,004.70 | 2,118.50 | 2,231.40 | 2,358.60 | 2,473.30 |
| Charlotte-Concord-Gastonia, NC-SC | 2,355.00 | 2,442.00 | 2,542.40 | 2,626.90 | 2,707.50 | 2,805.10 |
| Dallas-Fort Worth-Arlington, TX | 6,743.50 | 7,025.70 | 7,314.80 | 7,545.10 | 7,774.60 | 8,100.00 |
| Denver-Aurora-Lakewood, CO | 2,694.20 | 2,802.60 | 2,877.40 | 2,944.10 | 2,978.00 | 3,005.10 |
| Houston-The Woodlands-Sugar Land, TX | 6,322.90 | 6,663.20 | 6,888.40 | 7,050.00 | 7,217.30 | 7,481.30 |
| Las Vegas-Henderson-Paradise, NV | 2,004.10 | 2,075.80 | 2,152.80 | 2,237.00 | 2,295.30 | 2,336.60 |
| Los Angeles-Long Beach-Anaheim, CA | 13,112.40 | 13,258.40 | 13,310.90 | 13,239.10 | 12,970.10 | 12,799.10 |
| Miami-Ft Lauderdale-West Palm Beach, FL | 5,811.10 | 5,950.10 | 6,088.50 | 6,130.30 | 6,108.80 | 6,183.20 |
| Orlando-Kissimmee-Sanford, FL | 2,283.80 | 2,410.60 | 2,549.00 | 2,645.40 | 2,699.00 | 2,817.90 |
| Portland-Vancouver-Hillsboro, OR-WA | 2,314.00 | 2,386.40 | 2,461.50 | 2,497.90 | 2,518.10 | 2,508.10 |
| Riverside-San Bernardino-Ontario, CA | 4,344.40 | 4,420.60 | 4,509.80 | 4,575.10 | 4,646.50 | 4,688.10 |
| Sacramento-Roseville-Arden-Arcade, CA | 2,218.10 | 2,275.40 | 2,337.60 | 2,385.40 | 2,408.70 | 2,420.60 |
| Salt Lake City, UT | 1,146.70 | 1,175.70 | 1,219.10 | 1,248.90 | 1,263.10 | 1,267.90 |
| San Antonio-New Braunfels, TX | 2,272.20 | 2,366.60 | 2,454.00 | 2,527.70 | 2,605.10 | 2,704.00 |
| San Diego-Carlsbad, CA | 3,199.20 | 3,262.10 | 3,293.10 | 3,297.40 | 3,274.40 | 3,270.00 |
| San Francisco-Oakland-Hayward, CA | 4,533.30 | 4,669.50 | 4,741.10 | 4,761.70 | 4,618.40 | 4,567.00 |
| San Jose-Sunnyvale-Santa Clara, CA | 1,931.00 | 1,986.30 | 2,009.40 | 2,006.90 | 1,951.90 | 1,945.80 |
| Seattle-Tacoma-Bellevue, WA | 3,616.10 | 3,745.80 | 3,894.40 | 3,984.90 | 4,016.50 | 4,044.80 |
| Tampa-St. Petersburg-Clearwater, FL | 2,862.00 | 2,954.10 | 3,067.00 | 3,144.90 | 3,230.10 | 3,343.00 |
| Tucson, AZ | 992.30 | 1,001.30 | 1,015.80 | 1,034.90 | 1,048.90 | 1,063.20 |

Source: U.S. Census Bureau

(1) Estimates for 2020 and 2023 are tied to the 2020 census. Estimates for 2013 through 2019 are tied to the 2010 census and therefore are not comparable.

Based on July 1, 2023 estimates, the U.S. Census Bureau ranks the City of Phoenix as the 5th most populous city in the United States at 1,650,070 residents. This is an increase in population of 0.4% (or 6,171 people) compared to the 2022 estimate. Phoenix has held the same ranking since 2016 and is the only city listed, ranked within the Top Five to experience population growth in 2023 compared to 2022. City estimates for 2022 and 2023 are tied to the 2020 decennial census. The City of Phoenix accounted for 32.5% of the population of the Phoenix MSA, and 22.3% of the total population of the State of Arizona.

**Ten Most Populous U.S. Cities, July 1, 2023**

| Rank | City | State | Population |
|---|---|---|---|
| 1 | New York | New York | 8,258,035 |
| 2 | Los Angeles | California | 3,820,914 |
| 3 | Chicago | Illinois | 2,664,452 |
| 4 | Houston | Texas | 2,314,157 |
| 5 | Phoenix | Arizona | 1,650,070 |
| 6 | Philadelphia | Pennsylvania | 1,550,542 |
| 7 | San Antonio | Texas | 1,495,295 |
| 8 | San Diego | California | 1,388,320 |
| 9 | Dallas | Texas | 1,302,868 |
| 10 | Jacksonville | Florida | 985,843 |

Source: U.S. Census Bureau

**City of Phoenix Population**
**As a Percent of The Phoenix MSA and The State (1)**

| Year | City of Phoenix | Maricopa and Pinal Population (Combined) | Percentage of State of Arizona Population |
|---|---|---|---|
| 2023 | 1,650,070 | 32.5% | 22.2% |
| 2022 | 1,643,899 | 32.8 | 22.3 |
| 2021 | 1,625,187 | 32.8 | 22.3 |
| 2020 (2) | 1,612,459 | 33.1 | 22.4 |
| 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 |

(1) The 2014-2019 estimates are based on the 2010 Census and reflect changes to the April 1, 2010 population due to the Count Question Resolution program and geographic program revisions.
(2) The 2020 estimate is based on the 2020 decennial census and is not directly comparable with 2010-2019 estimates.

Source: U.S. Census Bureau

## Employment

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

Arizona's civilian labor force grew more than 80% between 1990 and 2008, and on average, approximately 95.7% of Arizona's civilian labor force secured employment during those years. There was also steady growth in the number of people employed within the Phoenix MSA between 2010 and 2019. The total number in employment fell in 2020 due to the Covid-19 global pandemic but has increased ever since. In 2024, a total of 2,623,383 people in the civilian labor force in the Phoenix MSA were employed. This suggests that 96.8% of the total labor force in the Phoenix MSA were employed in 2024 - that's 1.8% more people than the previous year. Phoenix MSA also accounted for 72.6% of the state's total employment in 2024.

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

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

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

Source: U.S. Bureau of Labor Statistics

The following table compares the labor force of the Phoenix MSA with 21 peer MSAs. The peer MSAs consist of every western metro of more than one million people, plus other Sun Belt metros of more than 2 million people. In 2023, the Phoenix MSA ranked 6th in terms of total labor force among the 22 MSAs examined. The five peer MSA with a total labor force higher than the Phoenix MSA in 2023 were Los Angeles-Long Beach-Anaheim (CA); Dallas-Fort Worth-Arlington (TX); Houston-The Woodlands-Sugar Land (TX); Miami-Fort Lauderdale-West Palm Beach (FL); and Atlanta-Sandy Springs-Roswell (GA).

**Comparison of the Phoenix MSA'S Total Labor Force**
**Status with 21 Peer MSAs**
**(Not seasonally adjusted)**
**Total Labor Force (Thousands)**

| MSA | 2013 | 2015 | 2017 | 2019 | 2021 | 2023 |
|---|---|---|---|---|---|---|
| Phoenix-Mesa-Scottsdale, AZ | 2,079.10 | 2,191.50 | 2,255.80 | 2,414.10 | 2,510.20 | 2,645.30 |
| Atlanta-Sandy Springs-Roswell, GA | 2,786.30 | 2,814.30 | 3,064.90 | 3,115.10 | 3,122.40 | 3,233.00 |
| Austin-Round Rock, TX | 1,017.40 | 1,073.50 | 1,150.20 | 1,229.50 | 1,317.60 | 1,454.80 |
| Charlotte-Concord-Gastonia, NC-SC | 1,187.80 | 1,239.50 | 1,292.20 | 1,348.30 | 1,362.90 | 1,458.20 |
| Dallas-Fort Worth-Arlington, TX | 3,467.30 | 3,583.80 | 3,778.20 | 3,943.30 | 4,109.80 | 4,376.70 |
| Denver-Aurora-Lakewood, CO | 1,463.40 | 1,506.00 | 1,577.50 | 1,654.90 | 1,693.40 | 1,742.20 |
| Houston-The Woodlands-Sugar Land, TX | 3,176.10 | 3,259.30 | 3,309.30 | 3,400.50 | 3,437.60 | 3,621.80 |
| Las Vegas-Henderson-Paradise, NV | 998.10 | 1,027.30 | 1,060.60 | 1,134.10 | 1,097.90 | 1,186.50 |
| Los Angeles-Long Beach-Anaheim, CA | 6,515.30 | 6,558.10 | 6,715.60 | 6,762.50 | 6,564.80 | 6,604.50 |
| Miami-Fort Lauderdale-W. Palm Beach, FL | 2,915.10 | 2,980.90 | 3,079.50 | 3,138.30 | 3,078.70 | 3,242.10 |
| Orlando-Kissimmee-Sanford, FL | 1,176.30 | 1,225.50 | 1,290.20 | 1,348.90 | 1,333.50 | 1,475.80 |
| Portland-Vancouver-Hillsboro, OR-WA | 1,187.60 | 1,230.10 | 1,297.10 | 1,324.60 | 1,337.20 | 1,357.90 |
| Riverside-San Bernardino-Ontario, CA | 1,886.60 | 1,952.80 | 2,012.90 | 2,071.60 | 2,120.60 | 2,171.50 |
| Sacramento-Roseville-Arden-Arcade, CA | 1,042.80 | 1,053.00 | 1,074.00 | 1,099.30 | 1,105.40 | 1,129.20 |
| Salt Lake City, UT | 589.80 | 611.90 | 649.90 | 672.60 | 691.50 | 732.80 |
| San Antonio-New Braunfels, TX | 1,070.60 | 1,106.40 | 1,160.00 | 1,192.90 | 1,216.60 | 1,284.40 |
| San Diego-Carlsbad, CA | 1,537.60 | 1,548.80 | 1,570.80 | 1,580.80 | 1,544.40 | 1,596.40 |
| San Francisco-Oakland-Hayward, CA | 2,404.30 | 2,477.90 | 2,543.60 | 2,576.60 | 2,463.00 | 2,517.40 |
| San Jose-Sunnyvale-Santa Clara, CA | 997.00 | 1,042.00 | 1,067.90 | 1,081.00 | 1,041.90 | 1,071.40 |
| Seattle-Tacoma-Bellevue, WA | 1,909.10 | 1,981.40 | 2,070.50 | 2,190.10 | 2,150.10 | 2,262.50 |
| Tampa-St. Petersburg-Clearwater, FL | 1,416.50 | 1,447.10 | 1,494.60 | 1,541.40 | 1,579.10 | 1,692.30 |
| Tucson, AZ | 462.30 | 467.80 | 464.20 | 482.50 | 482.50 | 494.30 |

Source: U.S. Bureau of Labor Statistics

The table below compares wage and salary employment in the Phoenix MSA, the State of Arizona, and the nation. In 2024, the top source of total nonfarm employment, expressed as a percentage of total employment in the Phoenix MSA, was professional and business services (16.2%). 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 (16.3%), retail and wholesale trade (14.5%), government (10.4%), leisure and hospitality (10.4%), and financial activities (8.8%). The industries listed in the following table are referred to as "super sectors" by the U.S. Bureau of Labor Statistics.

**2024 Wage & Salary Employment:**
**Phoenix MSA, Arizona, and U.S. (1)**

| | Total Employed (in thousands) | | | Percent of Employed | | |
|---|---|---|---|---|---|---|
| Industry | Phoenix MSA | State of Arizona | U.S. | Phoenix MSA | State of Arizona | U.S. |
| Mining & Logging | 3.5 | 14.1 | 637 | 0.1% | 0.4% | 0.4% |
| Construction | 168.9 | 211.9 | 8,009 | 7.0 | 6.6 | 5.1 |
| Manufacturing | 149.4 | 194.5 | 12,873 | 6.2 | 6.1 | 8.3 |
| Total Goods Producing | 321.8 | 420.5 | 21,519 | 13.3 | 13.1 | 13.8 |
| Retail & Wholesale Trade | 349.6 | 463.9 | 21,658 | 14.5 | 14.5 | 13.9 |
| Transportation, Warehousing, Utilities | 120.2 | 153.1 | 7,161 | 5.0 | 4.8 | 4.6 |
| Information | 42.7 | 51.1 | 3,007 | 1.8 | 1.6 | 1.9 |
| Financial Activities | 211.9 | 242.1 | 9,174 | 8.8 | 7.6 | 5.9 |
| Professional & Business Services | 389.4 | 467.4 | 22,769 | 16.3 | 14.7 | 14.6 |
| Education & Health Services | 391.5 | 518.2 | 25,980 | 16.3 | 16.2 | 16.3 |
| Leisure and Hospitality | 251.2 | 351.5 | 16,557 | 10.4 | 11.0 | 10.6 |
| Other Services | 76.6 | 101.9 | 5,842 | 3.2 | 3.2 | 3.7 |
| Government | 249.7 | 425.1 | 22,794 | 10.4 | 13.3 | 14.6 |
| Total Services Providing | 2,082.8 | 2,774.3 | 134,942 | 86.7 | 86.9 | 86.2 |
| Total Non-farm | 2,404.6 | 3,194.8 | 156,461 | 100.00% | 100.00% | 100.00% |

(1) Data for 2024 is a preliminary estimate.

Source: U.S. Bureau of Labor Statistics

Comparing industries, the Phoenix MSA's employment within goods-producing sectors (i.e., mining, manufacturing, and construction) were 0.2% higher as a share of total employment than the State of Arizona, but 0.5% lower than the nation in 2023. Approximately 86.7% of the employment within the Phoenix MSA in 2023 was in service providing industries.

The following table presents the number of annual employees by industry in the Phoenix MSA, 2015 through 2023. The total non-farm employment in 2023 was 2,404,600 an increase of 69,700 over 2022. The most notable increase in employment occurred in the education and health services industry, adding 26,200 employees in 2023.

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

| Industry | 2015 | 2017 | 2019 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| Mining & Logging | 3.3 | 3.3 | 3.5 | 2.7 | 3.0 | 3.5 |
| Construction | 97.6 | 112.4 | 133.1 | 140.2 | 154 | 168.9 |
| Manufacturing | 120.9 | 124.1 | 133.9 | 138.8 | 147.4 | 149.4 |
| Retail & Wholesale Trade | 300.4 | 310.7 | 317.5 | 330.3 | 344.5 | 349.6 |
| Transportation,Warehousing, Utilities | 74.4 | 81.8 | 92.6 | 110.0 | 116.9 | 120.2 |
| Information | 37.1 | 37.7 | 40.6 | 40.1 | 43.5 | 42.7 |
| Financial Activities | 165.6 | 183.9 | 199.3 | 215.7 | 216.2 | 211.9 |
| Professional & Business Services | 324.6 | 345.5 | 371.9 | 374.7 | 390.6 | 389.4 |
| Education & Health Services | 285.8 | 312.5 | 340.4 | 346.8 | 365.3 | 391.5 |
| Leisure and Hospitality | 208.2 | 223.4 | 233.3 | 213.9 | 238.6 | 251.2 |
| Other Services | 63.6 | 66.7 | 70.3 | 68.5 | 73.5 | 76.6 |
| Government | 233.6 | 238.0 | 243.9 | 239.1 | 241.4 | 249.7 |
| Total Non-Farm | 1,915.1 | 2,040.0 | 2180.3 | 2,220.8 | 2334.9 | 2,404.6 |

Source: U.S. Bureau of Labor Statistics

**Non-Farm Wage and Salary Employment**
**Phoenix MSA**
**(2013 to 2023 compound annual growth rate)**

| Industry | Phoenix MSA | State of Arizona | U.S. |
|---|---|---|---|
| Mining & Logging | -0.3% | 0.6% | -2.7% |
| Construction | 5.7 | 5.1 | 2.9 |
| Manufacturing | 2.2 | 2.0 | 0.6 |
| Retail & Wholesale Trade | 1.8 | 1.6 | 0.4 |
| Transportation, Warehousing, Utilities | 5.4 | 5.2 | 3.2 |
| Information | 2.0 | 1.5 | 1.0 |
| Financial Activities | 2.8 | 2.6 | 1.4 |
| Professional & Business Services | 2.3 | 2.0 | 1.8 |
| Education & Health Services | 3.6 | 3.0 | 1.7 |
| Leisure and Hospitality | 2.5 | 2.2 | 1.4 |
| Other Services | 1.7 | 1.4 | 0.6 |
| Government | 0.7 | 0.3 | 0.4 |
| Total Non-Farm | 2.6% | 2.2% | 1.2% |

Source: U.S. Bureau of Labor Statistics

The compound annual growth rate for total non-farm industries in the Phoenix MSA from 2013 to 2023 is shown in the table above. The compound annual growth rate of 2.6% over the 11 years in the Phoenix MSA was higher than both the state's (2.2%) and the nation's (1.2%). The highest compound annual growth rates in the Phoenix MSA, 2013 to 2023, occurred in transportation, warehousing, and utilities (5.4%), construction (5.7%), and education and health services (3.6%). The only industry that did not record positive growth was mining and logging (-0.3%).

Between 2013 and 2023, the compound annual growth rate for employment in goods producing industries was 3.8% in the Phoenix MSA, a higher growth rate than the state's (3.4%) and the nation's (1.2%). Good producing industries encompass mining and logging construction and manufacturing. For service providing industries, the compound annual growth rate in the Phoenix MSA was 2.4% - a higher growth rate than the state's (2.0%), and the nation's (1.2%). Service providing industries encompass retail and wholesale trade, transportation, warehousing and utilities, information, financial activities, professional and business services, leisure and hospitality, and other (non-government) services.

The table below shows that the Phoenix MSA's total nonfarm job growth in percent terms (3.0%) was higher than the State of Arizona (2.6%) and the nation (2.2%) in 2023. The Phoenix MSA has consistently recorded job growth rates higher than the nation, with the exception of 2020, when the Phoenix MSA's total nonfarm negative growth rate in percent terms was lower than the equivalent losses for the State of Arizona and the nation.

**Comparison of Total Annual Job Growth Rates**

| Year | Phoenix MSA | State of Arizona | U.S. |
|---|---|---|---|
| 2023 | 3.0% | 2.6% | 2.2% |
| 2022 | 5.1 | 4.8 | 4.3 |
| 2021 | 4.6 | 4.1 | 2.9 |
| 2020 | -2.6 | -3.0 | -5.8 |
| 2019 | 3.4 | 3.0 | 1.3 |
| 2018 | 3.4 | 2.9 | 1.6 |
| 2017 | 3.0 | 2.5 | 1.6 |
| 2016 | 3.4 | 2.8 | 1.8 |
| 2015 | 3.4 | 2.6 | 2.1 |
| 2014 | 2.3 | 2.0 | 1.9 |

Source: U.S. Bureau of Labor Statistics

## Unemployment

The following table summarizes the proportion of the civilian labor force unemployed each year in the Phoenix MSA since 2014. The unemployment rate in the Phoenix MSA decreased steadily between 2014 and 2018 but increased slightly in 2019. In 2020, the Phoenix MSA unemployment rate increased significantly due to the global pandemic. In 2021 and 2022, it declined significantly. In 2023, the unemployment rate was 3.5% in the Phoenix MSA. That was 0.1 percentage points greater than 2022.

**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 |
|---|---|---|---|---|
| 2023 | 91,886 | 3.5% | 3.7% | 3.8% |
| 2022 | 86,411 | 3.4 | 3.8 | 3.6 |
| 2021 | 116,464 | 4.6 | 5.1 | 5.3 |
| 2020 | 179,622 | 7.3 | 7.8 | 8.1 |
| 2019 | 101,297 | 4.2 | 4.8 | 3.7 |
| 2018 | 97,706 | 4.2 | 4.8 | 3.9 |
| 2017 | 97,315 | 4.3 | 5.0 | 4.4 |
| 2016 | 106,455 | 4.7 | 5.5 | 4.9 |
| 2015 | 114,606 | 5.2 | 6.1 | 5.3 |
| 2014 | 125,660 | 5.9 | 6.8 | 6.2 |

Source: U.S. Bureau of Labor Statistics

The following table compares the unemployment rate in the Phoenix MSA with 21 peer MSAs. The peer MSAs consist of every western MSA of more than one million people, plus other Sun Belt metros of more than 2 million people. There are 13 MSAs with higher unemployment rates than Phoenix MSA in 2023 among the 22 examined.

**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** | **2013** | **2015** | **2017** | **2019** | **2021** | **2023** |
| Phoenix-Mesa, Scottsdale, AZ | 6.7% | 5.2% | 4.3% | 4.2% | 4.6% | 3.5% |
| Atlanta-Sandy Springs-Roswell, GA | 7.7 | 5.8 | 4.6 | 3.4 | 3.9 | 3.1 |
| Austin-Round Rock, TX | 5.2 | 3.4 | 3.2 | 2.7 | 4.1 | 3.3 |
| Charlotte-Concord-Gastonia, NC-SC | 7.6 | 5.4 | 4.3 | 3.6 | 4.6 | 3.2 |
| Dallas-Fort Worth-Arlington, TX | 6.2 | 4.1 | 3.7 | 3.3 | 5.1 | 3.7 |
| Denver-Aurora-Lakewood, CO | 6.5 | 3.6 | 2.5 | 2.6 | 5.5 | 3.2 |
| Houston-The Woodlands-Sugar Land, TX | 6.1 | 4.6 | 5.1 | 3.8 | 6.3 | 4.2 |
| Las Vegas-Henderson-Paradise, NV | 10 | 6.9 | 5.2 | 4.3 | 7.8 | 5.4 |
| Los Angeles-Long Beach-Anaheim, CA | 9.0 | 6.2 | 4.5 | 4.1 | 8.3 | 4.7 |
| Miami-Fort Lauderdale-West Palm Beach, FL | 7.4 | 5.6 | 4.4 | 3.1 | 5.1 | 2.5 |
| Orlando-Kissimmee-Sanford, FL | 7.3 | 5.2 | 3.9 | 3.1 | 5.1 | 2.9 |
| Portland-Vancouver-Hillsboro, OR-WA | 7.0 | 5.1 | 3.9 | 3.5 | 5.1 | 3.6 |
| Riverside-San Bernardino-Ontario, CA | 10 | 6.6 | 5.1 | 4.1 | 7.4 | 4.7 |
| Sacramento-Roseville-Arden-Arcade, CA | 8.8 | 5.9 | 4.6 | 3.7 | 6.4 | 4.3 |
| Salt Lake City, UT | 4.1 | 3.4 | 3.0 | 2.5 | 2.8 | 2.7 |
| San Antonio-New Braunfels, TX | 5.8 | 3.8 | 3.6 | 3.1 | 5.2 | 3.7 |
| San Diego-Carlsbad, CA | 7.9 | 5.2 | 4.0 | 3.3 | 6.5 | 3.9 |
| San Francisco-Oakland-Hayward, CA | 6.5 | 4.3 | 3.4 | 2.6 | 5.6 | 3.7 |
| San Jose-Sunnyvale-Santa Clara, CA | 6.7 | 4.3 | 3.3 | 2.6 | 4.9 | 3.6 |
| Seattle-Tacoma-Bellevue, WA | 5.3 | 4.6 | 4.0 | 3.2 | 4.7 | 3.7 |
| Tampa-St. Petersburg-Clearwater, FL | 7.2 | 5.3 | 4.1 | 3.3 | 4.3 | 3.0 |
| Tucson, AZ | 6.8 | 5.5 | 4.6 | 4.5 | 5.1 | 3.8 |

Source: U.S. Bureau of Labor Statistics

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

**Phoenix MSA Top 50 Employers, 2023**

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

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

### Gross Domestic Product

Gross Domestic Product ("*GDP*"), is the monetary value of all finished goods and services produced in the U.S. on an annual basis. GDP includes all public and private sector purchases, government expenditures, investments, and the difference between exports and imports. This metric is often used by economists to describe the health of the U.S. economy. Since 2011, the annual GDP of the Phoenix MSA (in current dollars) has increased steadily (apart from in 2017). In 2023, the nominal GDP of the Phoenix MSA is $398.1 billion. That is 76.2% of the State of Arizona's GDP.

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

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

Source: U.S. Bureau of Economic Analysis

The following table estimates the percent contribution (in current or nominal dollars) of different Phoenix MSA industry sectors to GDP in the State of Arizona. In 2023, private industries contributed 91.7% of GDP in the Phoenix MSA. Finance, insurance, real estate, rental, and leasing accounted for 24.8% of the Phoenix MSA's total GDP in 2023. Professional and business services accounted for 13.0% of the Phoenix MSA's total GDP. Education and health care were the third highest contributor to GDP, accounting for 9.5% of total GDP in 2023.

## Phoenix MSA
## GDP Contribution by Industry Sector

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

Source: U.S. Bureau of Economic Analysis

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

**Real GDP**
**Phoenix MSA and 21 Peer MSA's**

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

Source: U.S. Bureau of Economic Analysis

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

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

**Real GDP Per Capita**
**Phoenix MSA and 21 Peer MSAs**

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

Source: U.S. Bureau of Economic Analysis

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

Regional price parities measure the differences in price levels across states and metropolitan areas for a given year and are expressed as a percentage of the overall national price level. They allow for comparisons of buying power across the 50 states and the District of Columbia, or from one MSA area to another, for a given year. If an additional adjustment is made for regional price parity, the Phoenix MSA ranks 17th among the MSAs examined at $74,414 for nominal GDP per capita in 2023. The table below shows nominal GDP per capita among the 22 MSAs examined, adjusted for regional price parity.

**Adjusted Nominal GDP Per Capita**
**Phoenix MSA and 21 Peer MSAs**

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

Source: U.S. Bureau of Economic Analysis

## Income

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

### Income Peer Metropolitan Statistical Areas

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

Source: American Community Survey (One-Year Estimate)

The next table shows total personal income and per capita personal income in current dollars for the Phoenix MSA for 2014 through 2023. The Bureau of Economic Analysis defines personal income as "…the income received by, or on behalf of, all persons from all sources: from participation as laborers in production, from owning a home or unincorporated business, from the ownership of financial assets, and from government and business in the form of transfer receipts".(1)

(1) Bureau of Economic Analysis. Local Area Personal Income: 2017 news release, November 15, 2018. Available at: https://www.bea.gov/newsreleases/regional/lapi/lapi_newsrelease.htm

By including income from global, as well as domestic sources, personal income is a measurement far wider in scope than the American Community Survey's concept of per capita income shown in the previous table. Per capita personal income is derived by calculating the total personal income divided by total population. The 2023 per capita personal income estimate in the Phoenix MSA is $66,365.

**Phoenix MSA**
**Total Personal and Per Capita Personal Income**

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

Source: U.S. Bureau of Economic Analysis

**Exports**

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

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

**Phoenix MSA**
**Annual Exports**

| Year | Value (dollars) | Annual Growth Rate |
|---|---|---|
| 2023 | $17,553,625,455 | 5.4% |
| 2022 | 16,658,778,158 | 17.6 |
| 2021 | 14,165,085,400 | 27.9 |
| 2020 | 11,073,932,794 | -26.8 |
| 2019 | 15,136,633,149 | 11.2 |
| 2018 | 13,614,869,197 | 3.0 |
| 2017 | 13,223,063,245 | 3.0 |
| 2016 | 12,838,188,632 | -7.1 |
| 2015 | 13,821,528,121 | 8.3 |
| 2014 | 12,764,439,477 | 11.3 |

Source: International Trade Administration

**Real Estate Market**

The preliminary estimate for the number of new privately-owned housing units authorized in the Phoenix MSA in 2024 is 45,515 - down 0.2% on the previous year. Approximately 66.3% of the authorized permits in 2024 are for single units in Phoenix MSA, which is higher than the previous year (54.2%). In 2024, the total number of authorized private housing units in the Phoenix MSA is 45,515, compared to the state's 59,306. The city of Phoenix accounts for 19.8% of the authorized permits in the Phoenix MSA in 2024, and 15.2% of the authorized permits in the State of Arizona. This is significantly lower than 2023 when the city accounted for 31.7% of the authorized permits in the Phoenix MSA, and 24.8% of the authorized permits in the State of Arizona. However, the numbers for 2024 remain preliminary.

Permitting always occurs before housing starts. A stronger indicator of economic conditions is therefore housing completions. There is an increase of 11,505 housing units in the city of Phoenix in 2024, compared with 2023. There are 8,997 new housing starts in 2024.

The Maricopa Association of Governments reports that the median sale price for privately-owned housing in the Phoenix MSA has stayed fairly stable over the past two years at $434,000 for 2022-23, and $450,000 for 2023-24.(1)

**New Privately Owned Housing Units Authorized Phoenix MSA and Arizona**

| | 1 Unit | | 2 Units | | 3 or 4 Units | | 5+ Units | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Year** | **MSA** | **AZ** | **MSA** | **AZ** | **MSA** | **AZ** | **MSA** | **AZ** | **MSA** | **AZ** |
| 2024 (2) | 30,166 | 41,901 | 1,514 | 1,854 | 258 | 296 | 13,577 | 15,255 | 45,515 | 59,306 |
| 2023 | 24,708 | 34,429 | 1,730 | 2,074 | 142 | 334 | 19,036 | 21,596 | 45,616 | 58,433 |
| 2022 | 26,857 | 37,348 | 1,532 | 1,868 | 239 | 320 | 18,639 | 21,458 | 47,267 | 60,994 |
| 2021 | 34,347 | 46,561 | 1,066 | 1,322 | 284 | 336 | 14,884 | 17,105 | 50,581 | 65,324 |
| 2020 | 31,658 | 42,277 | 680 | 1,040 | 208 | 311 | 15,673 | 16,714 | 48,219 | 60,342 |
| 2019 | 25,026 | 33,981 | 664 | 876 | 174 | 202 | 10,009 | 11,521 | 35,873 | 46,580 |
| 2018 | 23,526 | 32,127 | 466 | 646 | 203 | 264 | 7,148 | 8,627 | 31,343 | 41,664 |
| 2017 | 20,471 | 28,072 | 302 | 432 | 212 | 273 | 8,327 | 10,695 | 29,312 | 39,472 |
| 2016 | 18,433 | 24,853 | 410 | 484 | 161 | 168 | 9,579 | 10,073 | 28,583 | 35,578 |
| 2015 | 16,621 | 22,311 | 168 | 222 | 186 | 225 | 5,427 | 6,152 | 22,402 | 28,910 |

Source: U.S. Census Bureau

Source: Maricopa Association of Governments

(1) https://azmag.gov/Programs/Maps-and-Data/Land-Use-and-Housing/Housing-Data-Explorer
(2) Data for 2024 is a preliminary estimate.

**Population and Housing Units (1)**
**City of Phoenix**

| Year | Population (2) | Change in Population | Housing (3) | Change in Housing Units (3) |
|---|---|---|---|---|
| 2024 | 1,679,464 | 67,775 | 670,229 | 11,505 |
| 2023 | 1,611,689 | -45,346 | 658,724 | 10,341 |
| 2022 | 1,657,035 | 26,840 | 648,383 | 8,789 |
| 2021 (3) | 1,630,195 | 22,056 | 639,594 | 8,842 |
| 2020 | 1,608,139 | -9,205 | 630,752 | 5,347 |
| 2019 | 1,617,344 | 19,606 | 625,407 | 6,355 |
| 2018 | 1,597,738 | 18,485 | 619,052 | 5,589 |
| 2017 | 1,579,253 | 19,233 | 613,463 | 4,060 |
| 2016 | 1,560,020 | 24,005 | 609,403 | 6,070 |
| 2015 | 1,536,015 | 29,576 | 603,333 | 2,744 |

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

Source: Maricopa Association of Governments.

**Value of Building Permits**
**City of Phoenix**
**($ in thousands)**

| Year | Residential | Commercial | Industrial | Other | Total |
|---|---|---|---|---|---|
| 2024 | $1,014,180 | $1,033,495 | $ 613,311 | $3,743,598 | $6,404,584 |
| 2023 | 1,284,249 | 1,800,939 | 688,870 | 3,314,536 | 7,088,594 |
| 2022 | 1,179,318 (1) | 2,926,484 | 1,974,967 | 3,111,992 | 8,816,103 |
| 2021 | 1,496,932 | 1,256,911 | 527,677 | 4,658,188 | 7,939,708 |
| 2020 | 1,379,302 | 1,481,012 | 234,211 | 3,169,478 | 6,264,003 |
| 2019 | 1,217,854 | 1,583,252 | 207,162 | 2,049,625 | 5,057,893 |
| 2018 | 1,125,341 | 1,158,984 | 334,010 | 1,818,854 | 4,437,189 |
| 2017 | 945,802 | 1,081,797 | 211,361 | 1,747,075 | 3,986,035 |
| 2016 | 862,071 | 1,062,657 | 225,377 | 1,588,603 | 3,738,708 |
| 2015 | 824,633 | 1,130,212 | 133,785 | 1,464,853 | 3,553,483 |

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

(1) Reflects change in Residential Permits due to previously incomplete data.

**New Housing Starts**[1]

| Year | City of Phoenix |
|---|---|
| 2024 (2) | 8,997 |
| 2023 | 14,468 |
| 2022 | 13,995 |
| 2021 | 11,492 |
| 2020 | 11,657 |
| 2019 | 9,898 |
| 2018 | 7,262 |
| 2017 | 6,832 |
| 2016 | 6,972 |
| 2015 | 4,611 |

(1) Reflects housing permits authorized, by units, including single-family, multi-family and mobile homes.
(2) Data for 2024 is a preliminary estimate.

Source: U.S. Census Bureau

According to CB Richard Ellis, net absorption in the metro Phoenix retail market dropped into the red in Q4 2024, due to the closure of big box retailers such as 99 Cent Only, Conn's Home Plus and Big Loss. Nevertheless, the metro still ranks among the lowest vacancy retail markets in the nation. The vacancy rate in Q4 is 5.7%, 440 bps below the metro's long-term average of 10.1%, indicating strong market fundamentals. Total retail space under construction at the end of Q4 is 1,073,695 square feet and the total net rentable area is 153,148,873 square feet. Gross absorption also eclipsed the 1 million square foot threshold for the 18th consecutive month.

At the end of 2024, there is 42,483 square feet year-to-date net absorption. The average direct-asking NNN lease rate is $18.25, up $0.47 from the previous quarter, representing a 7.3% growth rate for the year. The Downtown Phoenix submarket records the highest average asking lease rate at $30.54 per square foot[1].

**Retail Real Estate Market**
**Phoenix MSA**

| Year | Vacancy Rate | Year to Date Net Absorption (Square feet) |
|---|---|---|
| 2024 (1) | 5.07% | 42,483 |
| 2023 | 5.30 | 1,595,588 |
| 2022 | 4.90 | 1,881,861 |
| 2021 | 6.70 | 997,019 |
| 2020 | 8.00 | -13,286 |
| 2019 | 8.00 | 1,200,000 |
| 2018 | 8.40 | 1,181,675 |
| 2017 | 8.10 | 1,601,498 |
| 2016 | 8.90 | 1,321,833 |
| 2015 | 9.10 | 1,150,192 |

Source: CB Richard Ellis

(1) CBRE Phoenix Retail Market Report, Phoenix Office, Q4 2024

The metro Phoenix office market posts negative year-to-date net absorption of 322,431 square feet at the end of Q4 2024. The average full-service gross (GSG) asking lease rate at the end of Q4 remains stable at $31.13 per square foot. Year-over-year lease rates are down $0.26 per square foot across the Valley. The availability rate at year-end is 25.8% and the vacancy rate is 23.0%. In the six weeks after the Presidential Election, Phoenix saw the sale of 11 general office buildings over $5,000,000.[(1)]

**Office Real Estate Market**
**Phoenix MSA**

| Year | Vacancy Rate | Year to Date Net Absorption (Square feet) |
|---|---|---|
| 2024 [(1)] | 23.00% | -322,431 |
| 2023 | 24.60 | 1,439,422 |
| 2022 | 23.90 | -3,973,725 |
| 2021 | 19.80 | -1,148,892 |
| 2020 | 17.45 | -1,051,047 |
| 2019 | 14.11 | 3,210,676 |
| 2018 | 15.20 | 2,473,034 |
| 2017 | 16.40 | 2,839,559 |
| 2016 | 17.40 | 3,219,853 |
| 2015 | 19.30 | 3,779,039 |

Source: CB Richard Ellis

**Industrial/Commercial Real Estate Market**
**Phoenix MSA**

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

Source: CB Richard Ellis

(1) CBRE Phoenix Office Market Report, Phoenix Office, Q4, 2024

The industrial vacancy rate for the Phoenix MSA in Q4 of 2024 increased to 11.2%, while the average asking NNN lease rate is $1.00 per square feet. Year-end net absorption was 13.3 million square feet – that is a 2.6% increase compared to 2023. Some of the leases having the largest impact on net absorption in Q4 are Logistics Plus (North Goodyear), Rheem Manufacturing (North Goodyear), Highland Cabinetry (South Goodyear), Hydro Extrusions (Southwest Phoenix) and Thyssen Krupp (North Goodyear). At the end of Q4 2024, CBRE estimates there are 35.9 million square feet of tenants in the industrial market.[(1)]

**Outlook/Summary**

The Greater Phoenix Blue Chip, managed by Seidman Research Institute, ASU, offers forecasts by a panel of experts who track construction and general economic trends for the Phoenix metro area.[(1)]

The panel's consensus forecast for 2024 is a 1.6% growth in population, accompanied by a 5.7% growth in personal income, and a 2.4% rise in wage and salary employment.

For 2025, the panel currently forecasts a 1.6% growth in population, accompanied by a 5.4% growth in personal income, and a 2.1% rise in wage and salary employment. Manufacturing employment is expected to increase by 2.0%, and construction employment by 2.2%. Retail sales are also predicted to rise 3.4%.

The Greater Phoenix Blue Chip panel also offers a construction forecast for Greater Phoenix. The panel estimates 27,752 new single family and 13,419 new multi-family housing permits in 2024. For 2025, they forecast 29,652 new single family and 19,834 new multi-family housing permits. The overwhelming problem for the single-family market is affordability. Historically, the "acceptable" or affordable mortgage payment is 30% of net household income, but the current U.S. average is 35%.[(2)]

CBRE suggests that supply additions have been modest in the Phoenix MSA's retail market in 2024 with elevated debt, land and construction costs creating difficulties for new projects. However, strong economic growth combined with Federal Reserve rate cuts in 2025 could boost commercial real estate performance.[(3)]

The vacancy rate continues to remain steady in the Industrial market. Approximately 13.5% of the product under construction was preleased at the end of Q4 2024, with ground breakings focused in the Southeast Valley and Southwest.

CBRE describes the Phoenix office market as "…the definition of consistent" due to a combination of steadily increasing rents and stable vacancies. Over a 3-year period, rental rates have risen on average 2.9% per year, but vacancy rates only increased 1.0% per year. As a result, CBRE expresses confidence that the volume of office leasing and sales can return to pre-pandemic levels in 2025.[(4)]

(1) Greater Phoenix Blue Chip Economic Forecast, https://seidmaninstitute.com/wp-content/uploads/2025/01/GPBC-2024-Qtr-4.pdf
(2) Greater Phoenix Blue Chip Construction Forecast, https://seidmaninstitute.com/about-us/construction/
(3) CBRE Phoenix Retail Market Report, Phoenix Office, Q4, 2024
(4) CBRE Phoenix Office Market Report, Phoenix Office, Q4, 2024

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# APPENDIX B

## City of Phoenix, Arizona — Financial Data

### VALUATIONS

**2024-25 Fiscal Year**

| | |
|---|---|
| Limited Net Assessed Valuation | $ 17,190,475,853(1) |
| Total Property Tax Levy | 357,544,707 |
| Full Cash Value | 362,082,341,677(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 2025-26 Limited Net Assessed Valuation is $17,772,778,262, a 3.4% increase from fiscal year 2024-25. The City's preliminary Full Cash Value for fiscal year 2025-26 is $357,601,304,233, a 1.2% decrease from fiscal year 2024-25. The City's preliminary Full Cash Net Assessed Valuation for fiscal year 2025-26 is $34,544,910,185, a 2.0% decrease from fiscal year 2024-25. 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 the third Monday in August 2025. Based on these valuations, the total property tax rate per $100 of assessed value for fiscal year 2025-26 will be $2.08, pending approval by the City Council in July 2025. The property tax information in Appendix B contains data for fiscal year 2024-25.

### Arizona Property Tax System

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

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

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

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

**Basis of Property Assessments (1)**

| Tax Year | Class 1 Mining, Utility, Commercial and Industrial(2)(3)(4) | Class 2 Vacant Land and Agricultural(3)(5) | Class 3 Primary Residential (Owner Occupied) | Class 4 Non-Primary Residential (includes Leased and Rented) | Class 5 Private Railroad Car Companies and Airline Flight Property(5) |
|---|---|---|---|---|---|
| 2025 | 16.0% | 15.0% | 10.0% | 10.0% | 14.0% |
| 2024 | 16.5 | 15.0 | 10.0 | 10.0 | 14.0 |
| 2023 | 17.0 | 15.0 | 10.0 | 10.0 | 14.0 |
| 2022 | 17.5 | 15.0 | 10.0 | 10.0 | 15.0 |
| 2021 | 18.0 | 15.0 | 10.0 | 10.0 | 15.0 |
| 2020 | 18.0 | 15.0 | 10.0 | 10.0 | 15.0 |
| 2019 | 18.0 | 15.0 | 10.0 | 10.0 | 15.0 |
| 2018 | 18.0 | 15.0 | 10.0 | 10.0 | 14.0 |
| 2017 | 18.0 | 15.0 | 10.0 | 10.0 | 15.0 |
| 2016 | 18.0 | 15.0 | 10.0 | 10.0 | 14.0 |

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

(2) Pursuant to Arizona Laws 2022, Fifty-Fifth Legislature, Second Session, Chapter 171 (Senate Bill 1093) (the "*SB 1093 Legislation*"), Section 2, which was signed by the Governor of Arizona on April 22, 2022. The assessment ratios for this property classification will decrease to 15.5% for tax year 2026 and 15% for each tax year thereafter.

(3) Legislation authorized by an amendment to the Constitution of Arizona by vote at the November 5, 1996 general election provided personal property tax exemptions for commercial, industrial and agricultural property. The exemption amount is adjusted annually for inflation by the Arizona Department of Revenue. The maximum exempt amount for tax year 2025 is $269,905. Any portion of the property in excess of this amount is subject to taxation.

(4) In addition, Arizona Laws 2022, Fifty-Fifth Legislature, Second Session, Chapter 103 (House Bill 2822) (the "*HB 2822 Legislation*"), which was signed by the Governor of Arizona on March 30, 2022, updates the method of valuation of certain types of property within this class for personal property that is acquired or initially classified during or after tax year 2022 by changing the valuation factor to two and one-half percent (2.5%) rather than the depreciation schedule currently used for such valuation.

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

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

**Property Tax Procedures**

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

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

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

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

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

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

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

In 2021, the Arizona Court of Appeals ruled in *Qasimyar v. Maricopa County* that certain transitions between property classifications qualified as a "change in use" requiring recalculation of the limited property value of the affected properties. On April 5, 2024, the treasurer of the County released estimated financial impacts to the various taxing jurisdictions. The treasurer of the County began the refund process in July 2024. As of December 2024, the initial taxpayer refund process is essentially complete and resulted in a reduction in cash from property tax revenue (excluding secondary property tax revenue collection for bond debt service) for taxing jurisdictions, including the City. The City's estimated reduction in property tax revenues as of July 2024 is $12.6 million (excluding additional interest at the current rate of 8%) per the treasurer of the County. Of this amount, approximately $4.8 million is attributable to secondary property taxes which are used to pay debt service on general obligation bonds. The City will have sufficient funds on deposit to pay principal of and interest on the general obligation bonds on a timely basis even with the one-time reduction in secondary tax revenues as a result of the refunds.

**Delinquent Tax Procedures**

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

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

It should be noted that in the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code, the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly noninterest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured and then possibly only on 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 |
|---|---|---|---|
| 2024-25 | $362,082,341,677 | $1,127,791,115,934 | $1,580,318,026,214 |
| 2023-24 | 292,923,548,766 | 912,877,653,607 | 1,278,372,792,322 |
| 2022-23 | 232,423,574,149 | 717,773,815,395 | 1,019,590,781,744 |
| 2021-22 | 215,741,892,809 | 663,161,039,191 | 945,109,071,965 |
| 2020-21 | 198,012,408,578 | 607,928,072,929 | 875,031,115,207 |
| 2019-20 | 179,418,109,860 | 552,974,238,023 | 800,497,344,608 |
| 2018-19 | 164,275,190,973 | 508,477,424,166 | 739,955,361,749 |
| 2017-18 | 152,048,146,858 | 475,077,339,532 | 695,772,327,425 |
| 2016-17 | 140,141,257,980 | 443,207,234,847 | 656,511,478,502 |
| 2015-16 | 127,280,069,634 | 403,013,954,546 | 604,197,687,777 |

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 |
|---|---|---|---|
| 2024-25 | $17,190,475,853 | $58,328,686,358 | $88,425,611,337 |
| 2023-24 | 16,265,332,852 | 54,722,310,149 | 83,026,530,244 |
| 2022-23 | 15,490,531,936 | 51,575,018,185 | 78,405,598,978 |
| 2021-22 | 14,800,877,416 | 48,724,126,672 | 74,200,233,397 |
| 2020-21 | 13,923,185,918 | 45,704,969,813 | 69,914,521,042 |
| 2019-20 | 13,223,017,360 | 43,194,326,395 | 66,154,632,834 |
| 2018-19 | 12,399,776,105 | 40,423,232,423 | 62,328,357,186 |
| 2017-18 | 11,721,385,399 | 38,251,891,249 | 59,404,007,785 |
| 2016-17 | 10,982,150,871 | 36,135,494,474 | 56,573,588,295 |
| 2015-16 | 10,577,031,720 | 34,623,670,323 | 54,840,074,052 |

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 |
|---|---|---|---|---|
| 2024-25 | $6,499,945,510 | $10,302,039,608 | $388,490,735 | $17,190,475,853 |
| 2023-24 | 6,283,933,955 | 9,641,817,797 | 339,581,100 | 16,265,332,852 |
| 2022-23 | 6,105,702,694 | 9,053,200,045 | 331,629,197 | 15,490,531,936 |
| 2021-22 | 5,971,431,974 | 8,464,971,050 | 364,474,392 | 14,800,877,416 |
| 2020-21 | 5,650,658,475 | 7,965,352,886 | 307,174,557 | 13,923,185,918 |
| 2019-20 | 5,459,355,615 | 7,444,157,108 | 319,504,637 | 13,223,017,360 |
| 2018-19 | 5,159,913,759 | 6,938,818,656 | 301,043,690 | 12,399,776,105 |
| 2017-18 | 4,922,316,144 | 6,491,721,411 | 307,347,844 | 11,721,385,399 |
| 2016-17 | 4,642,739,507 | 6,062,572,209 | 276,839,155 | 10,982,150,871 |
| 2015-16 | 4,579,069,622 | 5,701,785,501 | 296,176,597 | 10,577,031,720 |

(1) Fiscal years prior to 2016 used 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-12 for more detail on the Debt Limitation. The table set forth below presents historical full cash net assessed valuations.

**Full Cash Net Assessed Valuation History**

| Fiscal Year | City of Phoenix | Maricopa County | State of Arizona |
|---|---|---|---|
| 2024-25 | $35,253,419,917 | $112,459,810,477 | $158,962,333,751 |
| 2023-24 | 28,939,043,354 | 91,557,158,476 | 129,473,530,919 |
| 2022-23 | 23,045,115,141 | 72,238,314,892 | 103,872,223,919 |
| 2021-22 | 21,780,880,732 | 67,535,008,138 | 97,282,221,465 |
| 2020-21 | 19,889,713,798 | 61,824,712,434 | 90,007,317,461 |
| 2019-20 | 18,193,680,624 | 56,588,192,576 | 82,730,928,616 |
| 2018-19 | 16,665,875,186 | 51,944,549,129 | 76,437,036,352 |
| 2017-18 | 15,366,353,843 | 48,351,864,363 | 71,673,967,461 |
| 2016-17 | 14,008,918,676 | 44,850,741,762 | 67,264,430,756 |
| 2015-16 | 12,783,575,022 | 41,124,639,380 | 62,635,586,917 |

Source: State numbers are from Arizona Department of Revenue, Division of Property and Special Taxes and City of Phoenix and Maricopa County numbers are from Maricopa County Finance Department

**City of Phoenix, Arizona**
**Major Property Taxpayers**
**2023-24**

| Taxpayer | 2023-24 Limited Net Assessed Valuation | As% of City Total Limited Net Assessed Valuation |
|---|---|---|
| Arizona Public Service Company | $ 541,476,727 | 3.33% |
| Salt River Project (T&D) | 128,958,873 | 0.79 |
| Southwest Gas Corporation | 115,275,494 | 0.71 |
| Esplanade Owner LP | 51,347,136 | 0.32 |
| Biltmore Center Owner LLC | 42,068,816 | 0.26 |
| Esplanade Owner LLC | 33,613,835 | 0.21 |
| Biltmore Shopping Center Partners | 31,279,142 | 0.19 |
| Viola Lordsmeer LP | 30,988,048 | 0.19 |
| Aligned Data Centers Phoenix Propco LLC | 30,869,602 | 0.19 |
| Epic Apollo LLC | 29,494,512 | 0.18 |
| Phoenix Plaza PT LLC | 29,121,922 | 0.18 |
| Host Kierland LP | 29,108,668 | 0.18 |
| CARS-DB4 LP | 27,973,628 | 0.17 |
| Target Corporation | 25,605,846 | 0.16 |
| Kierland Greenway LLC | 24,969,028 | 0.15 |
| United Services Automobile Association | 24,848,213 | 0.15 |
| REEP-IMPIC OFC 24th Camelback AZ LLC | 24,323,475 | 0.15 |
| PV Land SPE LLC | 24,177,976 | 0.15 |
| Kierland Collection Building Owner LLC | 24,058,338 | 0.14 |
| 3131 Camelback Road LLC | 21,054,182 | 0.13 |
| Total | $1,290,613,459 | 7.93% |

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 |
|---|---|---|---|
| 2024-25 | $1.27 | $0.81 | $2.08 |
| 2023-24 | 1.29 | 0.81 | 2.10 |
| 2022-23 | 1.30 | 0.81 | 2.11 |
| 2021-22 | 1.31 | 0.81 | 2.12 |
| 2020-21 | 1.31 | 0.82 | 2.13 |
| 2019-20 | 1.31 | 0.82 | 2.13 |
| 2018-19 | 1.32 | 0.82 | 2.14 |
| 2017-18 | 1.34 | 0.82 | 2.16 |
| 2016-17 | 1.34 | 0.83 | 2.17 |
| 2015-16 | 1.34 | 0.48 | 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 2024-2025 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 |
| 2024-25 | $2.08 | $357,544,707 | $122,591,186 | 34.3% | $234,953,521 | 65.7% |
| 2023-24 | 2.10 | 341,441,867 | 334,369,317 | 97.9 | 337,574,665 | 98.9 |
| 2022-23 | 2.11 | 327,314,939 | 318,942,999 | 97.4 | 322,610,629 | 98.6 |
| 2021-22 | 2.12 | 313,719,398 | 308,465,871 | 98.3 | 312,137,012 | 99.5 |
| 2020-21 | 2.13 | 296,508,167 | 292,524,970 | 98.7 | 297,345,416 | 100.3 |
| 2019-20 | 2.13 | 281,597,378 | 273,728,062 | 97.2 | 277,286,090 | 98.5 |
| 2018-19 | 2.14 | 265,404,808 | 260,407,895 | 98.1 | 263,688,880 | 99.4 |
| 2017-18 | 2.16 | 253,181,925 | 248,097,481 | 98.0 | 249,999,942 | 98.7 |
| 2016-17 | 2.17 | 238,312,673 | 234,999,427 | 98.6 | 237,091,724 | 99.5 |
| 2015-16 | 1.82 | 192,501,977 | 189,460,339 | 98.4 | 191,769,813 | 99.6 |

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

(2) Reflects amounts collected on each year's levy and amounts collected during such year on prior years' levies.

Source: Maricopa County Treasurer's Office

**Total Direct And Overlapping Tax Rates**
**Per $100 Assessed Valuation (1)**
**For Fiscal Year 2024-25**

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

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

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

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

Source: Maricopa County Treasurer's Office.

## STATEMENT OF BONDED INDEBTEDNESS

### Direct General Obligation Bonded Debt Outstanding

| Issue Date | Original Issuance | Purpose | Maturity Dates | Bonds Outstanding As of 7-1-25 |
|---|---|---|---|---|
| 03-01-04 | $ 200,000,000 | Various Improvements | 7-1-10/28 | $ 14,720,000 |
| 10-27-09 | 280,955,000 | Various Improvements (Taxable) | 7-1-20/34 | 186,790,000(1) |
| 06-24-14 | 278,015,000 | Refunding | 7-1-19/27 | 2,320,000 |
| 09-13-16 | 226,215,000 | Refunding | 7-1-18/27 | 139,415,000 |
| 06-21-17 | 68,305,000 | Refunding | 7-1-18/27 | 2,655,000 |
| 05-25-22 | 146,400,000 | Refunding | 7-1-23/34 | 100,290,000 |
| 08-07-24 | 127,820,000 | Various Improvements (Tax-Exempt) | 7-1-32/47 | 127,820,000 |
| 08-07-24 | 105,200,000 | Various Improvements (Taxable) | 7-1-28/32 | 105,200,000 |
| Net Direct General Obligation Bonded Debt Outstanding | | | | $679,210,000 |

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

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

(1) On October 27, 2009, the City issued $280,955,000 par amount of Qualified Build America Bonds (Direct Pay). The City elected to receive subsidy payments, in the amount of 35% of each interest payment on the Qualified Build America Bonds, paid directly to the City by the United States of America. Effective October 1, 2013, the federal government implemented certain automatic budget cuts known as the sequester, which resulted in a reduction of the federal subsidy payments over the past several years. The reduction is 5.7% for the federal government's fiscal years ending September 30, 2025 through and including September 30, 2031 (the "*Sequester Reductions*"). However, the City does not expect the Sequester Reductions to have a material adverse effect on its ability to make payments of interest on this issue.

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

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

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

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

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

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

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

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

(1) Represents the unissued portion of the 1988, 2001, and 2006 General Obligation Bond Programs. The City does not intend to issue bonds for the remaining 1988, 2001, and 2006 authorizations.

## DEBT LIMITATION

Pursuant to Chapter 177, Laws of Arizona 2016, which became effective August 6, 2016, the City's debt limitation is based on the full cash net assessed valuation. The full cash net assessed valuation for 2025-26 is $34,544,910,185. Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks, open space preserves, playgrounds, recreational facilities, public safety, law enforcement, fire emergency, streets and transportation may not exceed 20% of a city's full cash net assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a city's full cash net assessed valuation. The City's 2024-25 full cash net assessed valuation is $35,253,419,918. Unused borrowing capacity as of July 1, 2025 is shown below.

### Water, Sewer, Light, Parks, Open Spaces, Playgrounds, Recreational Facilities, Public Safety, Law Enforcement, Fire Emergency, Streets and Transportation Purpose Bonds

| | |
|---|---|
| 20% Constitutional Limitation | $6,908,982,037 |
| Less: Direct General Obligation Bonds Outstanding | 558,885,000(1) |
| Allocable Bond Premium | 15,305,000(2) |
| Debt Limit Reduction from Refunding | 42,231,452(3) |
| Unused 20% Limitation Borrowing Capacity | $6,292,560,585 |

### All Other General Obligation Bonds

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

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

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

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

## NET DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT AND DEBT RATIOS

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

(1) The total direct debt of the City of Phoenix is as of July 1, 2025. The direct debt for the other districts is as of July 1, 2024, the latest available data.

Does not include the obligation of the Central Arizona Water Conservation District ("*CAWCD*") to the United States of America, Department of the Interior for repayment of capital costs for construction of the Central Arizona Project ("*CAP*"), a major reclamation project constructed by the Department of the Interior to deliver Colorado River water to central and southern Arizona. The obligation is evidenced by a master repayment agreement between the CAWCD and the Department of the Interior. The CAWCD repayment obligation was reduced from over $2 billion to $1.65 billion as a result of a settlement between the United States and CAWCD over the amount of the repayment obligations and repayment terms. The settlement provided that 73% of the repayment obligation bear interest at the rate of 3.342% per annum on the unpaid balance, and 27% of the repayment obligation be non-interest bearing. The repayment will take place over a period of 50 years with the final payment in 2046. The repayment amount was offset through 2019 by revenue collected from power generation before calculating the net capital charge rate to the users, such as the City of Phoenix. As of 2020, there is no offset. The charge to the City of Phoenix averaged $1.8 million per year for years 2009 through 2014. The charge was $2.7 million in 2015, $2.8 million in 2016, $3.8 million in 2017, $5.5 million in 2018, $5.0 million in 2019, $8.6 million in 2020, $9.1 million in 2021, $8.4 million in 2022 and 2023, $7.0 million in 2024, and estimated at $7.0 million in 2025.

The CAWCD is a water conservation district having boundaries coterminous with the exterior boundaries of Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the District and to assist in repayment of the Central Arizona Project capital costs to the United States. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial, and agricultural water users for delivery of Central Arizona Project water) and a tax levy against all taxable property in the District. Currently, the tax levy is limited by Arizona Revised Statutes to $0.14 per $100 of assessed valuation. There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract. The CAWCD has levied a tax of $0.14 per $100 of assessed valuation for the 2025 calendar year.

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

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

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

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

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

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

Source: Maricopa County Finance Department

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

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

## OTHER LONG-TERM OBLIGATIONS

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

Under the terms of these agreements, the City has agreed to make lease and purchase payments in amounts sufficient to pay principal and interest on bonds issued by the Corporation to finance the facilities, and has pledged its excise tax collections for these payments. The City's excise tax collections in 2019-20 totaled $1,001.3 million, in 2020-21 totaled $1,112.3 million, in 2021-22 totaled $1,252.2 million, in 2022-23 totaled $1,432.5 million, and in 2023-24 totaled $1,595.7 million.

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

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

On March 14, 2000, City of Phoenix residents approved a 0.4% increase in the City's transaction privilege (sales) tax rate to be levied for a 20-year period dedicated to transit improvements (the "*Transit Sales Tax*"). Transit improvements included expanded local bus 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 provided funding for 500 bus pull-outs, 100 miles of bike lanes and left-turn arrows at all major intersections.

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

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

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

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

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

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

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

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

The City entered into a loan agreement with the Corporation for the purpose of financing the renovation of the 100 West Washington building, which after completion, will serve as the new Police Department Headquarters. The Corporation issued bonds to fund significant infrastructure upgrades and other build-out costs including the 911 call and dispatch center, which will be operating 24/7/365. The City pledged its excise tax collections to make loan payments sufficient to pay principal and interest on the bonds. This pledge is on a parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations.

The City entered into a loan agreement with the Corporation to finance or reimburse for costs of acquiring, constructing, expanding and improving real and personal property for technology upgrades, solid waste facilities and equipment, public safety property, systems and equipment and other municipal facilities for the City plus related financing costs. The City pledged its excise tax collections to make loan payments sufficient to pay principal and interest on the bonds. This pledge is on a parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations

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

**City of Phoenix Civic Improvement Corporation**
**Subordinated Junior Lien Debt Outstanding**

| Issue Date | Original Issuance | Purpose | Maturity Dates | Average Interest Rate | Bonds Outstanding As of 7-1-25 |
|---|---|---|---|---|---|
| 05-12-15 | $319,305,000 | Municipal Facilities Refunding(1) | 7-1-17/41 | 4.98% | $240,070,000 |
| 05-12-15 | 60,895,000 | Municipal Facilities Refunding (Taxable) | 7-1-16/35 | 3.34 | 24,970,000 |
| 06-01-17 | 116,835,000 | Municipal Facilities | 7-1-18/32 | 4.39 | 34,135,000 |
| 06-01-17 | 101,895,000 | Municipal Facilities Refunding | 7-1-19/29 | 4.64 | 27,935,000 |
| 08-25-20 | 131,595,000 | Municipal Facilities(2) | 7-1-21/45 | 4.68 | 112,130,000 |
| 08-25-20 | 150,000,000 | Municipal Facilities-Arena (Taxable) | 7-1-21/45 | 2.36 | 125,330,000 |
| 08-25-20 | 116,685,000 | Municipal Facilities Refunding (Taxable) | 7-1-23/36 | 1.50 | 74,415,000 |
| 08-03-22 | 131,650,000 | Municipal Facilities | 7-1-25/47 | 5.00 | 128,470,000 |
| 07-17-24 | 180,000,000 | Municipal Facilities | 7-1-25/44 | 5.00 | 174,780,000 |
| Total City of Phoenix Civic Improvement Corporation Subordinated Junior Lien Bonded Debt | | | | | $942,235,000 |

(1) Debt service requirements on $6,665,000 of these obligations are supported by solid waste revenues and includes the Bonds Being Refunded.

(2) Debt service requirements on $25,175,000 of these obligations are supported by solid waste revenues.

**City of Phoenix Civic Improvement Corporation**
**Schedule of Total Annual Excise Tax Debt Service Requirements**
**Subordinated Junior Lien Debt Outstanding[1]**

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 2025-26 | $ 68,555,000 | $ 39,935,692 | $ 108,490,692 |
| 2026-27 | 62,200,000 | 37,223,953 | 99,423,953 |
| 2027-28 | 59,445,000 | 34,852,044 | 94,297,044 |
| 2028-29 | 56,215,000 | 32,703,434 | 88,918,434 |
| 2029-30 | 47,250,000 | 30,676,724 | 77,926,724 |
| 2030-31 | 49,160,000 | 28,774,275 | 77,934,275 |
| 2031-32 | 50,545,000 | 26,760,365 | 77,305,365 |
| 2032-33 | 48,290,000 | 24,653,693 | 72,943,693 |
| 2033-34 | 47,760,000 | 22,571,997 | 70,331,997 |
| 2034-35 | 49,890,000 | 20,440,124 | 70,330,124 |
| 2035-36 | 49,060,000 | 18,203,800 | 67,263,800 |
| 2036-37 | 40,745,000 | 15,961,033 | 56,706,033 |
| 2037-38 | 42,605,000 | 14,100,926 | 56,705,926 |
| 2038-39 | 44,545,000 | 12,152,738 | 56,697,738 |
| 2039-40 | 46,590,000 | 10,112,469 | 56,702,469 |
| 2040-41 | 48,725,000 | 7,975,091 | 56,700,091 |
| 2041-42 | 29,740,000 | 5,726,406 | 35,466,406 |
| 2042-43 | 31,030,000 | 4,432,432 | 35,462,432 |
| 2043-44 | 32,390,000 | 3,079,536 | 35,469,536 |
| 2044-45 | 19,345,000 | 1,664,382 | 21,009,382 |
| 2045-46 | 8,855,000 | 907,500 | 9,762,500 |
| 2046-47 | 9,295,000 | 464,750 | 9,759,750 |
| | $942,235,000 | $393,373,364 | $1,335,608,364 |

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

The City entered into a Revolving Credit Agreement dated June 4, 2020 (the "*Transportation Excise Tax Revolving Credit Agreement*") with Bank of America, N.A. (the "*Transportation Excise Tax Credit Agreement Provider*") which extended an initial three-year loan of $200,000,000 to finance transportation improvements. In May 2023, the City extended the term of the Transportation Excise Tax Revolving Credit Agreement for an additional two years. On February 28, 2025, the City amended the original agreement to extend the loan to December 31, 2025.

**City of Phoenix**
**Transportation Excise Tax**
**Revolving Loan Outstanding**

| Loan Issue Date | Loan Amount | Purpose | Loans Outstanding As of 7-1-25 |
|---|---|---|---|
| 06-04-2020 | $200,000,000 | Transportation Improvements | $200,000,000 |

The Transportation Excise Tax Revolving Credit Agreement remains in effect until December 31, 2025 (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 the Transit Sales Tax. For more information on the Transit Sales Tax see, "*Other Long-Term Obligations*". If the City elects to borrow additional amounts under the Transportation Excise Tax 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 December 31, 2028.

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

The 2003 Legislation also requires the State Auditor General to conduct or contract for an economic and fiscal impact analysis of the Phoenix Convention Center expansion on State revenues beginning in its fifth year of operation after completion in January 2009. Under an amendment to the 2003 Legislation, beginning in 2014 and each year thereafter, if the Auditor General determines that the State has paid more in cumulative distributions than has been received in incremental revenue to the State general fund as a result of the Convention Center Project, the State can withhold State-Shared Sales Taxes from the next regularly scheduled distribution in an amount necessary to remedy the cumulative deficiency. The 2023 Economic and Fiscal Impact Analysis Update report released by the State Auditor General stated that from calendar year 2009 through calendar year 2022, the Phoenix Convention Center generated $7.0 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 7-1-25 |
|---|---|---|---|---|---|
| 10-06-05 | $275,362,351.75 | Convention Center Expansion | 7-1-12/44 | 4.72% | $234,791,699.60 |
| Total State of Arizona Distribution Revenue Bonded Debt | | | | | $234,791,699.60 |

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

| Fiscal Year | Principal | Interest | Compounded Interest | Total Debt Service |
|---|---|---|---|---|
| 2025-26 | $ 5,639,202.30 | $ 18,492,375.00 | $ 2,365,797.70 | $ 26,497,375.00 |
| 2026-27 | 6,287,082.70 | 18,052,100.00 | 2,657,917.30 | 26,997,100.00 |
| 2027-28 | 6,972,383.00 | 17,560,125.00 | 2,962,617.00 | 27,495,125.00 |
| 2028-29 | 7,697,628.90 | 17,013,700.00 | 3,287,371.10 | 27,998,700.00 |
| 2029-30 | 8,465,538.90 | 16,409,525.00 | 3,624,461.10 | 28,499,525.00 |
| 2030-31 | 9,274,258.40 | 15,744,575.00 | 3,980,741.60 | 28,999,575.00 |
| 2031-32 | 10,123,692.00 | 15,015,550.00 | 4,356,308.00 | 29,495,550.00 |
| 2032-33 | 11,032,587.00 | 14,219,150.00 | 4,747,413.00 | 29,999,150.00 |
| 2033-34 | 11,637,351.75 | 13,351,250.00 | 5,007,648.25 | 29,996,250.00 |
| 2034-35 | 12,267,767.20 | 12,435,775.00 | 5,292,232.80 | 29,995,775.00 |
| 2035-36 | 12,935,793.00 | 11,469,975.00 | 5,594,207.00 | 29,999,975.00 |
| 2036-37 | 13,634,005.65 | 10,450,825.00 | 5,910,994.35 | 29,995,825.00 |
| 2037-38 | 14,372,964.80 | 9,375,850.00 | 6,247,035.20 | 29,995,850.00 |
| 2038-39 | 15,164,105.20 | 8,241,750.00 | 6,590,894.80 | 29,996,750.00 |
| 2039-40 | 15,997,068.00 | 7,045,225.00 | 6,952,932.00 | 29,995,225.00 |
| 2040-41 | 16,878,823.60 | 5,782,975.00 | 7,336,176.40 | 29,997,975.00 |
| 2041-42 | 17,805,886.80 | 4,451,150.00 | 7,739,113.20 | 29,996,150.00 |
| 2042-43 | 18,785,228.00 | 3,046,175.00 | 8,164,772.00 | 29,996,175.00 |
| 2043-44 | 19,820,332.40 | 1,563,925.00 | 8,614,667.60 | 29,998,925.00 |
| | $234,791,699.60 | $219,721,975.00 | $101,433,300.40 | $555,946,975.00 |

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

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

| Issue Date | Original Issuance | Purpose | Maturity Dates | Average Interest Rate | Bonds Outstanding As of 7-1-25 |
|---|---|---|---|---|---|
| 11-21-17 | $190,930,000 | Airport Improvements | 7-1-18/47 | 5.00% | $164,420,000 |
| 11-21-17 | 173,440,000 | Airport Improvements Refunding | 7-1-21/38 | 5.00 | 140,710,000 |
| 11-28-18 | 226,180,000 | Airport Improvements | 7-1-19/48 | 4.87 | 201,085,000 |
| 06-07-23 | 96,540,000 | Airport Improvements Refunding | 7-1-24/32 | 5.00 | 78,840,000 |
| Total Senior Lien Airport Revenue Bonded Debt | | | | | $585,055,000 |

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

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 2025-26 | $ 26,460,000 | $ 29,052,750 | $ 55,512,750 |
| 2026-27 | 27,780,000 | 27,729,750 | 55,509,750 |
| 2027-28 | 29,170,000 | 26,340,750 | 55,510,750 |
| 2028-29 | 30,625,000 | 24,882,250 | 55,507,250 |
| 2029-30 | 32,160,000 | 23,351,000 | 55,511,000 |
| 2030-31 | 33,765,000 | 21,743,000 | 55,508,000 |
| 2031-32 | 35,455,000 | 20,054,750 | 55,509,750 |
| 2032-33 | 23,600,000 | 18,282,000 | 41,882,000 |
| 2033-34 | 24,785,000 | 17,102,000 | 41,887,000 |
| 2034-35 | 26,025,000 | 15,862,750 | 41,887,750 |
| 2035-36 | 27,325,000 | 14,561,500 | 41,886,500 |
| 2036-37 | 28,685,000 | 13,195,250 | 41,880,250 |
| 2037-38 | 30,120,000 | 11,761,000 | 41,881,000 |
| 2038-39 | 16,650,000 | 10,255,000 | 26,905,000 |
| 2039-40 | 17,480,000 | 9,422,500 | 26,902,500 |
| 2040-41 | 18,355,000 | 8,548,500 | 26,903,500 |
| 2041-42 | 19,275,000 | 7,630,750 | 26,905,750 |
| 2042-43 | 20,240,000 | 6,667,000 | 26,907,000 |
| 2043-44 | 21,250,000 | 5,655,000 | 26,905,000 |
| 2044-45 | 22,280,000 | 4,622,500 | 26,902,500 |
| 2045-46 | 23,365,000 | 3,538,500 | 26,903,500 |
| 2046-47 | 24,505,000 | 2,400,250 | 26,905,250 |
| 2047-48 | 25,700,000 | 1,205,000 | 26,905,000 |
| | $585,055,000 | $323,863,750 | $908,918,750 |

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

**City of Phoenix Civic Improvement Corporation**
**Junior Lien Airport Revenue Bonded Debt Outstanding(4)**

| Issue Date | Original Issuance | Purpose | Maturity Dates | Average Interest Rate | Bonds Outstanding As of 7-1-25 |
|---|---|---|---|---|---|
| 09-01-10 | $ 21,345,000 | Airport Improvements | 7-1-40 | 6.60% | $ 21,345,000(1)(2) |
| 12-21-17 | 474,725,000 | Airport Refunding | 7-1-21/40 | 4.67 | 388,110,000(1) |
| 12-11-19 | 341,095,000 | Airport Improvements | 7-1-41/49 | 4.48 | 341,095,000(3) |
| 12-11-19 | 392,005,000 | Airport Improvements | 7-1-20/49 | 4.63 | 365,945,000 |
| 06-11-25 | 85,725,000 | Airport Refunding | 7-1-26/45 | 4.38 | 85,725,000 |
| Total Junior Lien Airport Revenue Bonded Debt | | | | | $1,202,220,000 |

(1) 100% of debt service due on or before July 1, 2026 on these bonds is also secured by an irrevocable commitment of net proceeds of a passenger facility charge imposed by the City and collected on behalf of the City by non-exempt passenger air carriers at Phoenix Sky Harbor International Airport. The passenger facility charge is currently imposed at the rate of $4.50 per qualifying enplaned passenger, and is required to be remitted to the City less any accrued interest and an $0.11 per passenger facility charge airline collection fee.

(2) Represents bonds issued as Recovery Zone Economic Development Bonds ("*RZEDB*") for purposes of the American Recovery and Reinvestment Act of 2009 and the Internal Revenue Code of 1986. Subject to the City's compliance with certain requirements of the Code, the City expects to receive semiannual cash subsidy payments rebating a portion of the interest on these bonds from the United States Treasury in an amount equal to 45% of the interest payable each respective interest payment date. Effective October 1, 2013, the federal government implemented certain automatic budget cuts known as the sequester, which resulted in a reduction of the federal subsidy payments over the past several years. The reduction is 5.7% for the federal government's fiscal year ending September 30, 2024 (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) 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.

(4) Schedule includes $85,725,000 of Junior Lien Airport revenue principal amount of bonds which is expected to be issued June 11, 2025 and is net of the bonds being refunded by such bonds.

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

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 2025-26 | $ 30,820,000 | $ 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 |
| | $1,213,175,000 | $784,736,194 | $1,997,911,194 |

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

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

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

| Issue Date | Original Issuance | Purpose | Maturity Dates | Average Interest Rate | Bonds Outstanding As of 7-1-25 |
|---|---|---|---|---|---|
| 12-05-19 | $244,245,000 | Rental Car Facility | 7-1-28/45 | 4.71% | $244,245,000 |
| 12-05-19 | 60,485,000 | Rental Car Facility Refunding | 7-1-20/28 | 2.49 | 18,915,000 |
| Total Rental Car Facility Charge Bonded Debt | | | | | $263,160,000 |

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

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 2025-26 | $ 8,385,000 | $ 12,156,577 | $ 20,541,577 |
| 2026-27 | 8,605,000 | 11,938,735 | 20,543,735 |
| 2027-28 | 8,835,000 | 11,705,023 | 20,540,023 |
| 2028-29 | 9,235,000 | 11,305,700 | 20,540,700 |
| 2029-30 | 9,700,000 | 10,843,950 | 20,543,950 |
| 2030-31 | 10,185,000 | 10,358,950 | 20,543,950 |
| 2031-32 | 10,695,000 | 9,849,700 | 20,544,700 |
| 2032-33 | 11,230,000 | 9,314,950 | 20,544,950 |
| 2033-34 | 11,790,000 | 8,753,450 | 20,543,450 |
| 2034-35 | 12,380,000 | 8,163,950 | 20,543,950 |
| 2035-36 | 12,995,000 | 7,544,950 | 20,539,950 |
| 2036-37 | 13,645,000 | 6,895,200 | 20,540,200 |
| 2037-38 | 14,330,000 | 6,212,950 | 20,542,950 |
| 2038-39 | 15,045,000 | 5,496,450 | 20,541,450 |
| 2039-40 | 15,800,000 | 4,744,200 | 20,544,200 |
| 2040-41 | 16,515,000 | 4,028,950 | 20,543,950 |
| 2041-42 | 17,255,000 | 3,285,000 | 20,540,000 |
| 2042-43 | 18,030,000 | 2,511,450 | 20,541,450 |
| 2043-44 | 18,835,000 | 1,706,900 | 20,541,900 |
| 2044-45 | 19,670,000 | 870,150 | 20,540,150 |
| | $263,160,000 | $147,687,185 | $410,847,185 |

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

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

| Issue Date | Original Issuance | Purpose | Maturity Dates | Average Interest Rate | Bonds Outstanding As of 7-1-25 |
|---|---|---|---|---|---|
| 12-17-14 | $445,085,000 | Water System Refunding | 7-1-16/29 | 4.67% | $ 181,030,000 |
| 01-10-17 | 375,780,000 | Water System Refunding | 7-1-17/39 | 4.99 | 315,625,000 |
| 04-09-20 | 165,115,000 | Water System Improvements | 7-1-30/44 | 5.00 | 165,115,000 |
| 04-09-20 | 228,015,000 | Water System Improvements | 7-1-30/44 | 5.00 | 228,015,000 |
| 06-09-21 | 250,000,000 | Water System Improvements | 7-1-26/45 | 4.77 | 250,000,000 |
| 06-09-21 | 67,345,000 | Water System Refunding | 7-1-22/26 | 5.00 | 17,025,000 |
| 06-09-21 | 151,280,000 | Water System Refunding | 7-1-26/44 | 2.60 | 151,280,000 |
| Total Junior Lien Water System Revenue Bonded Debt | | | | | $1,308,090,000 |

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

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 2025-26 | $ 85,840,000 | $ 60,000,824 | $ 145,840,824 |
| 2026-27 | 75,980,000 | 55,904,560 | 131,884,560 |
| 2027-28 | 79,530,000 | 52,353,393 | 131,883,393 |
| 2028-29 | 82,725,000 | 49,078,352 | 131,803,352 |
| 2029-30 | 46,075,000 | 45,655,560 | 91,730,560 |
| 2030-31 | 48,165,000 | 43,571,743 | 91,736,743 |
| 2031-32 | 50,350,000 | 41,380,386 | 91,730,386 |
| 2032-33 | 52,660,000 | 39,075,856 | 91,735,856 |
| 2033-34 | 55,080,000 | 36,652,895 | 91,732,895 |
| 2034-35 | 57,630,000 | 34,105,805 | 91,735,805 |
| 2035-36 | 60,300,000 | 31,428,130 | 91,728,130 |
| 2036-37 | 63,120,000 | 28,613,622 | 91,733,622 |
| 2037-38 | 66,070,000 | 25,656,130 | 91,726,130 |
| 2038-39 | 69,175,000 | 22,552,037 | 91,727,037 |
| 2039-40 | 72,435,000 | 19,293,715 | 91,728,715 |
| 2040-41 | 75,705,000 | 16,024,188 | 91,729,188 |
| 2041-42 | 79,135,000 | 12,598,085 | 91,733,085 |
| 2042-43 | 82,730,000 | 8,999,132 | 91,729,132 |
| 2043-44 | 86,670,000 | 5,063,003 | 91,733,003 |
| 2044-45 | 18,715,000 | 935,750 | 19,650,750 |
| | $1,308,090,000 | $628,943,165 | $1,937,033,165 |

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

**City of Phoenix**
**Junior Lien Water System Revenue Bonded Debt Outstanding**

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

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

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

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

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

* Subject to change per WIFA Loan Agreement.

The City entered into a Revolving Credit Agreement dated April 28, 2022 (the "*Water Revolving Credit Agreement*") with JPMorgan Chase Bank, National Association (the "*Water Credit Agreement Provider*") for a three-year loan period ending on April 25, 2025; during which time the City may borrow, repay and re-borrow amounts, but not exceeding $200,000,000 outstanding in the aggregate at any one time (each a "*Loan*"). Loans made under the Water Revolving Credit Agreement (such loans, together with any obligations on a parity therewith, the "*Junior Subordinate Lien Obligations*") are payable from Water System Designated Revenues pledged to the City of Phoenix Civic Improvement Corporation Junior Lien Water System Revenue Bonds ("*Junior Lien Obligations*") but are junior and subordinate to the Junior Lien Obligations.

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

**City of Phoenix**
**Junior Subordinate Lien**
**Water Revolving Loan Outstanding**

| Issue Date | Loan Amount | Purpose | As of 7-1-25 |
|---|---|---|---|
| 04-29-2022 | $200,000,000 | Water System Improvements | $200,000,000(1) |

Upon an event of default under the Water Revolving Credit Agreement, JPMorgan Chase Bank, National Association may declare all amounts due (collectively, "*Payment Obligations*") immediately due and payable. Events of default include, but are not limited to, failure to pay amounts to the Water Credit Agreement Provider by the applicable grace period, failure to perform certain covenants such as issuance of obligations in violation of additional bonds test, sale of the City Water System property in violation of applicable covenants, acceleration of other obligations payable from Water System revenues on any lien in an amount of at least $5,000,000, certain litigation, bankruptcy and insolvency events related to the Water System and certain downgrades of Junior Lien Obligations. If Payment Obligations were to be accelerated, Water System Revenues would continue to be transferred to the extent available from the Revenue Fund to the Junior Lien Bond Fund on a monthly basis prior to payment of Payment Obligations.

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

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

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

| Issue Date | Original Issuance | Purpose | Maturity Dates | Average Interest Rate | Bonds Outstanding As of 7-1-25 |
|---|---|---|---|---|---|
| 04-15-14 | $127,810,000 | Wastewater System Refunding | 7-1-15/29 | 4.84% | $ 44,830,000 |
| 11-16-16 | 225,325,000 | Wastewater System Refunding | 7-1-17/35 | 5.00 | 147,600,000 |
| 06-19-18 | 133,270,000 | Wastewater System Revenue | 7-1-25/43 | 4.64 | 128,880,000 |
| 11-15-23 | 381,620,000 | Wastewater System Revenue | 7-1-28/47 | 5.10 | 381,620,000 |
| Total Junior Lien Wastewater System Revenue Bonded Debt | | | | | $702,930,000 |

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

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

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

**City of Phoenix**
**Junior Lien Wastewater System Revenue Bonded Debt Outstanding**

| Issue Date | Original Issuance | Purpose | Maturity Dates | Average Interest Rate | Amount Outstanding As of 7-1-25 |
|---|---|---|---|---|---|
| 08-03-10 | $6,286,996 | Wastewater System Improvements | 7-1-18/26 | 2.97% | $ 88,114 |
| 06-01-11 | 3,909,270 | Wastewater System Improvements | 7-1-26/29 | 2.97 | 3,909,270 |
| 03-13-24 | 9,170,000[(1)] | Wastewater System Improvements | 7-1-26/47 | 3.28 | 9,170,000 |
| Total Junior Lien Wastewater System Revenue Bonded Debt | | | | | $13,167,384 |

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

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

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

* Subject to change per WIFA Loan Agreement.

## SHORT-TERM DEBT

Other than the normally occurring accounts payable, accrued payroll and other related expenses, which have current revenues available for their payment, the City has a short-term Transportation Excise Tax Revolving Loan, and a Water Revolving Loan. For details on the Transportation Excise Tax Revolving Loan see page B-19, and for the Water Revolving Loan see page B-28.

## CONTRACTUAL COMMITMENTS

The City provides public transit service through contracts with TransDev Transportation Inc., MV Transportation, First Transit Inc., Regional Public Transportation Authority and Valley Metro Rail Inc. ("*Metro*"). Metro began providing dedicated light rail transit service on December 27, 2008. The actual annual costs for all contracts through June 30, 2024 were $236,953,748, of which 29% was reimbursed by other local governmental entities that have contracted for service. The estimated liability for all contracts for 2024-25 is $265,044,723, of which approximately 24.87% is to be reimbursed by other local governmental entities that have contracted for service.

The City annually applies for a Federal Transit Formula Grant from the Department of Transportation, Federal Transit Administration *("FTA")*. The grant provides from 80% to 94.3% federal funding for capital projects in the approved program of projects. The FTA requires local funds to match the awarded grants. The City has been the recipient of FTA grants since 1975.

From 1981-82 to February 2010, the City received State of Arizona aid for transportation projects under the provisions of the Local Transportation Assistance Fund ("*LTAF*") funded from a portion of the State lottery receipts. Continuation of the State lottery through July 2012 was approved by the voters in November 2002.

In addition, on August 31, 1998, then-Governor Jane Hull signed into law a transit funding bill LTAF II which provided communities in Arizona additional transportation funds. Initially, LTAF II funds could be used for any transportation purpose in communities outside Maricopa County, as well as communities within Maricopa County with populations less than 50,000. In 2000, additional legislation limited the use of LTAF II funds to public transportation only. Prior to 2003, the Vehicle License Tax ("*VLT*") and the State General Fund were the primary contributors to the LTAF II fund. From 2003 to 2008, the Power Ball lottery earnings were the single contributor to the LTAF II fund. Beginning in 2009, the State combined the State lottery revenues and the Power Ball lottery revenues into one fund that contributed to both the LTAF and the LTAF II funds. The overall fund must have exceeded $31 million annually in order to distribute funding, and distributions were capped at $9 million for LTAF II and $23 million for LTAF for any fiscal year.

The State aid from LTAF and LTAF II, along with the City's general revenues, the City's dedicated transit sales tax revenues and the funding from the County's dedicated transit sales tax revenues, were the sources of required local funds to match awarded FTA grants. On March 11, 2010, then-Governor Jan Brewer signed a State budget package that permanently eliminated funding to the LTAF and the LTAF II as well as any further distributions to cities and towns. On September 2, 2011, a Federal judge issued a Court Order reinstating LTAF II funding in Maricopa County. The State aid from LTAF II, the City's general revenues, the City's dedicated transit sales tax revenues and the funding from the County's dedicated transit sales tax revenues are now the sources of required local funds to match awarded FTA grants.

On November 2, 2004, Maricopa County voters approved Proposition 400, which basically extended the County's one-half percent sales tax for transportation funding for an additional 20 years. The countywide one-half percent sales tax will provide funding for freeways, streets, bus transit, rural transit, dial-a-ride and light rail. Combined with projected federal matching funds, the tax is expected to provide $6.2 billion for transit improvements over the life of the tax.

## 2025-30 CAPITAL IMPROVEMENT PROGRAM SUMMARY

The City Charter requires a Capital Improvement Program ("*CIP*") be prepared in conjunction with the annual budget. The CIP is a multi-year plan for capital expenditures needed to replace and expand public infrastructure. The program is updated annually to reflect the latest priorities, cost estimates, and funding sources. The first year of the multi-year plan is appropriated as the annual capital budget.

Formal City Council adoption of the Capital Improvement Program indicates the City's commitment to the five-year plan, but does not in itself authorize expenditures. The necessary funding mechanisms must be adopted each year to pay for the improvements. The City Council authorized two sets of appropriations for the 2024-25 capital budget, which is the first year of the CIP: (1) authorization for the 2024-25 capital projects financed with bonds and bond-related funds; and (2) authorization for all 2024-25 pay-as-you-go projects financed with operating funds.

The 2025-30 CIP, which is summarized on pages B-33 and B-34, totals $11.5 billion, and will be funded primarily with operating funds, Federal aid and other long-term financings. The CIP was adopted by the City Council on June 14, 2024.

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

| | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | Total 5-Year |
|---|---|---|---|---|---|---|
| Arts Cultural Facilities | $ 10,930 | $ 21,187 | $ — | $ — | $ — | $ 32,117 |
| Aviation | 990,834 | 450,824 | 423,634 | 354,990 | 370,180 | 2,590,462 |
| Economic Development | 28,034 | 19,915 | 9,284 | 7,450 | 8,150 | 72,833 |
| Environmental Programs | 1,250 | 1,250 | 250 | 250 | 250 | 3,250 |
| Facilities Management | 59,552 | 28,728 | 26,903 | 22,694 | 16,775 | 154,652 |
| Finance | 10,270 | — | — | — | — | 10,270 |
| Fire Protection | 51,260 | 19,530 | 14994 | 20,118 | — | 105,902 |
| Historic Preservation & Planning | 4,800 | 3,100 | 1000 | 1,000 | — | 9,900 |
| Housing | 94,105 | 22,248 | 12,318 | 9,615 | 2,870 | 141,156 |
| Human Services | 6,473 | 6,933 | — | — | — | 13,406 |
| Information Technology | 47,471 | 28,182 | 12,597 | 12,597 | 12,597 | 113,444 |
| Libraries | 7,009 | 18,028 | 11,273 | 124 | — | 36,434 |
| Municipal Court | 3,144 | 2,910 | — | — | — | 6,054 |
| Neighborhood Services | 2,170 | — | — | — | — | 2,170 |
| Non-Departmental Capital | 215,660 | 106,119 | 105719 | 107,120 | 105822 | 640,440 |
| Parks, Recreation & Mountain Preserves | 84,644 | 66,146 | 62,797 | 64,221 | 58,750 | 336,558 |
| Phoenix Convention Center | 12,610 | 11,644 | 7,941 | 7,456 | 6,351 | 46,002 |
| Police Protection | 6,563 | 35,001 | 1,658 | 1,020 | — | 44,242 |
| Public Art Program | 13,339 | 5,709 | 1,659 | 265 | — | 20,972 |
| Public Transit | 178,464 | 164,876 | 474,246 | 189,629 | 168,580 | 1,175,795 |
| Regional Wireless Cooperative | 8,148 | 8,924 | 8,654 | 8,654 | 6,666 | 41,046 |
| Solid Waste Disposal | 48,558 | 37,388 | 13,017 | 28,343 | 14,284 | 141,590 |
| Street Transportation & Drainage | 247,060 | 271,648 | 181,435 | 183,261 | 162,666 | 1,046,070 |
| Sustainability | 1,000 | — | — | — | — | 1,000 |
| Wastewater | 314,050 | 690,333 | 296,283 | 243,304 | 202,067 | 1,746,037 |
| Water | 354,466 | 916,364 | 604,425 | 563,756 | 547,601 | 2,986,612 |
| Total CIP Costs | $2,801,864 | $2,936,987 | $2,270,087 | $1,825,867 | $1,683,609 | $11,518,414 |

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

| Sources of Funds | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5-Year Total |
|---|---|---|---|---|---|---|
| **Operating Funds:** | | | | | | |
| **General Funds:** | | | | | | |
| General Fund | $ 51,314 | $ 33,648 | $ 32,238 | $ 30,738 | $ 30,738 | $ 178,676 |
| Library | 995 | — | — | — | — | 995 |
| **Special Revenue Funds:** | | | | | | |
| Arizona Highway User Revenue | 92,906 | 75,356 | 76,096 | 75,528 | 84,988 | 404,873 |
| Capital Construction | 8,069 | 7,044 | 8,544 | 8,794 | 7,044 | 39,495 |
| Community Reinvestment | 4,915 | 3,915 | 3,665 | 3,665 | 5,065 | 21,225 |
| Development Services | 4,270 | 2,392 | 292 | 292 | 292 | 7,538 |
| Golf | 2,000 | — | — | 500 | 500 | 3,000 |
| Grants | 111,869 | 79,718 | 105,420 | 109,443 | 105,112 | 511,562 |
| Other Restricted Funds | 62,197 | 4,802 | 3,572 | 1,535 | 1,235 | 73,341 |
| Parks and Preserves | 50,171 | 48,068 | 50,600 | 56,150 | 58,250 | 263,239 |
| Regional Transit | 9,975 | 5,708 | 16,942 | 17,829 | 18,196 | 68,650 |
| Regional Wireless Cooperative | 2,148 | 2,924 | 2,654 | 2,654 | 666 | 11,048 |
| Sports Facilities | 5,656 | 4,000 | 2,100 | 2,100 | 2,100 | 15,956 |
| Transportation 2050 | 157,269 | 122,884 | 394,512 | 104,250 | 80,685 | 859,601 |
| **Enterprise Funds:** | | | | | | |
| Aviation | 419,724 | 146,686 | 194,422 | 137,158 | 55,645 | 953,635 |
| Convention Center | 8,996 | 9,908 | 8,103 | 7,618 | 6,515 | 41,140 |
| Solid Waste | 1,201 | 1,208 | 1,256 | 1,306 | 1,359 | 6,330 |
| Wastewater | 138,568 | 105,851 | 110,647 | 102,280 | 82,436 | 539,781 |
| Water | 200,457 | 232,355 | 230,406 | 302,228 | 326,512 | 1,291,958 |
| **Total Operating Funds:** | $1,332,701 | $ 886,466 | $1,241,469 | $ 964,068 | $ 867,338 | $ 5,292,042 |
| **Bond Funds:** | | | | | | |
| **General Obligation Funds:** | | | | | | |
| 2006 General Obligation | $ 428 | $ — | $ — | $ — | $ — | $ 428 |
| 2023 General Obligation | 131,425 | 164,538 | 58,926 | 31,479 | — | 386,369 |
| **Nonprofit Corporation Bonds:** | | | | | | |
| Aviation | 242,024 | 184,078 | 83,750 | 78,750 | — | 588,601 |
| Convention Center Bonds | 810 | — | — | — | — | 810 |
| Other | 73,831 | 19,851 | 2,440 | 2,419 | — | 98,541 |
| Solid Waste | 47,332 | 38,601 | 14,393 | 27,899 | 12,874 | 141,099 |
| Wastewater | 110,474 | 480,119 | 120,686 | 79,318 | 82,562 | 873,159 |
| Water | 71,314 | 672,816 | 356,062 | 239,442 | 209,487 | 1,549,121 |
| **Total Bond Funds:** | $ 677,638 | $1,560,003 | $ 636,257 | $ 459,307 | $ 304,924 | $ 3,638,128 |
| Other Capital Sources: | | | | | | |
| Capital Grants | $ 382,792 | $ 75,233 | $ 100,795 | $ 100,477 | $ 265,600 | $ 924,897 |
| Capital Reserves | 20 | 14,220 | — | — | — | 14,240 |
| Customer Facility Charges | 43,060 | 38,062 | 50,558 | 45,559 | 20,562 | 197,801 |
| Federal, State and Other Participation | 91,224 | 140,391 | 71,283 | 60,839 | 61,054 | 424,791 |
| Impact Fees | 118,684 | 20,043 | 14,584 | 36,560 | — | 189,871 |
| Other Cities' Share in Joint Ventures | 66,214 | 110,615 | 77,364 | 81,279 | 56,344 | 391,816 |
| Passenger Facility Charge | 89,091 | 91,508 | 77,326 | 77,323 | 107,320 | 442,568 |
| Solid Waste Remediation | 441 | 446 | 451 | 455 | 468 | 2,261 |
| **Total Other Capital Sources** | 791,526 | 490,518 | 392,360 | 402,491 | 511,347 | 2,588,245 |
| **TOTAL CIP SOURCES** | $2,801,864 | $2,936,987 | $2,270,087 | $1,825,867 | $1,683,609 | $11,518,415 |

## COMBINED FINANCIAL SCHEDULES

The schedules summarized on pages B-36 through B-47 present the revenues, expenditures and encumbrances, fund balances and transfers of all City operating funds on a non-GAAP budgetary basis. The schedules reflect actual results for fiscal years 2021-22 through 2023-24 and adopted budget amounts for fiscal year 2024-25. The schedules are presented on a budgetary basis to provide a meaningful comparison of actual results with the City's budget for all City operating funds.

## COMBINED SCHEDULES OF REVENUES, EXPENDITURES AND ENCUMBRANCES, FUND BALANCES AND TRANSFERS FOR ALL OPERATING FUNDS

### City of Phoenix, Arizona
### Schedules of Revenues, Expenditures and Encumbrances
### All Operating Funds
### (Non-GAAP Budgetary Basis)
### Fiscal Years Ended June 30
### (in thousands)

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

**City of Phoenix, Arizona**
**Schedules of Revenues, Expenditures and Encumbrances**
**All Operating Funds**
**(Non-GAAP Budgetary Basis)**
**Fiscal Years Ended June 30**
**(in thousands)**
**(Continued)**

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

**City of Phoenix, Arizona**
**Schedules of Revenues, Expenditures and Encumbrances**
**All Operating Funds**
**(Non-GAAP Budgetary Basis)**
**Fiscal Years Ended June 30**
**(in thousands)**
**(Continued)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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 *("TPT")* for most business activity categories is currently 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 4.3%, telecommunications is 4.7%, and commercial real estate rental is 2.4%. Effective July 1, 2025 the City's sales tax rate for most business activity categories will increase to 2.8%. The City collected $1,112,310,000 from all transaction privilege tax categories in fiscal year 2020-21, $1,252,223,000 in 2021-22, $1,432,513,000 in 2022-23 and $1,595,667,000 in 2023-24. The estimate for fiscal year 2024-25 is $1,503,633,000.

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

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

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

Beginning September 30, 2021, Arizona State Legislature established the Municipal Firefighters Cancer Reimbursement Fund ("*MFCR*") under the new statutes in Title 23, Chapter 11. The MFCR assessment will be billed by the Industrial Commission of Arizona ("*ICA*"). Local governments can pay these obligations to ICA from any revenues source and these fees are not expected to reduce the City's State-Shared Revenues. State-statutes set the maximum total amount that can be collected from all jurisdictions at $15 million in any fiscal year. For fiscal year 2024-25, the City of Phoenix was assessed a fee of $4.2 million.

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

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

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

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

| Category | Rate | Rate(1) Effective 7-01-25 |
|---|---|---|
| Mining | 0.1% | 0.1% |
| Advertising | 0.5 | 0.5 |
| Amusement | 2.3 | 2.8 |
| Contracting | 2.3 | 2.8 |
| Leasing/Rental of Tangible Personal Property | 2.3 | 2.8 |
| Printing | 2.3 | 2.8 |
| Publishing | 2.3 | 2.8 |
| Residential Real Estate Rentals | 2.3 | — |
| Restaurants and Bars | 2.3 | 2.8 |
| Retail | 2.3 | 2.8(2)(3) |
| Transportation | 2.3 | 2.8 |
| Commercial Real Estate Rentals | 2.4 | 2.9 |
| Utilities | 2.7 | 2.7 |
| Short-term Motor Vehicle Rental | 4.3 | 4.3 |
| Telecommunications | 4.7 | 4.7 |
| Hotel/Motel | 5.3 | 5.8 |
| Jet Fuel (1st 10 million gallons) | \$0.00732/gallon | \$0.00732/gallon |

(1) On October 5, 1993, City of Phoenix voters approved a 0.1% increase in the City's TPT rate. The revenues produced by the increase must be used to add police officers and firefighters and to expand neighborhood programs designed to deter crime. The increase affects all transaction privilege tax categories except advertising, utilities, jet fuel, and telecommunications and became effective December 1, 1993. The revenues resulting from this increase totaled $40.9 million in 2020-21, $49.2 million in 2021-22, $53.1 million in 2022-23, and $55.0 million in 2023-24. The estimate for fiscal year 2024-25 is $52.3 million.

On September 7, 1999, City of Phoenix voters approved a 0.1% increase in the City's TPT rate to be levied for a 10-year period, effective November 1, 1999. The revenues produced by the increase will be used for the acquisition of desert preserve open space and the development and improvement of regional and neighborhood parks located within the City. The increase affects all transaction privilege tax categories except advertising, utilities, jet fuel, telecommunications, and mining. On May 20, 2008, City of Phoenix voters approved a 30-year extension of this tax. This extension also expands the possible uses of these funds to include operational expenses such as salaries for park rangers and maintenance workers. Forty percent of the revenues produced by the extension will be used to acquire land for Phoenix's Sonoran Preserve. The remaining 60% will be used to finance improvements to parks throughout the City. The extension became effective July 1, 2008. The revenues resulting from the increase generated $40.9 million in 2020-21, $49.2 million in 2021-22, $53.1 million in 2022-23, and $55.0 million in 2023-24. The estimate for fiscal year 2024-25 is $52.3 million.

On March 14, 2000, City of Phoenix residents approved a 0.4% increase in the City's TPT rate to be levied for a 20-year period dedicated to transit improvements (the "*Transit Sales Tax*"). Transit improvements include expanded local bus 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 the increase totaled $279.3 million in 2020-21, $335.6 million in 2021-22, $362.5 million in 2022-23 and $376.2 million in 2023-24. The estimate for fiscal year 2024-25 is $359.1 million.

On September 11, 2007, City of Phoenix voters approved a 0.2% increase in the City's TPT rate. Eighty percent of the revenues produced by the increase will be used by the Phoenix Police Department to recruit, hire, train and equip at least 500 police officers and police personnel; hire crime scene investigation forensic teams; and to make service calls more efficient. Twenty percent of the revenues produced by the increase will be used by the Phoenix Fire Department to recruit, hire, train and equip at least 100 firefighters and fire personnel to improve fire protection services. The increase affects all TPT categories except advertising, utilities, jet fuel, telecommunications and mining, and became effective December 1, 2007. The revenues resulted from this increase totaled $81.9 million in 2020-21, $98.3 million in 2021-22, and $106.3 million in 2022-23, and $110 million in 2023-24. The estimate for fiscal year 2024-25 is $105.2 million.

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

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

(3) New threshold amounts for the retail sales and use tax two-level tax rate structure, as approved by Phoenix voters with Proposition 104 on August 25, 2015, went into effect January 1, 2024. The inflationary adjustment to the threshold amount affects sales transacted beginning with January 1, 2024 and through the present tax periods. The current threshold amount of $13,886 was adjusted by an incremental amount of $2,255 from $11,631 for "big ticket" items under corresponding retail and use tax business codes.

## STATE-SHARED REVENUES

State-Shared Revenues include the City's share of State sales taxes, State income taxes, highway user revenues, vehicle license taxes, and the Local Transportation Assistance Fund. The City received a total of $597,310,000 in 2019-20, $674,518,000 in 2020-21, $691,895,000 in 2021-22, $799,597,000 in 2022-23, and $942,512,000 in 2023-24. The estimate for fiscal year 2024-25 is $870,157,000.

As part of the State's fiscal year 2021-22 budget, on June 30, 2021, the then-Governor of the State signed SB 1828, which consolidated the State's current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning in 2022. Legislative reports produced at the time SB 1828 was signed indicate that such a rate consolidation will result in an estimated $1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State-Shared Income Taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State-Shared Income Taxes, SB 1828 increased, beginning in fiscal year 2023-24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%. The estimated revenue loss to the City from the reduction in State-Shared Income Taxes as a result of SB 1828 for fiscal years 2024-2025 and 2025-26 compared to the amounts previously estimated by the Legislature's Joint Legislative Budget Committee is approximately $84.7 million, and $22.7 million, respectively.

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

### State Sales Tax Receipts

Effective July 1, 1986, the State sales tax became a combined tax, including the previous transaction privilege tax, education excise tax, special education excise tax and business excise tax. Cities throughout Arizona share 25% of the "distribution share" of such combined tax revenues in relation to their population as shown by the latest census.

**City of Phoenix Share of State Sales Tax Receipts**

| Fiscal Year | Amount |
|---|---|
| 2024-25 (Estimate) | $252,575,000 |
| 2023-24 | 249,504,000 |
| 2022-23 | 241,813,000 |
| 2021-22 | 229,901,000 |
| 2020-21 | 201,292,000 |
| 2019-20 | 171,926,000 |
| 2018-19 | 165,066,000 |
| 2017-18 | 155,998,000 |
| 2016-17 | 143,975,000 |
| 2015-16 | 137,544,000 |

**State Sales Tax**
**Taxable Activities, Tax Rates and Distribution Share**

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

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

### State Income Tax Receipts

Cities throughout Arizona share in a distribution of State personal and corporate income taxes. The net income tax revenues collected two years prior is shared with cities in relation to their population as determined by the latest census. The urban revenue sharing percentage for cities is 18.0% of income tax revenues collected.

**State Income Tax Receipts**

| Fiscal Year | Amount |
|---|---|
| 2024-25 (Estimate) | $351,016,000 |
| 2023-24 | 435,754,000 |
| 2022-23 | 308,183,000 |
| 2021-22 | 213,294,000 |
| 2020-21 | 240,237,000 |
| 2019-20 | 214,697,000 |
| 2018-19 | 196,918,000 |
| 2017-18 | 200,035,000 |
| 2016-17 | 191,225,000 |
| 2015-16 | 174,234,000 |

### Legislation Regarding Withholding of State Shared Revenues

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

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

On May 14, 2025, three Arizona legislators submitted a request for an investigation to the Arizona Attorney General with legal questions regarding the City's Gift Policy for contributions to non-profit organizations. The request is still pending a determination from the Arizona Attorney General. The City also retains the right to appeal. Only a final decision against the City would subject it to a loss of State-Shared Revenues and, in that situation, the City can amend its policy to prevent the withholding of State-Shared Revenues.

**Highway User Revenues**

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

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

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

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

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

> One-half of the highway user tax revenues is distributed to each incorporated city and town in the proportion that the population of each bears to the population of all cities and towns within the State, and;

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

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

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

**City of Phoenix, Arizona**

| Highway User Tax Revenues | | Vehicle License Tax Receipts | |
|---|---|---|---|
| Fiscal Year | Amount | Fiscal Year | Amount |
| 2024-25 (Estimate) | $162,148,000 | 2024-25 (Estimate) | $88,000,000 |
| 2023-24 | 157,357,000 | 2023-24 | 83,823,000 |
| 2022-23 | 152,748,000 | 2022-23 | 80,593,000 |
| 2021-22 | 155,466,000 | 2021-22 | 78,695,000 |
| 2020-21 | 146,188,000 | 2020-21 | 79,769,000 |
| 2019-20 | 135,983,000 | 2019-20 | 70,484,000 |
| 2018-19 | 138,864,000 | 2018-19 | 70,210,000 |
| 2017-18 | 131,355,000 | 2017-18 | 66,784,000 |
| 2016-17 | 126,058,000 | 2016-17 | 61,586,000 |
| 2015-16 | 116,682,000 | 2015-16 | 59,801,000 |

**Local Transportation Assistance**

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

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

On March 11, 2010, then-Governor Jan Brewer signed a State budget package that permanently eliminated funding to the LTAF and the LTAF II, effective immediately. On September 2, 2011, a Federal judge issued a Court Order reinstating LTAF II Funding in Maricopa County. The City received $4,220,195 in fiscal year 2018-19, $4,220,195 in 2019-20, $4,220,195 in 2020-21, $4,052,686 in 2021-22, $4,067,212 in 2022-23, and $4,067,212 in 2023-24. The estimate for 2024-25 is $4,050,000.

## TRANSPORTATION PROGRAM PASSED BY MARICOPA COUNTY VOTERS

In 1985, the Arizona Legislature enacted transportation finance legislation which, among its provisions, provided potential funding for controlled access highways and regional public transportation.

As a result, Maricopa County held a special election on October 8, 1985 to levy a one-half percent transportation excise tax (sales tax) within the County. The measure was passed by the voters by more than a 2 to 1 margin. The transportation excise tax became effective January 1, 1986 for a period not to exceed twenty years.

With passage of the transportation excise tax in Maricopa County in 1985, the Regional Public Transportation Authority was created within the boundaries of the County on January 1, 1986. The Authority is headed by a Board of Directors consisting of one elected official appointed from each participating municipality and the County. The Board is responsible for the development of a regional public transportation system plan for a regional rapid transit system. The Board is also responsible for establishing and operating a regional bus system and may contract with the City of Phoenix to provide the service. Each city in the Authority area and the County has the option to participate in the Authority. Each city that participates must use a portion of its Local Transportation Assistance Fund monies for public transportation, with Phoenix and Mesa required to use all of its LTA funds for this purpose.

On November 2, 2004 Maricopa County voters approved Proposition 400 ("*Prop 400*"), which went into effect January 1, 2006. The Prop 400 sales tax extended the County's one-half percent sales tax for transportation funding for an additional 20 years. The countywide one-half percent sales tax will provide funding for freeways, streets, bus transit, rural transit, dial-a-ride and light rail. Combined with projected federal matching funds, the tax is expected to provide $6.2 billion for transit improvements over the life of the tax. It will support the creation of an integrated "supergrid" bus and dial-a-ride network that offers consistent service levels across the region; an expanded Express bus and bus rapid transit network that addresses both suburb-to-central-city and suburb-to-suburb commute trips; expansion of light rail transit; and associated capital investments, including new buses and Intelligent Transportation System improvements, as well as passenger and operations facilities.

**Prop 400 Sales Tax Revenue**

| Fiscal Year | Allocation For Light Rail/ High Capacity Transit Capital | Allocation For Bus Operating and Capital | Total Prop 400 Revenue Collected |
|---|---|---|---|
| 2024-25 (Estimate) | $110.2 | $144.7 | $254.9 |
| 2023-24 | 108.1 | 142.0 | 250.1 |
| 2022-23 | 104.0 | 136.5 | 240.5 |
| 2021-22 | 95.7 | 125.7 | 221.4 |
| 2020-21 | 80.3 | 105.4 | 185.7 |
| 2019-20 | 70.5 | 92.5 | 163.0 |
| 2018-19 | 67.2 | 88.3 | 155.5 |
| 2017-18 | 63.1 | 82.9 | 146.0 |
| 2016-17 | 59.6 | 78.2 | 137.8 |
| 2015-16 | 57.1 | 75.0 | 132.1 |

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

## CITY OF PHOENIX TRANSIT EXCISE TAX

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

In August 2014, a 34-person group, the Citizens Committee on the Future of Phoenix Transportation, was created to address the 2020 expiration of the Transit Sales Tax and to review the public transit and street transportation needs of the City. After six months of meetings and over 100 public engagement events, the committee forwarded their recommendations to the City Council, which approved the plan in March 2015. On August 25, 2015, voters approved a new comprehensive transportation plan and funding tax proposal that increased the existing 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.

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# APPENDIX D
## State Expenditure Limitation

Since fiscal year 1982-83, the City has been subject to an annual expenditure limitation imposed by the Arizona Constitution. This limitation is based upon the City's actual 1979-80 expenditures adjusted annually for subsequent growth in population and inflation. The 2024-25 expenditure limit supplied by the Economic Estimates Commission was $1,971,797,053. The City increased this limit to $12,976,654,000 to adjust for additional voter-approved modifications, as described below.

The Constitution exempts certain expenditures from the limitation. The principal exemptions for the City of Phoenix are payments for debt service and other long-term obligations, as well as expenditures of federal funds and certain state-shared revenues. Exemptions associated with revenues not expended in the year of receipt may be carried forward and used in later years. The 1979-80 expenditure base may also be adjusted for the transfer of functions between governmental jurisdictions.

The Constitution provides four processes, all requiring voter approval, to modify the expenditure limitation:

1. A four-year home rule option
2. A permanent adjustment to the 1979-80 base
3. A one-time override for the following fiscal year
4. An accumulation for pay-as-you-go capital expenditures

Phoenix voters have approved four-year home rule options on a regular basis since the implementation of the expenditure limitation. The home rule option which was approved in 2015 allows the City Council, after hearings are held for each council district, to establish the annual budget as the limit. This four-year home rule option was in effect through 2019-20. In 2018, voters approved a proposition that moved regular City candidate elections from the fall of odd-numbered years to November of even-numbered years. State legislation allows the four-year home rule option to be extended in conjunction with the change of election dates.

The current home rule option, approved by the voters on November 5, 2024, will be in effect for four fiscal years from 2025-26 and expire at the end of 2028-29. Residents of the City of Phoenix, after obtaining community input, will be able to control local expenditures on the proposed spending plan and set the limit at the City's annual budget meeting.

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

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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 Annual Comprehensive Financial Report ("*ACFR*"). The ACFR is available at http://emma.msrb.org or www.phoenix.gov/administration/departments/finance/financial-reporting/annual-comprehensive-financial-report.html under Administration-City Departments-Financial Reporting Annual Comprehensive Financial Report or by calling the City at (602) 262-7166. The most recent report of the Actuary and the plan's annual financial reports are available online at https://www.phoenix.gov/administration/departments/retirement/pension-plan-reports.html.

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

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

The City contributes an actuarially determined percentage of payroll to COPERS, as required by City Charter, to fully fund benefits for active members and to amortize any unfunded actuarial liability as a level percent of projected member payroll over a closed 15-year period. For the fiscal year ended June 30, 2024, the total contribution rate was 35.24% of compensation. Tier 1 employees contributed 5% of their compensation, Tier 2 and Tier 3 employees contributed 11.0% and the City contributed the remainder, which amounted to $193.1 million for the fiscal year.

The City's actuarially determined contribution, actual contribution and covered payroll for the last three fiscal years follows:

**Schedule of Employer Contributions**
**(in thousands)**

| Fiscal Year Ended June 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Percentage Contributed | Covered Payroll | Actual Contribution as a percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| 2024 | $192,538 | $210,701 | ($18,163) | 109% | $750,171 | 28.09% |
| 2023 | 179,616 | 193,136 | (13,520) | 108 | 653,263 | 29.56 |
| 2022 | 167,843 | 178,319 | (10,476) | 107 | 595,304 | 29.95 |

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

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

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

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

Actuarial assumptions used to determine the total pension liability in the June 30, 2024 valuation were based on the results of the actuarial experience study covering the period from July 1, 2014 through June 30, 2019. Those assumption, applied to all periods included in the measurement, are as follows:

| | |
|---|---|
| Investment Rate of Return | 7.00% |
| Inflation | 2.30% |
| Salary Increase Rate | 2.80% plus merit component based on service ranging from 4.20% at 1 year of service to 0.0% for members with 15 or more years of service |
| Cost of Living Adjustment | 0.50% through 2024, 1.00% from 2025-2029 and then 1.25% thereafter |
| Administrative Expenses | Assumed to be equal to the prior year's amount, increased by 2.50% |

Based on the assumption that employee and City contributions to COPERS will continue to follow the established contribution policy and the sufficiency of the Fiduciary Net Position, the long-term expected rate of return on the plan's investments, 7.00%, was applied as the single rate to all periods of projected benefit payments to determine the total pension liability.

**City of Phoenix Pension Reform**

In January 2011, the Mayor and City Council appointed members of a Pension Reform Task Force (the "*Task Force*") to work with management, outside consultants and other stakeholders to review and possibly recommend changes to COPERS. On September 25, 2012, after several revisions, the Task Force presented a final report to the Mayor and City Council, including recommended amendments to the City Charter. At the September 25, 2012 meeting, the Mayor and City Council directed staff to draft proposed revisions to City Charter language for referral to the March 2013 ballot based on the Task Force's recommendations.

At a special election held on March 12, 2013, voters approved changes to COPERS. The changes affected new employees hired on and after July 1, 2013 and are expected to save the City approximately $829 million over 25 years. The changes exclude public safety employees and elected officials, each covered under separate pension plans. The following is a summary of the voter-approved changes:

- The retirement eligibility age will increase an average of approximately 3.5 years
- The employer and employee contribution rates will be based on a 50/50 split of the actuarially determined rate necessary to fully fund the annual required contribution ("*ARC*")
- The benefit formula components will be changed to a graduated multiplier based on years of service, matching the State of Arizona retirement plan
- Prior to these changes, the City Charter required full funding of the ARC, but prohibited the City from contributing an amount greater than the ARC. The voter-approved changes allow the City to contribute an amount greater than the ARC
- The Investment Policy for COPERS will be updated to allow for investments that meet the Prudent Investor Rule

On July 1, 2013 as a result of the voter approved changes, a two-tier system was created for COPERS. A Tier 1 employee is any employee hired by the City before July 1, 2013, or any employee hired by the City on or after July 1, 2013 who participated in the Arizona State Retirement System prior to July 1, 2011. A Tier 2 employee is any employee hired by the City on or after July 1, 2013 who is not a Tier 1 employee. Effective July 1, 2013, Tier 1 employees continued to contribute 5.0% of their compensation to the plan, and Tier 2 employees contributed one-half of the total required actuarial percentage. The contribution rate for the City is the total projected percentage less the member contribution rates for each tier.

In November 2014, the Mayor created the Civilian Retirement Security Ad Hoc Committee (the "*Committee*") to address further pension reform. The Committee, which included members of the City Council along with community and business leaders, met over three months to consider several options for reform. In February 2015, the Committee unanimously recommended a stacked hybrid plan ("*Prop 103*") that was expected to save the City over $38 million over 20 years starting January 1, 2016. The most significant changes under this plan are for employees hired after January 1, 2016 to be classified as Tier 3 employees. Tier 3 employees would be subject to the following benefit changes:

- Final Average Salary calculation changed to a five-year average
- Pension multiplier reduced to 1.85% of salary per year of service through the first 10 years of employment, gradually increasing to 2.0% at 20 years of service
- Elimination of the sick leave service credit
- Eliminates the ability for employees previously employed by the state or other cities in Arizona to join the City of Phoenix as Tier 1 employees
- Makes compensation above $125,000 per year non-pensionable; the cap would increase each year to match inflation

Prop 103 continues the 50/50 split in the contribution rate for new hires, but created a ceiling in the employee rate of 11.0% of their compensation. The ceiling applies to both Tier 2 and Tier 3 employees to help improve the recruitment and retention of employees. The City Council approved the plan on March 4, 2015, and on August 25, 2015 voters also approved Prop 103, which became effective on January 1, 2016.

**Accrued Vacation or Sick-Leave on City of Phoenix's Pension Benefits**

The benefit amount under COPERS depends, in part, on a retiring employee's highest average annual compensation paid over a multi-year period. As part of pension reform, the City restricted "pension spiking" by no longer allowing unused sick leave accrued after July 1, 2012, and unused vacation leave accrued after June 30, 2014, to be included when calculating a member's "final average compensation." This practice was upheld by the Arizona Supreme Court on July 10, 2020, in Piccioli v. City of Phoenix, CV-19-0116 and AFSCME v. Phoenix CV-19-0143.

On July 10, 2020 the Arizona Supreme Court issued rulings on "pension spiking" in Piccioli v. City of Phoenix, CV-19-0116 and AFSCME v. Phoenix CV-19-0143, where the former addressed the implication of sick leave and the latter vacation leave. The City of Phoenix pays pension benefits to eligible employees upon retirement. The amount of that benefit depends, in part, on a retiring employee's highest average annual compensation paid over a multi-year period. The primary issue in the cases was whether a one-time payout for accrued sick or vacation leave upon retirement was "compensation" under the COPERS' Plan that must be included when calculating a member's "final average compensation," which is used in determining the pension benefit amount. The Court held that the City did not need to include the one-time payments for unused sick or vacation leave at retirement as part of final average compensation. Thus, the City did not violate the Arizona Constitution by prospectively eliminating the payouts made at the time of retirement for sick leave accrued after July 1, 2012, and vacation leave accrued after June 30, 2014, from the calculation of final average compensation.

In 2012, when Piccioli v. City of Phoenix, CV2012-010330 was filed, the Board of Trustees of COPERS took action, upon advice from their consulting actuary, to not recognize any savings from the leave changes until after the court cases were adjudicated. At that time, the savings of the changes were estimated to equal about 9% of the total fund value. This 9% load has been built in to valuations since 2012. Following the opinions from the Arizona Supreme Court in July 2020, COPERS' consulting actuary had prepared a recommendation to remove 7.5% of that load, holding back 1.5% to account for future negative experience related to certain assumptions. On August 6, 2020, the COPERS Board approved the actuaries recommendation. Based on the June 30, 2019 valuation, it is estimated that continuing the practices upheld by the Court will result in savings of $156.9 million over a 20-year period.

**Citizen Pension Reform Initiative**

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

**State of Arizona Public Safety Personnel Retirement System**

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

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

The System, for both police and fire personnel, is funded via member contributions of 7.65% of compensation for employees whose membership date was prior to July 20, 2011, and 11.65% of compensation for employees whose membership date began on or after July 20, 2011. Employees whose membership date was on or after January 1, 2012 have the option of participating in the hybrid plan for non-social security positions with contributions of 14.65%, of which 3.0% goes toward a defined contribution plan and is matched by the employer. Employer rates are set by an actuarial valuation and expressed as a percent of compensation. For fiscal year ended June 30, 2024, the required employer contribution rates were as follows:

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

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

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

The City's APSPRS membership data is as follows:

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

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

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

(1) Other changes include adjustments for prior year GASB 68 and reserve transfer to/from employer and employee reserves.

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

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

(1) Other changes include adjustments for prior year GASB 68 and reserve transfer to/from employer and employee reserves.

Actuarial assumptions used to determine the total pension liability in the June 30, 2021 actuarial valuation were based on the results of the actuarial experience study covering the period from July 1, 2011 through June 30, 2016. Those assumptions, applied to all periods included in the measurement, are as follows:

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Fair Value of Assets |
| Price Inflation | 2.50% |
| Salary Increases | 3.25% to 15.00% including inflation |
| Tier 1 and 2 Investment Rate of Return | 7.20%, net of investment and administrative expense |
| Tier 3 Investment Rate of Return | 7.00%, net of investment and administrative expense |
| Tier 3 Compensation Limit | $115,868 for 2021. Assumed increases of 2.00% per year |
| Retirement Rates | Rates based on a 2022 experience study using actual plan experience |
| Mortality Rates | All rates were updated to reflect the PubS-2010 tables. The mortality assumptions sufficiently accommodate future mortality improvements. |

The cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. The assumed future permanent benefit increase used for this valuation is 2.00%.

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

| | Year Ended June 30, | Actuarially Determined Contribution | Actual Contribution(1) | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Valuation Payroll |
|---|---|---|---|---|---|---|
| **Police** | 2024 | $ — | $260,075 | $ — | $ — | —% |
| | 2023 | 189,040 | 236,868 | (47,828) | 259,384 | 91.32 |
| | 2022 | 154,979 | 183,098 | (28,119) | 222,342 | 82.35 |
| | 2021 | 153,644 | 172,800 | (19,156) | 229,875 | 75.17 |
| | 2020 | 167,099 | 167,099 | — | 233,472 | 71.57 |
| | 2019 | 149,442 | 149,442 | — | 228,846 | 65.30 |
| | 2018 | 124,618 | 124,618 | — | 221,105 | 56.36 |
| **Fire** | 2024 | $ — | $135,973 | $ — | $ — | —% |
| | 2023 | 102,404 | 125,294 | (22,890) | 164,128 | 76.34 |
| | 2022 | 96,217 | 107,767 | (11,550) | 151,969 | 70.91 |
| | 2021 | 89,913 | 106,126 | (16,213) | 148,348 | 71.54 |
| | 2020 | 90,148 | 90,148 | — | 139,641 | 64.56 |
| | 2019 | 77,142 | 77,142 | — | 135,273 | 57.03 |
| | 2018 | 73,288 | 73,288 | — | 132,503 | 55.31 |

(1) Actual contributions are based on covered payroll at the time of contribution. It is the actuary's understanding that the City's practice is to contribute the percent-of-payroll employer contribution rate (or flat dollar amount if there are no active employees) shown in the actuarial valuation report. Because of this

understanding, the Actuarially Determined Contributions shown in the Schedule of Contributions are the actual contributions made by the City in the fiscal year. Fiscal year 2024 actual contributions represent contributions made subsequent to the measurement date.

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

**APSPRS Pension Reform**

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

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

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

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

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

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

**Elected Officials' Retirement Plan**

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

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

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

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

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

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

**Additional Information**

Additional information regarding the City's Retirement and Pension Plans, including trend information and detailed assumptions, is available in the City's ACFR under the headings "Pension Plans" and "Required Supplementary Information". The ACFR is available at http://emma.msrb.org or www.phoenix.gov/administration/departments/finance/financial-reporting/annual-comprehensive-financial-report.html under City Administration-City Departments-Finance-Annual Comprehensive Financial Report or by calling the City at (602) 262-7166.

Additional information regarding the APSPRS and the EORP, including annual financial reports, actuary reports, trend information and detailed assumptions is available at www.psprs.com/investments--financials/annual-reports.

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# APPENDIX F

## Health Care Benefits for Retired Employees

The City provides certain postemployment health care benefits for its retirees. City retirees meeting certain qualifications are eligible to participate in the City's health insurance program along with the City's active employees. As of August 1, 2007, separate unblended rates have been established for active and retiree health insurance.

In June 2004, the Governmental Accounting Standards Board ("*GASB*") issued Statement 45 ("*GASB 45*") which addresses how state and local governments should account for and report costs and obligations related to post-employment health care and other post-employment non-pension benefits ("*OPEB*"). GASB 45 generally requires that the annual cost of OPEB and the outstanding obligations and commitments related to OPEB be accounted for and reported in essentially the same manner as pensions. The City implemented GASB Statement 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, effective July 1, 2007.

GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaces GASB 45 and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The new GASB statement requires the presentation of liability for OPEB obligations in the employer's financial statements. The Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. The City implemented GASB 75 effective July 1, 2017.

**Medical Expense Reimbursement Plan**

Employees eligible to retire in 15 years or less from August 1, 2007, will receive a monthly subsidy from the City's Medical Expense Reimbursement Plan ("*MERP*") when they retire. The MERP is a single-employer, defined benefit OPEB plan.

The subsidy provides an offset to out of pocket healthcare expenses such as premiums, deductibles and co-pays, whether the retiree or survivor elects to purchase coverage through city sponsored retiree plans or other sources. City sponsored health plans are provided to eligible non-Medicare retirees and dependents. The subsidy varies with length of service or bargaining unit, from $117 to $202 per month. Retirees may be eligible for additional subsidies depending on their bargaining unit, retirement date, or enrollment in the City's medical insurance program. Current and future eligible retirees who purchase health insurance through the City's plan will receive an additional subsidy to minimize the impact of unblending health insurance rates for active and retired employees.

In December 2007, the City established the City of Phoenix MERP Trust to fund all or a portion of the City's share of liabilities incurred in providing the benefits as reflected in Administrative Regulation 2.42 — Medical Expense Reimbursement Plan for Retirees and Eligible Surviving Spouses or Qualified Domestic Partners. A five-member Board of Trustees was delegated fiduciary responsibility for the MERP Trust, subject to oversight of the City Council.

The employees covered by MERP at June 30, 2023, the effective date of the biennial OPEB valuation, are:

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

Contributions by the City (plus earnings thereon) are the sole source of funding for the MERP. The City's Board of Trustees, subject to oversight by the City Council has the authority to establish and amend the contribution requirements of the City and active employees. The Board of Trustees establishes the rates based on an actuarially determined rate recommended by an independent actuary. The actuarial determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2024, the City contributed $15.5 million. Employees are not required to contribute to the MERP.

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

**MERP**
**Schedule of Employer Contributions**
**(in thousands)**

| Fiscal Year Ended June 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a percentage of Covered Payroll |
|---|---|---|---|---|---|
| 2024 | $15,541 | $15,541 | $ — | $125,255 | 12.41% |
| 2023 | 19,750 | 19,750 | — | 170,892 | 11.56 |

The City's net OPEB liability for MERP was measured as of June 30, 2023, and the total MERP OPEB liability used to calculate the net OPEB liability for MERP was determined by an actuarial valuation as of June 30, 2023. The net OPEB liability for MERP is measured as the total MERP OPEB liability, less the amount of the plan's fiduciary net position. In actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations based on the Board's adopted assumptions and methods).

A single discount rate of 6.5% was used to measure the total MERP OPEB liability as of June 30, 2024. This single discount rate was based on an expected rate of return on MERP OPEB plan investments of 6.5%. Based on the stated assumptions and the projection of cash flows, the MERP OPEB fiduciary net position and future contributions were projected to be sufficient to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on MERP OPEB plan investments was applied to all periods of projected benefit payments to determine the total MERP OPEB liability.

The following schedule shows the funding progress of the plan for the last two fiscal years. The total MERP OPEB liability decreased $2,473,000 from 2023 to 2024.

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

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

**Post Employment Health Plan**

Benefit eligible employees with more than 15 years until retirement eligibility, as of August 1, 2007, receive $150 per month while employed by the City as a defined contribution to the Post Employment Health Plan ("*PEHP*"). This is a 100% employer-paid benefit. The program provides employees who have a payroll deduction for City medical insurance coverage (single or family) with a PEHP account. This account is to be used by the employee when he/she retires or separates employment with the City for qualified medical expenses (including health insurance premiums).

**Long-Term Disability Program**

In November 2008, the City established the City of Phoenix Long-Term Disability ("*LTD*") Trust to fund all or a portion of the City's liabilities incurred in providing the benefits as reflected in Administrative Regulation 2.323 — City of Phoenix Long-Term Disability Program. The LTD Trust is a single-employer, defined benefit plan. A five-member Board of Trustees was delegated fiduciary responsibility for the LTD Trust, subject to oversight by the City Council. The LTD Trust issues a separate report that can be obtained through the City of Phoenix, Finance Department, Financial Accounting and Reporting Division, 251 W. Washington Street, 9th Floor, Phoenix, Arizona, 85003.

Long-term disability benefits are available to regular, full-time, benefit-eligible employees who have been employed by the City for at least 12 consecutive months. The program provides income protection of 2/3 of an employee's monthly base salary following a continuous three-month waiting period from the last day worked and the use of all leave accruals. The benefit continues to age 80 for those disabled prior to July 1, 2013 and age 75 for those disabled on or after July 1, 2013. The City pays 100% of the cost of this benefit.

The number of participants as of June 30, 2023, the effective date of the biennial OPEB valuation, follows:

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

Contributions by the City (plus earnings thereon) are the sole source of funding for the LTD program. The LTD Trust's Board of Trustees, subject to oversight by the City Council has the authority to establish and amend the contribution requirements of the City and active employees. The Board of Trustees establishes the rates based on an actuarially determined rate recommended by an independent actuary. The actuarial determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Although the LTD Plan is fully funded, the City elected to contribute $1,688,000 for the year ended June 30, 2024, and $912,000 for the year ended June 30, 2023.

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

**LTD**
**Schedule of Employer Contributions**
**(in thousands)**

| Fiscal Year Ended June 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a percentage of Covered Payroll |
|---|---|---|---|---|---|
| 2024 | $3,266 | $1,688 | $1,578 | $1,005,338 | 0.17% |
| 2023 | 2,617 | 912 | 1,705 | 980,817 | 0.09 |

The City's net OPEB liability for LTD was measured as of June 30, 2023, and the total LTD OPEB liability used to calculate the net LTD OPEB liability was determined by an actuarial valuation as of June 30, 2023. The net LTD OPEB liability is measured as the total OPEB liability, less the amount of the plan's fiduciary net position. In actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations based on the LTD Trust's Board of Trustees adopted assumptions and methods).

A single discount rate of 6.5% was used to measure the total OPEB liability for LTD as of June 30, 2024. This single discount rate was based on an expected rate of return on LTD OPEB plan investments of 6.5%. Based on the stated assumptions and the projection of cash flows, the LTD OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on LTD OPEB plan investments was applied to all periods of projected benefit payments to determine the total LTD OPEB liability.

The following schedule shows the funding progress of the plan for the last two fiscal years. The total LTD OPEB liability increased $3,115,000 from 2023 to 2024.

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

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

**APSPRS—OPEB**

The Arizona Public Safety Personnel Retirement System (*"APSPRS"*) administers an agent multiple-employer defined benefit retirement system established by Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes that provides retirement benefits, as well as death and disability benefits to public safety employees of certain state and local governments. Authority to make amendments to the plan rests with the Arizona State Legislature. The APSPRS acts as a common investment and administrative agent that is jointly administered by a Board of Trustees and participating local boards.

The City's APSPRS membership data is a follows:

| | June 30, 2023 | |
|---|---|---|
| | Police | Fire |
| Retirees and Beneficiaries | 2,961 | 1,292 |
| Inactive, Non-Retired Members | 399 | 234 |
| Active Members | 2,210 | 1,483 |
| Total | 5,570 | 3,009 |

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

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

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

**APSPRS**
**Schedule of Employer Contributions**
**(in thousands)**

| | Fiscal Year Ended June 30, | Actuarially Determined Contribution | Contribution in Relation to the Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| **Police** | 2023 | $119 | $119 | $ — | $259,384 | 0.05% |
| **Fire** | 2023 | $ 47 | $ 47 | $ — | $164,128 | 0.03% |

The following schedule shows the funding of the APSPRS OPEB plan for the last fiscal year. The City's net OPEB liability for APSPRS was measured as of June 30, 2023, and the total APSPRS OPEB liability used to calculate the net OPEB liability for APSPRS was determined by an actuarial valuation as of the same date.

**Schedule of Changes in Net OPEB Liability and Related Ratios for Reporting Date Ended June 30,**
(in thousands)

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

**Actuarial Valuations**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**Additional Information**

Additional information regarding the City's Health Care Benefits for Retired Employees, including the actuarial methods and detailed assumptions used to calculate the ARC, is available in the City's ACFR under the heading "Other Postemployment Benefits (*OPEB*)". The ACFR is available at http://emma.msrb.org or www.phoenix.gov under Departments-Finance-Financial Information & Reports or by calling the City at (602) 262-7166.

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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 the resolution adopted by the Board of Directors of the Corporation providing for the issuance of the Bonds and approving the Loan Agreement, the Indenture and related matters.

"*Bond Service Charges*" means, for any period of time, the principal of and premium, if any, and interest on the Bonds for that period or payable at that time, whether due at maturity or upon redemption.

"*City Representative*" means the Chief Financial Officer of the City or any other person duly authorized by the City to act on behalf of the City under or with respect to the Indenture or the Loan Agreement.

"*Corporation Representative*" means the Chief Financial Officer of the City or a person designated by the Chief Financial Officer, any member of the Board of Directors of the Corporation, or any person authorized to act on behalf of the Corporation under or with respect to the Indenture, as evidenced by a resolution confirming such authorization adopted by the Corporation.

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

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

"*Indenture*" means the Subordinated Trust Indenture, dated as of July 1, 2025, between the Corporation and the Trustee, as amended and supplemented from time to time.

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

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

"*Interest Payment Date*" means January 1 and July 1 of each year, commencing January 1, 2026.

"*Loan Agreement*" means the Subordinated Loan Agreement, dated as of July 1, 2025, between the Corporation, as lender, and the City, as obligor, together with any duly authorized and executed amendments or supplements thereto, pursuant to which the City makes Loan Payments sufficient to pay principal of and interest on the Bonds.

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

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

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

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

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

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

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

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

"*Paying Agent*" means any bank or trust company designated as a Paying Agent by or in accordance with the Indenture.

"*Permitted Investments*" means:

(a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. <u>U.S. Export-Import Bank (Eximbank)</u>
   Direct obligations or fully guaranteed certificates of beneficial ownership;

2. <u>Farmers Home Administration (FmHA)</u>
   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);

4. Farm Credit System
Consolidated systemwide bonds and notes;

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of "AAAm-G," "AAA-m" or "AA-m" and if rated by Moody's rated "Aaa," "Aa1" or "Aa2";

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above; certificates of deposit must have a one year or less maturity; such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks whose short term obligations are rated "A-1+" or better by S&P and "Prime-1" by Moody's; the collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral;

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the Federal Deposit Insurance Corporation, including the Bank Insurance Fund and the Savings Association Insurance Fund;

(g) Investment agreements, including guaranteed investment contracts, forward purchase agreements and reserve fund put agreements;

(h) Commercial paper rated "Prime-1" by Moody's and "A-1+" or better by S&P;

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest long-term rating categories assigned by such agencies;

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1+" by S&P;

(k) Repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date, and which satisfy the following criteria:

1. Repurchase agreements must be between the municipal entity and a dealer bank or securities firm;

   i. Primary dealers on the Federal Reserve reporting dealer list which are rated "A" or better by S&P and Moody's, or

   ii. Banks rated "A" or above by S&P and Moody's;

2. The written repurchase agreement must include the following:

   i. Securities which are acceptable for transfer are: (A) Direct U.S. governments, or (B) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC);

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

   iii. The collateral must be delivered to the municipal entity, trustee (if the trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities);

   iv. The trustee has a perfected first priority security interest in the collateral;

   v. Collateral is free and clear of third-party liens and in the case of SIPC broker was not acquired pursuant to a repurchase agreement or reverse repurchase agreement;

   vi. Failure to maintain the requisite collateral percentage, after a two day restoration period, will require the trustee to liquidate collateral; and

   vii. Valuation of Collateral:

      (A) The securities must be valued at least weekly, marked-to-market at current market price plus accrued interest; and

      (B) The value of collateral must be equal to 102% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repurchase agreement plus accrued interest; if the value of securities held as collateral slips below 102% of the value of the cash transferred by the Trustee, then additional cash and/or acceptable securities must be transferred; and

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

provided that any investment or deposit described above is permitted by applicable law.

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

"*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) Loan Payments with respect to the Bonds due under the Loan Agreement, (b) all other monies with respect to the Bonds received or to be received by the Corporation or the pursuant to the Loan Agreement, including without limitation monies and investments in the Bond Fund, the Interest Fund and the Revenue Fund, and (c) all income and profit from the investment of the foregoing monies. The term "Revenues" does not include any monies or investments in the Rebate Fund, as that term is defined in the Indenture.

"*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 applicable Loan Payments and the amounts to be paid to the Corporation or the Trustee under the terms of such Loan Agreement; and (iii) the applicable Revenues; excluding, however, any money or investments in the applicable Rebate Fund.

*Receipt of Revenues*. The amounts to be paid by the City with respect to the Bonds pursuant to the terms of the Loan Agreement have been assigned by the Corporation to the Trustee so that such monies shall be paid by the City directly to the Trustee, and the Trustee shall credit such monies to the Revenue Fund. The Trustee shall, at least 15 days prior to the date amounts are due pursuant to the Loan Agreement, determine the amount required to be deposited for the next such payment which shall be the sum of (i) the amount which, when added to the monies in the Revenue Fund available for the payment of Bond Service Charges, is sufficient to pay into the Interest Fund and Bond Fund, respectively, the amounts due therein on the next Interest Payment Date and Principal Payment Date (if such Loan Payment Date is a Principal Payment Date), and (ii) any other amounts due and payable from the Corporation under the Indenture. The Trustee shall inform the City, 15 business days prior to any date amounts are due pursuant to the Loan Agreement, of the amount required to be deposited by the City to pay such amount.

**Flow of Funds.** The Trustee shall make transfers from the Revenue Fund as follows:

*(i) Interest Fund*: On each Interest Payment Date, the Trustee shall deposit in the Interest Fund an amount equal to the amount of the interest becoming due and payable on the Outstanding Bonds on said Interest Payment Date, and each such deposit shall be made so that adequate monies for the payment of interest will be available in such account on each date that interest payments are to be made under the Indenture. Money in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable.

*(ii) Bond Fund*: On each Principal Payment Date, the Trustee shall deposit in the Bond Fund the principal of the Bonds as each amount shall become due and payable.

*Investment of Bond Fund, Revenue Fund, and Interest Fund*. Monies in the Bond Fund, Revenue Fund and Interest Fund, (collectively, the "*Funds*") shall be invested, sold and reinvested by the Trustee in Permitted Investments at the oral or written direction of the City Representative or, in the absence of any such oral or written request, in *First American Funds Government Obligations (Class Y)* until the Trustee receives written directions. The Trustee must give notice to the City that any fund is so invested as a result of the City not providing investment direction. An investment made from monies credited to the Funds is a part of that respective fund, and those investments shall be valued at face amount or market value, whichever is less. Each investment of monies in the Funds shall mature or be redeemable at such time as may be necessary to make the required payments from such Funds. Amounts credited to any Fund may be invested, together with amounts credited to one or more other Funds, in the same Permitted Investment, provided that (i) each such investment complies in all respects with the provisions of the Indenture as they apply to each Fund for which the joint investment is made and (ii) the Trustee maintains separate records for each Fund and such investments are accurately reflected therein. Any of those Permitted Investments may be purchased from or sold to the Trustee, the Registrar, an Authenticating Agent or a Paying Agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee shall sell at the best price obtainable, or present for redemption, any Permitted Investment purchased by it as an investment whenever it shall be necessary in order to provide monies to meet any payment or transfer from the fund or account for which such investment was made.

The City shall not knowingly direct the Trustee to make any investment at a yield in excess of the maximum yield, if any, stated in the Tax Certificate executed pursuant to Section 148 of the 1986 Code, except during any "temporary period" stated in the Tax Certificate, and the Trustee shall keep accurate records of such investments and yields. The Trustee shall be entitled to rely upon any investment direction provided to it by the City as a certification to the Trustee that such investments constitute Permitted Investments. The Trustee may elect, but shall not be obligated, to credit the funds and accounts held by it with monies representing income or principal payments due on, or sales proceeds due in respect of, Permitted Investments in such funds and accounts, or to credit to receiving the requisite monies from the payment source, or to otherwise advance funds for account transactions. The City acknowledges that the legal obligation to pay the purchase price of any Permitted Investments arises immediately at the time of the purchase. Notwithstanding anything else in the Indenture, (i) any such crediting of funds or assets shall be provisional in nature, and the Trustee shall be authorized to reverse any such transaction or advances of funds in the vent that it does not receive good funds with respect thereto, and (ii) nothing in the Indenture shall constitute a waiver of the Trustee's rights as a securities intermediary under Uniform Commercial Code Section 9-206. Ratings of Permitted Investments shall be determined at the time of initial purchase of such Permitted Investments and without regard to ratings subcategories and the Trustee shall have no responsibility to monitor the ratings of Permitted investments after the initial purchase of such Permitted Investments, including at the time of reinvestment of earnings thereof.

*Enforcement of Revenue Pledge*. As provided in the Loan Agreement, the Trustee shall have the right of specific performance of the pledge of receipts and revenues of the City described in the Loan Agreement by appropriate court action, in the name of the Trustee on behalf of the Owners of the Bonds, in the name of the Corporation, or in the names of both. Nothing contained in the Indenture or the Loan Agreement shall be deemed to create a lien of any kind upon the 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, in any judicial proceeding to which the Corporation or the City is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Owners of the Bonds. The rights and obligations of the Trustee are subject to the approval of that intervention by a court of competent jurisdiction. The Trustee may require that a satisfactory indemnity bond be provided to it in accordance with the Indenture before it takes such action.

*Removal of the Trustee*. The Trustee may be removed at any time by the City, or by an instrument or document or concurrent instruments or documents in writing delivered to the Trustee with copies thereof mailed to the Corporation, the Registrar and any Paying Agents and signed by or on behalf of the Owners of not less than 25 percent in aggregate principal amount of the Bonds then Outstanding. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any material provision of the Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Corporation or the Owners of not less than 25 percent in aggregate principal amount of the Bonds then Outstanding. Such removal of the Trustee shall not be effective until a successor has been appointed and has accepted the duties of the Trustee.

*Appointment of Successor Trustee*. A successor Trustee shall be appointed by the Corporation if (i) the Trustee shall resign, shall be removed, shall be dissolved, or shall become otherwise incapable of acting under the Indenture, (ii) the Trustee shall be taken under the control of any public officer or officers, or (iii) a receiver shall be appointed for the Trustee by a court; provided, that if a successor Trustee is not so appointed within ten business days after (a) a notice of resignation or an instrument or document of removal is received by the Corporation, as provided in the Indenture, respectively, or (b) the Trustee is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, so long as the Corporation shall not have appointed a successor Trustee, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding may designate a successor Trustee by an instrument or document or concurrent instruments or documents in writing signed by or on behalf of those Owners as described in the Indenture. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions, the Owner of any Bond Outstanding or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

*Events of Default*. The occurrence of any of the following events is defined as and declared to be and to constitute an Event of Default under the Indenture:

(i) Payment of any interest on any Bond shall not be made when and as that interest shall become due and payable;

(ii) Payment of the principal of or any premium on any Bond shall not be made when and as that principal or premium shall become due and payable, whether at stated maturity, by redemption or otherwise;

(iii) Failure by the Corporation to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in the Indenture or in the Bonds, which failure shall have continued for a period of 30 days after written notice of such failure, by registered or certified mail, shall have been given to the Corporation and the City, requesting that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Owners of not less than 25 percent in aggregate principal amount of Bonds then Outstanding;

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

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

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

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

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

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

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

If principal of all the Bonds shall have become due, all of those monies shall be deposited in the Bond Fund and shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest, of interest over principal, of any installment of interest over any other installment of interest, or of any Bonds over any other Bonds, ratably, according to the amounts due respectively for principal and interest, to the Owners entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

Whenever monies are to be applied pursuant to the provisions of the Indenture, those monies shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of monies available for application and the likelihood of additional monies becoming available for application in the future. Whenever the Trustee shall direct the application of those monies, it shall fix the date upon which the application is to be made, and upon the date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided that the monies are available therefor. The Trustee shall give notice of the deposit with it of any monies and of the fixing of that date, all consistent with the requirements of the Indenture for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of and any premium on a Bond to the Owner thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

*Remedies Vested in Trustee*. All rights of action (including without limitation, the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto. The sole remedy of the Trustee under the Indenture is that of specific performance as set forth in the Indenture and the Loan Agreement. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Owners as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Owners of the Outstanding Bonds, entitled thereto, subject to the provisions of the Indenture.

*Rights and Remedies of Owners*. An Owner shall not have any right to institute any suit, action or proceeding for the enforcement of the Indenture, for the execution of any trust of the Indenture, or for the exercise of any other remedy under the Indenture, unless:

(i) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in the Indenture or of which it is deemed to have notice pursuant to the Indenture;

(ii) the Owners of at least 25 percent in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted in the Indenture or to institute the suit, action or proceeding in its own name, and shall have offered indemnity to the Trustee as provided in the Indenture; and

(iii) the Trustee thereafter shall have failed or refused to exercise the remedies, rights and powers granted in the Indenture or to institute the suit, action or proceeding in its own name.

No one or more Owners of the Bonds shall have any right to affect, disturb or prejudice the security or benefit of the Indenture by its or their action, or to enforce, except in the manner provided in the Indenture, any remedy, right or power under the Indenture. Any suit, action or proceedings shall be instituted, had and maintained in the manner provided in the Indenture for the benefit of the Owners of all Bonds then Outstanding. Nothing in the Indenture shall affect or impair, however, the right of any Owner to enforce the payment of the Bond Service Charges on any Bond owned by that Owner at and after the maturity thereof, at the place, from the sources and in the manner expressed in that Bond.

*Supplemental Indentures Not Requiring Consent of Owners*. Without the consent of, or notice, to, any of the Owners, the Corporation Representative on behalf of the Corporation and the Trustee may enter into certain indentures supplemental to the Indenture as provided in the Indenture which shall not, in the opinion of the Corporation Representative and the Trustee, be inconsistent with the terms and provisions of the Indenture.

*Supplemental Indentures Requiring Consent of Owners*. Exclusive of Supplemental Indentures to which reference is made in the preceding paragraph and subject to the terms, provisions and limitations contained in this paragraph, and not otherwise, with the consent of the Owners of not less than a majority in aggregate principal amount of Bonds at the time Outstanding, evidenced as provided in the Indenture, the Corporation and the Trustee may also execute and deliver Supplemental Indentures adding any provisions to, changing in any manner or eliminating any of the provisions of the Indenture or any Supplemental Indentures or restricting in any manner the rights of the Owners. Nothing in this paragraph or the preceding paragraph shall permit:

(i) without the consent of the Owner of each Bonds so affected, (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond, or the rate of interest or premium thereon, or

(ii) without the consent of the owners of all Bonds then Outstanding, (a) the creation of a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (b) a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture.

If the Corporation shall request that the Trustee execute and deliver any Supplemental Indenture for any of such purposes of the Indenture, upon being satisfactorily indemnified with respect to its expenses in connection therewith, the Trustee shall cause notice of the proposed execution and delivery of the Supplemental Indenture to be mailed by first class mail, postage prepaid, and to all Owners of Bonds affected thereby then Outstanding at their addresses as they appear on the Register at the close of business on the fifteenth day preceding that mailing. The Trustee shall not be subject to any liability to any Owner by reason of the Trustee's failure to mail, or the failure of any Owner to receive, the notice required by this Section. Any failure of that nature shall not affect the validity of the Supplemental Indenture when there has been consent thereto as provided in this Section. The notice shall be prepared by the Corporation, shall set forth briefly the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners. If the Trustee shall receive, within a period prescribed by the Corporation, of not less than 60 days, but not exceeding one year, following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (which instrument or document or instruments or documents shall refer to the proposed Supplemental Indenture in the form described in the notice and specifically shall consent to the Supplemental Indenture in substantially that form), the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Indenture in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Owner, regardless of whether that Owner shall have consented thereto. Any consent shall be binding upon the Owner of the Bond giving the consent and, notwithstanding anything in the Indenture to the contrary, upon any subsequent Owner of that Bond and of any Bond issued in exchange therefor (regardless of whether the subsequent Owner has notice of the consent to the Supplemental Indenture). A consent may be revoked in writing, however, by the Owner who gave the consent or by a subsequent Owner of the Bond by a revocation of such consent received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Indenture. At any time after the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Corporation a written statement that the Owners of the required percentage of Bonds have filed those consents. That written statement shall be conclusive evidence that the consents have been so filed. If the Owners of the required percentage in aggregate principal amount of Bonds Outstanding shall have consented to the Supplemental Indenture, as provided above, no Owner shall have any right (i) to object to (a) the execution or delivery of the Supplemental Indenture, (b) any of the terms and provisions contained therein, or (c) the operation thereof, (ii) to question the propriety of the execution and delivery thereof, or (iii) to enjoin or restrain the Trustee or the Corporation from that execution or delivery or from taking any action pursuant to the provisions thereof.

*Modification by Unanimous Consent*. Notwithstanding anything contained elsewhere in the Indenture, the rights and obligations of the Corporation and of the Owners, and the terms and provisions of the Bonds and the Indenture or any Supplemental Indenture may be modified or altered in any respect with the consent of (i) the Corporation, (ii) the Owners of all of the Bonds then Outstanding, and (iii) the Trustee.

*Release of Indenture*. If (i) the Corporation shall pay all of the Outstanding Bonds, or shall cause them to be paid and discharged, or if there otherwise shall be paid to the Owners of the Outstanding Bonds, all Bond Service Charges due or to become due thereon, and (ii) provision also shall be made for the payment of all other sums payable under the Indenture, then the Indenture shall cease, determine and become null and void (except as otherwise provided in the Indenture), and the covenants, agreements and obligations of the Corporation under the Indenture shall be released, discharged and satisfied. Thereupon, and subject to the other provisions of the Indenture then applicable,

(i) the Trustee shall release the Indenture (except for those provisions surviving otherwise by reason of the Indenture), and shall execute and deliver to the Corporation any instruments or documents in writing as shall be requisite to evidence that release and discharge or as reasonably may be requested by the Corporation, and

(ii) the Trustee and any other Paying Agents shall assign and deliver to the City any property subject at the time to the pledge of the Indenture which then may be in their possession, except amounts in the Bond Fund required otherwise to be held by the Trustee and the Paying Agents under the Indenture or otherwise for the payment of Bond Service Charges.

*Payment and Discharge of Bonds*. All or any part of the Bonds shall be deemed to have been paid and discharged within the meaning of the Indenture if:

(i) the Trustee as paying agent and any Paying Agents or any qualified trustee shall have received, in trust for and irrevocably committee thereto, sufficient monies, or

(ii) the Trustee or any qualified trustee shall have received, in trust for and irrevocably committed thereto, noncallable Defeasance Obligations which are certified by an Independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient together with any monies to which reference is made above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided in the Indenture), for the payment of all Bond Service Charges on those Bonds, at their maturity or redemption dates, as the case may be, or if a default in payment shall have occurred on any maturity date, then for the payment of all Bond Service Charges thereon to the date of the tender of payment to the Owners of the Bonds as to which such default exists; provided, that if any of those Bonds are to be redeemed prior to the maturity thereof, notice of that redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of that notice and if a forward supply contract is employed in connection with such defeasance, (i) such verification report shall expressly state that the adequacy of the escrow relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement shall be controlling.

Any monies held by the Trustee or any qualified trustee in accordance with these provisions may be invested by the Trustee or such other trustee only in obligations described above having maturity dates, or having redemption dates which, at the option of the owner of those obligations, shall be not later than the date or dates at which monies will be required for the purposes described above. To the extent that any income or interest earned by, or increment to, the investments held under these provisions is determined in accordance with the certification described in the Indenture, from time to time by the Trustee or any qualified trustee to be in excess of the amount required to be held by the Trustee or any qualified trustee for the purposes of this Section, that income, interest or increment shall be transferred at the time of that determination to the City.

If any Bonds shall be deemed paid and discharged pursuant to these provisions, then within 15 days after such Bonds are so deemed paid and discharged the Trustee or such other trustee shall cause a written notice to be given to each Owner as shown on the Register on the date on which such Bonds are deemed paid and discharged. Such notice shall state the numbers of the Bonds deemed paid and discharged or state that all of the Bonds are deemed paid and discharged, set forth a description of the obligations held pursuant to the Indenture and specify any date or dates on which any of the Bonds are to be redeemed pursuant to notice of redemption given or irrevocable provisions made for such notice pursuant to the Indenture.

*Maintenance of Offices for Payment*. So long as the Bonds or any of them shall be Outstanding, the Corporation shall cause offices or agencies where the Bonds may be presented for payment to be maintained in the City or at the office of the Trustee as provided in the form of the Bonds.

*Payments Due on Saturdays, Sundays and Holidays*. If any Interest Payment Date or Principal Payment Date is a Saturday, Sunday or a day on which (i) the Trustee is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed, then payment of Bond Service Charges need not be made by the Trustee or any Paying Agent on that date, but that payment may be made on the next succeeding business day on which the Trustee and the Paying Agent are open for business with the same force and effect as if that payment were made on the Interest Payment Date or Principal Payment Date, and no interest shall accrue for the period after such Interest Payment Date, or (ii) a Paying Agent is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed, then payment of Bond Service Charges need not be made by that Paying Agent on that date, but that payment may be made on the next succeeding business day on which that Paying Agent is open for business with the same force and effect as if that payment were made on the Interest Payment Date or Principal Payment Date, and no interest shall accrue for the period after that date; provided, that if the Trustee is open for business on the applicable Interest Payment Date or Principal Payment Date, it shall make any payment required under the Indenture with respect to payment of Bond Service Charges on Bonds presented to it for payment, regardless of whether any Paying Agent shall be open for business or closed on the applicable Interest Payment Date or Principal Payment Date.

**Summary of Certain Provisions of the Loan Agreement**

The following is a summary of certain provisions of the Loan Agreement. This summary is not purported to be complete, and reference is made to the full text of the Loan Agreement for a complete recital of its terms, including definitions of capitalized terms herein.

*General*. The Loan Agreement has been entered into between the City as obligor and the Corporation as lender. The real and personal property comprising the 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. The City may, at its sole option, make Loan Payments from other funds as permitted by law, but the Corporation shall have no claim to such other funds.

*Additional Payments*. In the event that the City should fail for any reason to make any payment or perform any obligations under the Loan Agreement with respect to the Bonds, the Corporation, or the Trustee on its behalf, may at its own option make any such payment or perform any such duty. The amount of such payment and all expenses reasonably incurred by the Corporation and the Trustee in making such payment and performing such duty shall be paid by the City immediately upon receipt by the City of invoices sent to the City by the Corporation or the Trustee. In the event the City should fail to pay when due any of the amounts required by the Loan Agreement, the amount in default shall remain an obligation of the City payable solely from the Excise Taxes, until the amount in default is fully paid.

*Option to Prepay*. The City may prepay all or a part of the Loan to the extent and in the manner permitted by the Indenture. If such prepayment complies with the Indenture, the Corporation agrees to accept such prepayment as directed by the City. No other prepayment of the Loan shall be permitted.

*Parity Obligations*. Under the Loan Agreement, the City reserves the right to incur obligations payable from the 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 using the applicable maximum interest rates where variable rate obligations are involved in such computations; and

(b) The City shall certify through its Finance Director or other appropriate official that it is not in default on any payment under the Loan Agreement or with respect to any obligation described and included therein.

*Additional Senior or Junior Obligations.* Under the Loan Agreement, as long as the Bonds remain outstanding and the principal and interest thereon shall be unpaid or unprovided for, the City covenants that it will not further encumber the Excise Taxes pledged under the Loan Agreement on a basis senior to the subordinated junior lien pledge to make Loan Payments unless the Excise Taxes collected in the next preceding fiscal year shall have amounted to at least two times the highest combined interest and principal requirements for any succeeding 12-month period for all outstanding Senior Obligations, Junior Obligations, the Bonds and any obligations on a parity therewith and for any Senior Obligations or Junior Obligations so proposed to be secured by a pledge of the Excise Taxes.

*Assignment*. The City shall not assign, transfer, pledge or grant a security interest in the Loan Agreement without the prior written consent of the Trustee. The City shall at all times remain liable for the performance of all the covenants and conditions on its part to be performed, notwithstanding any assigning or transferring which may be made.

Pursuant to the Indenture the Corporation's rights under the Loan Agreement, including the right to receive and enforce payment of the Loan Payments to be made by the City, have been assigned to the Trustee for the benefit of the owners of the Bonds.

*Defaults and Remedies*. The following are events of default under the Loan Agreement:

(a) Failure by the City to pay any Loan Payment or other payment required to be paid with respect to the Bonds under the Loan Agreement at the time specified therein;

(b) Failure by the City to observe and perform any other covenant and condition on its part to be observed or performed under the Loan Agreement for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Corporation or the Trustee; and

(c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City to promptly lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the federal bankruptcy laws.

Upon the occurrence and continuance of an event of default, the Corporation will be entitled to enforce the Loan Agreement by appropriate action to collect any amounts due and owing or to cause the City to perform its other obligations under the Loan Agreement. The Corporation's sole remedy under the Loan Agreement is that of specific performance. Notwithstanding anything in the Loan Agreement or in the Indenture to the contrary, there shall be no right under any circumstances to accelerate or otherwise to declare any Loan Payment not then past due or in default to be immediately due and payable. The City shall be liable for all expenses and costs which the Corporation incurs or may incur in connection with the enforcement of any of its remedies in the Loan Agreement, including reasonable attorney's fees to the extent permitted by law.

*Tax Covenants*. Under the Loan Agreement, the City and the Corporation covenant that each shall not make use of the 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, provided that no such opinion shall be required for any amendment to the description of the Project.

**APPENDIX H**

**Proposed Form of Legal Opinion of Bond Counsel for Tax-Exempt Bonds**

**Letterhead of Squire Patton Boggs (US) LLP**

[Closing Date]

To: City of Phoenix Civic Improvement Corporation
Phoenix, Arizona

We have served as bond counsel to our client the City of Phoenix Civic Improvement Corporation (the *"Corporation"*) in connection with the issuance by the Corporation of its $ City of Phoenix Civic Improvement Corporation Subordinated Excise Tax Revenue Bonds, Series 2025A and $ Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C (together, the *"Tax-Exempt Bonds"*), dated the date of this letter.

The Tax-Exempt Bonds are issued pursuant to a Subordinated Trust Indenture dated as of July 1, 2025 (the *"Indenture"*), between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the *"Trustee"*). Capitalized terms not otherwise defined in this letter are used as defined in the Indenture.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Tax-Exempt Bonds, a copy of the signed and authenticated Tax-Exempt Bond of the first maturity of each series, the Indenture, the Subordinated Loan Agreement dated as of July 1, 2025 (the *"Loan Agreement"*), between the Corporation and the City of Phoenix, Arizona (the *"City"*) and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Tax-Exempt Bonds, the Indenture and the Loan Agreement are valid and binding obligations of the Corporation, enforceable in accordance with their respective terms.

2. The Tax-Exempt Bonds constitute special obligations of the Corporation, and the principal of and interest and any premium on (collectively, *"debt service"*) the Tax-Exempt Bonds, together with debt service on any other obligations issued and outstanding on a parity with the Tax-Exempt Bonds as provided in the Indenture, are payable from and secured solely by the revenues and other monies pledged and assigned by the Indenture to secure that payment. These revenues and other monies include certain payments required to be made by the City under the Loan Agreement, and the City's obligation to make those payments is secured by a pledge of certain excise taxes levied and collected by the City and shared taxes received by the City from the State of Arizona. The Indenture creates the pledge it purports to create in the pledged revenues and other monies in the funds and accounts created by the Indenture, which pledge will be perfected only as to the revenues and other monies on deposit in the funds and accounts created by the Indenture. The Tax-Exempt Bonds and the payment of debt service are not secured by an obligation or pledge of any money raised by taxation other than the specified taxes and shared taxes; the Tax-Exempt Bonds do not represent or constitute a debt or pledge of the general credit of the Corporation, the City or the State of Arizona; and the Loan Agreement, including the City's obligation to make the payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

3. Interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the *"Code"*) and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The interest on the

Tax-Exempt Bonds is exempt from Arizona state income tax so long as that interest is excluded from gross income for federal income tax purposes. We express no opinion as to any other tax consequences regarding the Tax-Exempt Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Corporation, and (iii) the correctness of the legal conclusions contained in the legal opinion letter of counsel to the City delivered in connection with this matter.

In rendering those opinions with respect to treatment of the interest on the Tax-Exempt Bonds under the federal tax laws and State tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Corporation and the City. Failure to comply with certain of those covenants subsequent to issuance of the Tax-Exempt Bonds may cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Tax-Exempt Bonds and the enforceability of the Tax-Exempt Bonds, the Indenture and the Loan Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery, and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Tax-Exempt Bonds is concluded upon delivery of this letter.

Respectfully submitted,

**Proposed Form of Legal Opinion of Bond Counsel for Taxable Bonds**

**Letterhead of Squire Patton Boggs (US) LLP**

[Closing Date]

To: City of Phoenix Civic Improvement Corporation
Phoenix, Arizona

We have served as bond counsel to our client the City of Phoenix Civic Improvement Corporation (the *"Corporation"*) in connection with the issuance by the Corporation of its $ City of Phoenix Civic Improvement Corporation Subordinated Excise Tax Revenue Bonds, Series 2025B (Taxable) (the *"Taxable Bonds"*), dated the date of this letter.

The Taxable Bonds are issued pursuant to a Subordinated Trust Indenture dated as of July 1, 2025 (the *"Indenture"*), between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the *"Trustee"*). Capitalized terms not otherwise defined in this letter are used as defined in the Indenture.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Taxable Bonds, a copy of the signed and authenticated Taxable Bond of the first maturity, the Indenture, the Subordinated Loan Agreement dated as of July 1, 2025 (the *"Loan Agreement"*), between the Corporation and the City of Phoenix, Arizona (the *"City"*) and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Taxable Bonds, the Indenture and the Loan Agreement are valid and binding obligations of the Corporation, enforceable in accordance with their respective terms.

2. The Taxable Bonds constitute special obligations of the Corporation, and the principal of and interest and any premium on (collectively, *"debt service"*) the Taxable Bonds, together with debt service on any other obligations issued and outstanding on a parity with the Taxable Bonds as provided in the Indenture, are payable from and secured solely by the revenues and other monies pledged and assigned by the Indenture to secure that payment. These revenues and other monies include certain payments required to be made by the City under the Loan Agreement, and the City's obligation to make those payments is secured by a pledge of certain excise taxes levied and collected by the City and shared taxes received by the City from the State of Arizona. The Indenture creates the pledge it purports to create in the pledged revenues and other monies in the funds and accounts created by the Indenture, which pledge will be perfected only as to the revenues and other monies on deposit in the funds and accounts created by the Indenture. The Taxable Bonds and the payment of debt service are not secured by an obligation or pledge of any money raised by taxation other than the specified taxes and shared taxes; the Taxable Bonds do not represent or constitute a debt or pledge of the general credit of the Corporation, the City or the State of Arizona; and the Loan Agreement, including the City's obligation to make the payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

3. Interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes. We express no opinion as to any other tax consequences regarding the Taxable Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Corporation, and (iii) the correctness of the legal conclusions contained in the legal opinion letter of counsel to the City delivered in connection with this matter.

The rights of the owners of the Taxable Bonds and the enforceability of the Taxable Bonds, the Indenture and the Loan Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery, and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Taxable Bonds is concluded upon delivery of this letter.

Respectfully submitted,

## APPENDIX I

### Form of Continuing Disclosure Undertaking

This Continuing Disclosure Undertaking, dated ________, 2025 (the *"Undertaking"* or the *"Agreement"*), is executed and delivered by the City of Phoenix, Arizona (the *"City"*), in connection with the issuance of $_________ Subordinated Excise Tax Revenue Bonds, Series 2025A (the "*Tax-Exempt New Money Bonds*"), $_________ Subordinated Excise Tax Revenue Bonds, Series 2025B (Taxable) (the "*Taxable New Money Bonds*"), and the $________ Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C (the "*Refunding Bonds*" and, together with the Tax-Exempt New Money Bonds, the "*Tax-Exempt Bonds*" and, collectively with the Taxable New Money Bonds, the "*Bonds*"). The Bonds are being issued pursuant to a Subordinated Trust Indenture, dated as of July 1, 2025 (the *"Indenture"*), between the City of Phoenix Civic Improvement Corporation (the *"Corporation"*) and U.S. Bank Trust Company, National Association, as trustee (the *"Trustee"*). The City covenants and agrees as follows:

1. *Purpose of this Undertaking*. This Undertaking is executed and delivered by the City as of the date set forth above, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. *Definitions*. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

"*Annual Financial Information*" means the financial information and operating data set forth in Exhibit I.

*"Annual Financial Information Disclosure"* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"*Audited Financial Statements*" means the audited financial statements of the City prepared pursuant to the standards and as described in Exhibit I.

"*Commission*" means the Securities and Exchange Commission.

"*Dissemination Agent*" means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent's successors and assigns.

"*EMMA*" means the Electronic Municipal Market Access system of the MSRB. As of the date of this Disclosure Undertaking, information regarding submissions to EMMA is available at http://emma.msrb.org.

"*Event*" means the occurrence of any of the events set forth in Exhibit II.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

*"Financial Obligations"* means a debt obligation, a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or a guarantee of a debt obligation or derivative. The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*Listed Event*" means the occurrence of events set forth in Exhibit II provided that with respect to any Event qualified by the phrase "if material," materially shall be interpreted under the Exchange Act. If an Event is not qualified by the phrase "if material," such Event shall in all cases be material.

"*Listed Events Disclosure*" means dissemination of disclosure concerning a Listed Event as set forth in Section 5.

"*Loan Agreement*" means the Loan Agreement, dated as of July 1, 2025, between the City and the Corporation.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Participating Underwriters*" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

"*Rule*" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*State*" means the State of Arizona.

"*Undertaking*" means the obligations of the City pursuant to Sections 4 and 5 hereof.

3. *CUSIP Number/Final Official Statement*. The CUSIP Numbers of the Bonds are as follows:

**Subordinated Excise Tax Revenue Bonds,**

**Series 2025A**

| Maturity Date | CUSIP No. * | Coupon | Maturity Date | CUSIP No. * | Coupon |
|---|---|---|---|---|---|
| 7/1/20 . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 71884 | % | 7/1/20 | 71884 | % |

**Subordinated Excise Tax Revenue Bonds,**

**Series 2025B (Taxable)**

| Maturity Date | CUSIP No. * | Coupon | Maturity Date | CUSIP No. * | Coupon |
|---|---|---|---|---|---|
| 7/1/20 . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 71884 | % | 7/1/20 | 71884 | % |

**Subordinated Excise Tax Revenue Refunding Bonds,**

**Series 2025C**

| Maturity Date | CUSIP No. * | Coupon | Maturity Date | CUSIP No. * | Coupon |
|---|---|---|---|---|---|
| 7/1/20 . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 71884 | % | 7/1/20 | 71884 | % |

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The Final Official Statement relating to the Bonds is dated _______, 2025 (the "*Final Official Statement*").

4. *Annual Financial Information Disclosure*. Subject to Section 9 of this Undertaking, the City shall disseminate its Annual Financial Information and its Audited Financial Statements, if any, (in the form and by the dates set forth in Exhibit I) to the MSRB through EMMA in an electronic format as prescribed by the MSRB. The City is required to deliver such information in such manner and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. *Listed Events Disclosure*. Subject to Section 9 of this Undertaking, the City hereby covenants that it will disseminate in a timely manner not in excess of ten business days after the occurrence of the event, Listed Events Disclosure to the MSRB through EMMA in an electronic format as prescribed by the MSRB. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any of the Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

6. *Duty to Update*. The City shall determine, in the manner it deems appropriate, the address of EMMA or such alternate repository specified by the MSRB each time it is required to file information with such entities.

7. *Consequences of Failure of the City to Provide Information*. The City shall give notice in a timely manner and within ten business days after the occurrence of such failure to the MSRB through EMMA, of any failure to provide Annual Financial Information Disclosure in the manner and at the time required.

In the event of a failure of the City to comply with any provision of this Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an Event of Default under the Loan Agreement or the Indenture, and the sole remedy available to Bondholders under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

8. *Amendments; Waiver*. Notwithstanding any other provision of this Agreement, the City by certified resolution or ordinance authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived only if:

(a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) This Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City (such as the Trustee) or by approving vote of the Bondholders pursuant to the terms of the Indenture at the time of the amendment.

The Annual Financial Information containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the generally accepted accounting principles ("*GAAP*") to be followed in preparing financial statements and such changes are material, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles in the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. If the accounting principles of the City change or the Fiscal Year of the City changes, the City shall file a notice of such change in the same manner as for a notice of Listed Event.

9. *Termination of Undertaking*. The Undertaking of the City shall be terminated hereunder if the City shall no longer have liability for any obligation on or relating to repayment of a series of the Bonds under the Loan Agreement. The City shall give notice in a timely manner if such event occurs to the MSRB through EMMA in an electronic format as prescribed by the MSRB.

10. *Dissemination Agent*. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

11. *Additional Information*. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or a Listed Event Disclosure, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future Annual Financial Information Disclosure or Listed Events Disclosure.

12. *Beneficiaries*. This Undertaking has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. *Recordkeeping*. The City shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. *Assignment*. The City shall not transfer obligations under the Loan Agreement unless the transferee agrees to assume all obligations of the City under this Agreement or to execute an Undertaking meeting the requirements of the Rule.

15. *Governing Law*. This Undertaking shall be governed by the laws of the State.

CITY OF PHOENIX, ARIZONA

By: Jeffrey J. Barton
Its: City Manager

By: ______________________________

Kathleen Gitkin
Its: Chief Financial Officer

ATTEST:

By: ______________________________________

City Clerk

APPROVED AS TO FORM:

By: ______________________________________

City Attorney

## EXHIBIT I

### Annual Financial Information and Audited Financial Statements

"*Annual Financial Information*" means the information and operating data of the type contained in the Final Official Statement under the headings "SECURITY AND SOURCE OF PAYMENT — Senior Obligations," "Junior Obligations," "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, 2026. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements when available.

Audited Financial Statements will be prepared according to GAAP, as applied to governmental units as modified by State law. Audited Financial Statements will be provided to the MSRB through EMMA within 30 days after availability to the City.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the City will disseminate a notice of such change as required by Section 4, including changes in Fiscal Year or GAAP.

## EXHIBIT II

## EVENTS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Non-payment related defaults, if material

3. Unscheduled draws on debt service reserves reflecting financial difficulties

4. Unscheduled draws on credit enhancements reflecting financial difficulties

5. Substitution of credit or liquidity providers, or their failure to perform

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Tax-Exempt Bonds or other material events affecting the tax status of the Tax-Exempt 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

## NOTICE INVITING PROPOSALS FOR THE PURCHASE OF TAX-EXEMPT SUBORDINATED EXCISE TAX REVENUE BONDS

**NOTICE INVITING PROPOSALS FOR THE PURCHASE OF TAX-EXEMPT SUBORDINATED EXCISE TAX REVENUE BONDS (Electronic PARITY® Bidding Only)**

**CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION**

| **$139,405,000*<br>Subordinated Excise Tax<br>Revenue Bonds,<br>Series 2025A** | **$220,210,000*<br>Subordinated Excise Tax<br>Revenue Refunding Bonds,<br>Series 2025C** |
|---|---|

**NOTICE IS HEREBY GIVEN** that the City of Phoenix Civic Improvement Corporation (the "Corporation") will receive proposals via PARITY® Competitive Bidding System ("PARITY®") until 8:15 A.M., Mountain Standard Time ("M.S.T.") (11:15 A.M., New York City time) on June 24, 2025* unless the Corporation, acting through an authorized representative, changes receipt of proposals to an alternate date and/or time as described herein (see "RIGHT TO CHANGE THE SALE DATE AND TIME AND SUPPLEMENT NOTICE OF SALE"). Proposals must be submitted via PARITY®. Proposals must be for the purchase of all, but not less than all, $359,615,000* combined aggregate principal amount of the City of Phoenix Civic Improvement Corporation Tax Exempt Subordinated Excise Tax Revenue Bonds and Subordinated Excise Tax Revenue Refunding Bonds consisting of (i) $139,405,000* City of Phoenix Civic Improvement Corporation Subordinated Excise Tax Revenue Bonds, Series 2025A (the "Series 2025A Bonds") and (ii) $220,210,000* City of Phoenix Civic Improvement Corporation Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C (the "Series 2025C Refunding Bonds" and, together with Series 2025A Bonds, the "Bonds"). No other form of bid or provider of electronic bidding services will be accepted. The Chief Financial Officer of the City of Phoenix, Arizona (the "City"), acting on behalf of the Corporation, will decide on the date of the sale whether to (i) award the Bonds to the bidder offering the best proposal for the sale, as specified in "BASIS OF AWARD" or (ii) reject all proposals for the sale.

**MATURITY SCHEDULE:** The Bonds are to mature (or be subject to the right of prior redemption) on July 1 in the years and in the amounts as follows:

**$139,405,000***
**Subordinated Excise Tax Revenue Bonds, Series 2025A**

| Maturity July 1 | Principal Amount* |
|---|---|
| 2028 | $ 4,955,000 |
| 2029 | 5,205,000 |
| 2030 | 5,465,000 |
| 2031 | 5,735,000 |
| 2032 | 6,025,000 |
| 2033 | 6,325,000 |
| 2034 | 6,640,000 |
| 2035 | 6,975,000 |
| 2036 | 7,320,000 |
| 2037 | 7,685,000 |
| 2038 | 8,070,000 |
| 2039 | 8,475,000 |
| 2040 | 8,900,000 |
| 2041 | 9,345,000 |
| 2042 | 9,810,000 |
| 2043 | 10,300,000 |
| 2044 | 10,815,000 |
| 2045 | 11,360,000 |

**$220,210,000***
**Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C**

| Maturity July 1 | Principal Amount* |
|---|---|
| 2026 | $ 500,000 |
| 2027 | 9,500,000 |
| 2028 | 10,720,000 |
| 2029 | 11,255,000 |
| 2030 | 11,825,000 |
| 2031 | 12,415,000 |
| 2032 | 13,040,000 |
| 2033 | 13,690,000 |
| 2034 | 14,375,000 |
| 2035 | 15,095,000 |
| 2036 | 15,850,000 |
| 2037 | 16,640,000 |
| 2038 | 17,470,000 |
| 2039 | 18,345,000 |
| 2040 | 19,265,000 |
| 2041 | 20,225,000 |

* Subject to change as provided herein.

**TERM BONDS:** The successful bidder may provide in the bid form for all of the Series 2025A Bonds or all of the Series 2025C Refunding Bonds to be issued as serial bonds or may designate consecutive annual principal amounts of the Series 2025A Bonds or the Series 2025C Refunding Bonds to be combined into one or more term bonds. Each such term bond shall be subject to mandatory sinking fund redemption commencing on July 1 of the first year which has been combined to form such term bond and continuing on July 1 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the amortization schedule, as adjusted in accordance with the provisions described below under the caption "ADJUSTMENT TO PRINCIPAL AMOUNTS". The Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot or otherwise according to the DTC procedures from among the Bonds of the same maturity, as described in the Preliminary Official Statement.

**ADJUSTMENT TO PRINCIPAL AMOUNTS:** The preliminary aggregate principal amount of the Bonds and the preliminary annual principal amounts (the "Preliminary Aggregate Principal Amount" and the "Preliminary Annual Principal Amounts," respectively, and collectively, the "Preliminary Amounts") as set forth in this Notice Inviting Proposals for the Purchase of Tax-Exempt Subordinated Excise Tax Revenue Bonds (the "Notice") may be revised before the date established for submission of electronic bids. ANY SUCH REVISIONS (THE "REVISED AGGREGATE PRINCIPAL AMOUNT" AND THE "REVISED ANNUAL PRINCIPAL AMOUNTS," RESPECTIVELY, AND COLLECTIVELY, THE "REVISED AMOUNTS") WILL BE PUBLISHED AS AN AMENDMENT TO THE NOTICE AND DISTRIBUTED VIA WWW.I-DEALPROSPECTUS.COM NO LATER THAN 7:00 A.M., M.S.T. (10:00 A.M., NEW YORK CITY TIME), ON ANY ANNOUNCED DATE FOR RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS.

After selecting the winning bid, the Corporation may adjust the Revised Aggregate Principal Amount and the Revised Annual Principal Amount of each maturity of the Bonds. In determining the final aggregate principal amount of the Bonds and each final annual principal amount (the "Final Aggregate Principal Amount" and the "Final Annual Principal Amounts," respectively, and collectively, the "Final Amounts"), the Corporation will not increase or reduce the aggregate principal amount by more than 15% of such amount. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES (AS HEREINAFTER DEFINED) AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS. The dollar amount bid by the successful bidder will be adjusted to reflect changes in the aggregate principal amounts of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and the original issue discount/premium, if any, but will not change the selling compensation per $1,000 of par amount of each series of Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices. The interest rate specified by the successful bidder for each maturity at the Initial Reoffering Prices will not change. The Final Amounts and the adjusted bid price will be communicated to the successful bidder as soon as possible, within 24 hours of the receipt of the Initial Reoffering Prices and underwriter's discount from the successful bidder.

**PURPOSE:** The Bonds are being issued pursuant to the Arizona Constitution and laws of the State of Arizona (the "State" or "Arizona"), and pursuant to a resolution adopted by the Corporation on April 21, 2025. The Series 2025A Bonds are being issued for the purpose of funding, or reimbursing the City for the costs of, acquiring, constructing, expanding and improving real and personal property for technology upgrades, public safety property, systems and equipment and other municipal facilities for the City. The Series 2025C Refunding Bonds are being issued for the purpose of refunding a portion of certain issues of the Corporation's outstanding excise tax revenue refunding bonds. Allocable costs of issuance of the Bonds will be paid from each series of Bonds.

**SECURITY AND SOURCE OF PAYMENT:** Principal of and interest on the Bonds are payable from the revenues received by the Corporation from the City pursuant to the Loan Agreement, between the Corporation and the City, dated as of July 1, 2025 (the "Loan Agreement"). The City's obligations under the Loan Agreement are secured by a subordinated pledge of the City's Excise Taxes, as defined in the Preliminary Official Statement, and will be sufficient as to amount and timing to provide for the payment of debt service on the Bonds. All right, title and interest of the Corporation in the amounts received by it from the City under the Loan Agreement will be assigned by the Corporation to U.S. Bank Trust Company, National Association (the "Trustee"), as trustee under the Trust Indenture, dated as of July 1, 2025, securing the Bonds.

**DESCRIPTION OF THE BONDS:** The Bonds will be dated the date of delivery, expected to be July 16, 2025, and bear interest from their date to the maturity or earlier redemption of each of the Bonds, payable first on January 1, 2026, and semiannually thereafter on January 1 and July 1 of each year during the term of each of the Bonds, calculated on the basis of a 360-day year of twelve (12) 30-day months. The Bonds will be issued in book-entry form only as fully registered bonds in denominations of $5,000 each or any integral multiple thereof.

The Bonds will be issued, initially, in book-entry form and each person submitting a proposal agrees that if awarded the contract for the purchase of any Bonds, it will accept delivery of and pay for one fully registered Bond registered in the name of CEDE & CO., as nominee for the Depository Trust Company ("DTC") and representing the entire principal amount of each maturity of each series for which other registration instructions are not given to the bond registrar at least seven (7) business days before the closing and delivery of the Bonds.

**BOND REGISTRAR AND PAYING AGENT:** The Bonds will be transferable only on the books maintained by the Trustee, as bond registrar, upon surrender to the bond registrar with an appropriate instrument of transfer. The Trustee shall also serve as Paying Agent for the Bonds.

**OPTIONAL REDEMPTION:** Bonds maturing on or prior to July 1, 2035 are not subject to optional redemption prior to maturity. Bonds maturing on and after July 1, 2036 are subject to redemption at the option of the Corporation, as directed by the City, on July 1, 2035 and thereafter, in whole or in part at any time, in increments of $5,000, in any order of maturity within a series of Bonds, as directed by the City, and by lot within a maturity, by payment of a redemption price equal to the principal amount of each Bond called for redemption plus accrued interest to the date fixed for redemption, but without premium.

**ELECTRONIC BIDDING PROCEDURES:** All bids must be submitted electronically for the purchase of the Bonds (all or none) by means of the Official Bid Form via PARITY®, as set forth above. The time maintained by PARITY® shall constitute the official time. All prospective bidders must be contracted customers of PARITY®. The Corporation will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. The use of PARITY® electronic bidding shall be at the bidder's risk and expense, and the Corporation shall have no liability with respect thereto. The Corporation is using PARITY® as a communications media, and not as the Corporation's agent, to conduct electronic bidding for the Bonds.

All bids made through the facilities of PARITY® shall be deemed irrevocable offers to purchase the Bonds bid for on the terms provided in this Notice and shall be binding upon the entity making the bid as if made by a signed, sealed bid delivered. The City, the Corporation, the Financial Advisor, as defined herein, and anyone or any combination of them are not responsible for any malfunction or mistake made by, or as a result of the use of facilities of PARITY®, the use of such facilities being the sole risk of the prospective bidder.

All bids shall be deemed to incorporate the provisions of this Notice. If any provisions of this Notice conflict with information provided by PARITY®, as the provider of electronic bidding services, this Notice controls. Further information about PARITY®, including any fee charged, may be obtained from *PARITY*®, 1359 Broadway, 2nd Floor, New York, NY 10018, Attn: Customer Support (212) 849-5021.

**BID SPECIFICATIONS:** Each bidder is required to transmit electronically by means of the Official Bid Form via PARITY® an unconditional bid specifying the rate or rates of interest and the price at which the bidder will purchase the Bonds. Each proposal for the Bonds must specify the amount bid for such Bonds not less than

100% of the par value of the aggregate principal amount of the Series 2025A Bonds based on the Revised Amounts and not less than 100% of the par value of the aggregate principal amount of the Series 2025C Refunding Bonds based on the Revised Amounts. All of the Bonds shall have a coupon of five percent (5.00%) per annum. Interest will be calculated on the basis of a 360-day year of twelve (12) 30-day months. No bid for other than all of the Bonds will be considered. All bids must be unconditional.

**BOND INSURANCE:** The purchase of any bond insurance policy or the issuance of any such commitment shall be at the sole option and expenses of such bidder. Any failure of the Bonds, or a portion thereof, to be so insured or of any such policy of insurance to be issued shall not constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms thereof.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of $3,596,150* (the "Deposit") is required in connection with the sale and bid for the Bonds. The Deposit may be provided for by a Federal funds wire transfer to be submitted to the Corporation by the successful bidder not later than 1:00 P.M., M.S.T. (4:00 P.M., New York City time) on the date of sale (the "Wire Transfer Deadline") as set forth below. The Deposit of the successful bidder will be collected, and the proceeds thereof retained by the Corporation to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of the respective bid, the proceeds thereof will be retained as and for full liquidated damages.

The Corporation will distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Wire Transfer Deadline. If the Deposit is not received by the Wire Transfer Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the Corporation in its discretion without any financial liability of the Corporation to the successful bidder or any limitation whatsoever on the Corporation's right to sell the Bonds to a different purchaser upon such terms and conditions as the Corporation shall deem appropriate.

**AWARD AND DELIVERY:** Unless all proposals are rejected, the Bonds will be awarded to the bidder whose proposal results in the lowest true interest cost to the Corporation for the Series 2025A Bonds and the Series 2025C Refunding Bonds combined, based on the Revised Amounts (see "ADJUSTMENT TO PRINCIPAL AMOUNTS"). The true interest cost (expressed as an annual interest rate) will be determined as being twice that factor or discount rate, compounded semi-annually, which, when applied against each semi-annual debt service payment (interest, or principal and interest, as due, including any mandatory sinking fund payment) for the Series 2025A Bonds and the Series 2025C Refunding Bonds, will equate the sum of such discounted semi-annual payments to the aggregate purchase price for the Series 2025A Bonds and the Series 2025C Refunding Bonds. In the event that two or more bidders have bid the same true interest cost, the award will be made to one of such bidders based upon which bid was received first, as determined by reference to the time stamp displayed on PARITY®. Bids submitted for the Bonds may not be withdrawn prior to the award. Upon notice of such award, the successful bidder shall advise the Corporation in writing of the initial public offering prices of each maturity of the Bonds (the "Initial Reoffering Prices"). Such Initial Reoffering Prices, among other things, will be used by the Corporation to calculate the Final Amounts (see "ADJUSTMENT TO PRINCIPAL AMOUNTS").

As promptly as reasonably possible after bids for the Bonds are received, but no later than 2:00 P.M., M.S.T. (5:00 P.M., New York City time) on the day the bids are received, the Corporation will notify the winning bidder of the Bonds by email, and will, at that time, notify the winning bidder whether its bid constitutes a Qualified Competitive Bid or a Nonqualified Competitive Bid, as defined below.

The Bonds are expected to be delivered on or about July 16, 2025. Delivery of the Bonds awarded will be made to the purchaser upon payment by the purchaser in immediately available funds to the City or, at the

* Subject to change.

purchaser's request and expense, at any other place mutually agreeable to both the Corporation and the purchaser.

**RIGHT OF REJECTION:** The Corporation reserves the right, in its discretion, to reject any and all proposals received and to waive any irregularity or informality in the proposals.

**RIGHT TO CHANGE THE SALE DATE AND TIME AND SUPPLEMENT NOTICE OF SALE:** The Corporation expects to take bids on the Bonds until 8:15 A.M., M.S.T. (11:15 A.M., New York City time) on June 24, 2025*. However, the Corporation reserves the right to change, from time to time, the date and/or time established for the receipt of bids and will undertake to notify prospective bidders via a supplement to this Notice to be posted on www.i-dealprospectus.com not later than 7:00 A.M., M.S.T. (10:00 A.M., New York City time) on the announced date for receipt of bids, and an alternative sale date and time will be announced via notification to be posted on www.i-dealprospectus.com at least 20 hours prior to such alternative date and time for receipt of bids.

On any such alternative date and time for receipt of bids, the Corporation will accept electronic bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice, except for the changes in the date and time for receipt of bids and any other changes announced via a supplement to this Notice to be posted on www.i-dealprospectus.com.

The Corporation may change any other information in connection with the offer and sale of the Bonds via a supplement to this Notice to be posted on www.i-dealprospectus.com, and any such supplemental information shall be deemed a part of this Notice.

**LOCAL AND MINORITY FIRMS:** The City strongly encourages bidders to include local and minority firms in their bidding syndicates.

**UNDERTAKINGS OF THE SUCCESSFUL BIDDER:** The successful bidder shall make a bona fide public offering of all the Bonds of each maturity and shall within 30 minutes of being notified of the preliminary award of the Bonds, advise the Corporation in writing (via email) of the initial public offering prices of the Bonds and the underwriter's discount with respect to the Bonds. The successful bidder must deliver to the Corporation within two hours after the notification of the Final Annual Principal Amounts the following information to complete the Official Statement in final form:

A. Selling compensation (aggregate total anticipated compensation to such successful bidder expressed in dollars, based on the expectation that the Bonds are sold at the prices or yields at which the successful bidder advised the Corporation that the Bonds were initially offered to the public).

B. The identity of the underwriters if the successful bidder is part of a group or syndicate.

C. Details of any bond insurance.

D. Confirmation that it will execute and deliver the applicable issue price certificate on or prior to the closing date and delivery of the Bonds and will comply in all respects with the provisions of such certificate.

E. At the close of business on the sale date, if it is a Nonqualified Competitive Bid (defined below), the first price at which 10% of the Bonds to be purchased by the successful bidder has been sold to the public (as such term is defined in the certificate attached as Exhibit B hereto) as of the sale date, or a statement that it will "hold the offering price" for up to five business days from the sale date, as further described in the certificate attached as Exhibit B hereto.

F. Any other information that the Corporation determines is necessary to complete the Official Statement in final form.

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* Subject to change.

Simultaneously with or before delivery of the Bonds, the successful bidder must furnish to the Corporation a certificate acceptable to Bond Counsel verifying information as to the bona fide initial offering prices of the Bonds to the public and sales of the Bonds appropriate for determination of the issue price of, and the yield on, the Bonds under the Internal Revenue Code of 1986, as amended, and such other documentation as and at the time requested by Bond Counsel.

**CERTIFICATE TO BE DELIVERED BY CORPORATION AND CITY:** The Corporation and the City will each deliver a certificate to the effect that no litigation is pending affecting the issuance or sale of the Bonds or the execution or delivery of the Loan Agreement. Each of the Corporation and the City also will deliver a tax compliance certificate covering its reasonable expectations concerning use of the proceeds of the Bonds and related matters.

**ESTABLISHMENT OF ISSUE PRICE:** The winning bidder of the Bonds shall execute and deliver to Corporation on or prior to the Delivery Date of the Bonds an "issue price" or similar certificate as described below.

The provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of bonds or notes) will apply to the initial sale of Bonds (the "competitive sale requirements") if:

(1) the Corporation disseminates this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(2) all bidders have an equal opportunity to bid;

(3) the Corporation receives bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the Corporation anticipates awarding the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of all of the Bonds, in compliance with this Notice of Sale. By submitting a bid for the Bonds, a bidder represents and warrants to the Corporation that the bidder has an established industry reputation for underwriting new issuances of municipal bonds.

If an initial sale of the Bonds satisfies the competitive sale requirements above, then it is a qualified competitive bid (a "Qualified Competitive Bid"), and the winning bidder will be required to provide a certificate in the form attached as Exhibit A, which requires a certification as to the reasonably expected reoffering price to the public, among other things. If an initial sale of the Bonds does not satisfy the competitive sale requirements above because three bids are not received (a "Nonqualified Competitive Bid"), the winning bidder will be required to provide a certificate in the form attached as Exhibit B, which requires a certification as to either (i) the first price at which 10% of the purchased bonds was sold to the public as of the sale date, or (ii) the reasonably expected initial offering price to the public and a certification that the purchaser and any underwriters held the offering price for up to five business days from the sale date, as further described in the certificate. The Corporation will notify the winning bidder of the Bonds as promptly as possible after the bids are received whether the sale constitutes a Qualified Competitive Bid or a Nonqualified Competitive Bid. **Bidders should note that procedures for a Nonqualified Competitive Bid may require the winning bidder of the Bonds to hold the initial offering prices for up to five business days after the sale date, as further specified in the form of such certification.**

**NOTICE REGARDING STATE CONTRACTS:** Pursuant to Section 38-511 of the Arizona Revised Statutes, notice is hereby given that Arizona law requires that every contract to which the State, its political subdivisions or any of the departments or agencies of the State or its political subdivisions, including the City and its instrumentalities, is a party include notice that such contract is subject to cancellation, within three (3) years after its execution, by the State, or the political subdivision, including the City and its instrumentalities, department or agency which is a party to such contract, if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of the State, or the political subdivision, including the City and its instrumentalities, department, or agency, is, at any time while the contract is in effect, an employee of any other party to the contract or an agent or consultant of any other party to the contract with respect to the subject matter of the contract.

**LEGAL OPINION:** The Bonds are sold with the understanding that the Corporation will furnish the purchaser or purchasers with the approving opinion of Squire Patton Boggs (US) LLP. These attorneys have been retained by the Corporation as Bond Counsel and in such capacity are to render their opinion only upon the legality and enforceability of the Bonds under Arizona law and on the exclusion of the interest on the Bonds from the gross income of their owners for Federal income tax purposes and from the taxable income of the owners for State income tax purposes. Fees of Bond Counsel will be paid from the Bond proceeds.

**TAX STATUS:** In the opinion of Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and (ii) interest on the Bonds is not included in the taxable income of individuals or corporations for Arizona income tax purposes so long as that interest is excluded from gross income for federal income tax purposes. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Corporation and the City to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations or that continuing compliance.

Prospective purchasers of the Bonds should consult their own tax advisers regarding pending or proposed federal tax legislation and other tax considerations, as to all of which Bond Counsel expresses no opinion.

**CUSIP NUMBERS:** It is anticipated that CUSIP numbers will be printed on the Bonds, but neither failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the sale. No CUSIP number will be deemed to be a part of any Bond or of the contract evidenced thereby. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Bonds. Public Resources Advisory Group, Inc., as Financial Advisor to the City in connection with the issuance of the Bonds, will be responsible for applying for CUSIP numbers for the Bonds in a timely manner, as required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-34. All expenses in relation to the printing of the CUSIP numbers on the Bonds will be paid for by the Corporation; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and will be paid for by the winning bidder of the Bonds. The Series 2025A Bonds and the Series 2025C Refunding Bonds will have separate CUSIP numbers.

**COMPLIANCE WITH RULE 15c2-12:** The Corporation deems the Preliminary Official Statement provided in connection with the sale of the Bonds to be final as of its date for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, ("Rule 15c2-12") except for the omission of the offering prices or yields, the interest rates, the selling compensation, any other terms or provisions required by the Corporation to be specified in the bid, other terms of the Bonds depending on such matters, and the identity of the purchaser. The City will enter into a continuing disclosure undertaking with respect to the Bonds, which undertaking will be as described in the Preliminary Official Statement.

**ADDITIONAL INFORMATION:** Electronic copies of the Preliminary Official Statement relating to the Bonds are available on the i-Deal Prospectus website at http://www.i-dealprospectus.com or will be furnished to any bidder upon request made to Public Resources Advisory Group, 39 Broadway, Suite 1210, New York, New York 10006, telephone number (212) 566-7800, Financial Advisor to the City, or to the City at City of Phoenix Finance Department, 251 West Washington Street, 9th Floor, Phoenix, Arizona 85003, telephone number (602) 262-7166. The Corporation, at its expense, will make available to the successful bidder a reasonable number of Final Official Statements, to enable the successful bidder to comply with Rule 15c2-12, within seven (7) business days of the award of the Bonds, provided that the successful bidder cooperates in providing the information required to complete the final Official Statement. The winning bidder will be required to file the final Official Statement with MSRB's Electronic Municipal Market Access system or any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and information and will be required to certify that such filing has been made on the date of delivery of the Bonds.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION,
an Arizona nonprofit corporation

By: /s/ Kathleen Gitkin
Chief Financial Officer,
as Corporation Representative

Dated: June 10, 2025

**EXHIBIT A**
**CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION**

| | |
|---|---|
| **$139,405,000*** | **$220,210,000*** |
| **Subordinated Excise Tax Revenue Bonds, Series 2025A** | **Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C** |

**Dated as of [Closing Date], 2025**

**PURCHASER'S CERTIFICATE**

[name of purchaser] [("name")], as Purchaser for the bonds identified above (the "Issue"), issued by the City of Phoenix Civic Improvement Corporation (the "Issuer"), based on its knowledge regarding the sale of the Issue, certifies as of this date as follows:

(1) **Issue Price**.

(A) As of the Sale Date, the reasonably expected initial offering prices of the Issue to the Public by [name of purchaser] are the prices listed in Schedule A attached hereto (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Issue used by [name of purchaser] in formulating its bid to purchase the Issue. Attached as Schedule B is a true and correct copy of the bid provided by [name of purchaser] to purchase the Issue.

(B) [name of purchaser] was not given the opportunity to review other bids prior to submitting its bid.

(C) The bid submitted by [name of purchaser] constituted a firm offer to purchase the Issue.

(D) The aggregate of the Expected Offering Prices of each Maturity is $[_______] (the "Issue Price").

(E) Definitions.

"Maturity" means bonds of the Issue with the same credit and payment terms. Tax-Exempt Bonds of the Issue with different maturity dates, or bonds of the Issue with the same maturity date but different stated interest rates, are treated as separate Maturities.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

"Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Issue. The Sale Date of the Issue is [DATE].

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Issue to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Issue to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Issue to the Public).

* Subject to change.

All other capitalized terms not defined in this Certificate have the meaning set forth in the Issuer's Tax Compliance Certificate or in Attachment A to it.

(2) **Purchaser's Discount**. The Purchaser's discount is $            , being the amount by which the aggregate Issue Price (as set forth in paragraph (1)) exceeds the price paid by the [name of purchaser] to the Issuer for the Issue.

The signer is an officer of [name of purchaser] and duly authorized to execute and deliver this Certificate. The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents [name of purchaser]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Issue, and by Squire Patton Boggs (US) LLP, as Bond Counsel, in connection with rendering its opinion that the interest on the Issue is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Issue.

Dated: , 20

[[NAME OF PURCHASER]]

By: ____________________________________
Title: ____________________________________

SCHEDULE A

| Maturity (July 1) | Coupon | Date Sold | Par Amount | Sale Price | Issue Price |
|---|---|---|---|---|---|

[* Sale Price calculated to July 1,       , the first optional redemption date.]

**SCHEDULE B**
**COPY OF [NAME OF PURCHASER]'S BID**

(*Attached*)

**EXHIBIT B**
**CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION**

| | |
|---|---|
| **$139,405,000***<br>**Subordinated Excise Tax**<br>**Revenue Bonds,**<br>**Series 2025A** | **$220,210,000***<br>**Subordinated Excise Tax**<br>**Revenue Refunding Bonds,**<br>**Series 2025C** |

**PURCHASER'S CERTIFICATE**

[name of purchaser] (the "Purchaser"), as purchaser of the bonds identified above (the "Issue"), issued by the City of Phoenix Civic Improvement Corporation (the "Issuer"), based on its knowledge regarding the sale of the Issue, certifies as of this date as follows.

(1) **Issue Price.**

**[If the issue price is determined using only the general rule (actual sales of at least 10%) in Regulations § 1.148-1(f)(2)(i):**

(A) As of the date of this certificate, for each Maturity of the Issue, the first price at which at least 10% of such Maturity of the Issue was sold to the Public is the respective price listed in Schedule A attached hereto (the "Sale Price" as applicable to respective Maturities). The aggregate of the Sale Prices of each Maturity is $ (the "Issue Price").]

**[If the issue price is determined using a combination of actual sales (Regulations § 1.148-1(f)(2)(i)) and hold-the-offering-price (Regulations § 1.148-1(f)(2)(ii)):**

(A) As of the date of this certificate, for each Maturity listed on Schedule A as the "General Rule Maturities," the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A attached hereto (the "Sale Price" as applicable to each Maturity of the General Rule Maturities).

(B) On or before the Sale Date, the Purchaser offered the Maturities listed on Schedule A as the "Hold-the-Offering-Price Maturities" to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices" as applicable to each Maturity of the Hold-the-Offering-Price Maturities). A copy of the pricing wire or equivalent communication for the Issue is attached to this certificate as Schedule B.

(C) As described in the Notice of Sale and bid award, the Purchaser agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Issue during the Holding Period.

(D) The aggregate of the Sale Prices of the General Rule Maturities and the Initial Offering Prices of the Hold-the-Offering-Price Maturities is $[ ] (the "Issue Price").]

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* Subject to change.

**[If the issue price is determined using only the hold-the-offering-price rule in Regulations § 1.148-1(f)(2)(ii):**

(A) The Purchaser offered, on or before the Sale Date, each Maturity of the Issue to the Public for purchase at the respective initial offering prices listed in Schedule A attached hereto (the "Initial Offering Prices"). A copy of the pricing wire or equivalent communication for the Issue is attached to this certificate as Schedule B. The aggregate of the Initial Offering Prices of each Maturity is $[ ] (the "Issue Price").

(B) As set forth in the Notice of Sale and bid award, the Purchaser agreed in writing that, (i) for each Maturity of the Issue, it would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Issue at a price that is higher than the respective Initial Offering Price for that Maturity of the Issue during the Holding Period.]

[(B),(E), or (C)] Definitions. [NOTE: If issue price is determined using only the general rule (actual sales of 10%), delete the definitions of "Holding Period" and "Sale Date."]

["Holding Period" means, for each Hold-the-Offering-Price Maturity of the Issue, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ( , 2025), or (ii) the date on which the Purchaser sold at least 10% of such Maturity of the Issue to the Public at a price that is no higher than the Initial Offering Price for such Maturity.]

"Maturity" means bonds of the Issue with the same credit and payment terms. Tax-Exempt Bonds of the Issue with different maturity dates, or bonds of the Issue with the same maturity date but different stated interest rates, are treated as separate Maturities.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

["Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Issue. The Sale Date of the Issue is [DATE].]

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Issue to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Issue to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Issue to the Public).

(2) **Purchaser's Discount.** The Purchaser's discount is $ , being the amount by which the aggregate Issue Price (as set forth in paragraph (1)) exceeds the price paid by the Purchaser to the Issuer for the Issue.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer and with respect to compliance with the federal income tax rules affecting the Issue, and by Squire Patton Boggs (US) LLP, as bond counsel, in connection with rendering its opinion that the interest on the Issue is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Issue.

[NAME OF PURCHASER]

By: ______________________________
Name: ____________________________

Dated: [CLOSING DATE], 2025

SCHEDULE A
TO ISSUE PRICE CERTIFICATE

**CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION**

**$139,405,000***
**Subordinated Excise Tax**
**Revenue Bonds,**
**Series 2025A**

**$220,210,000***
**Subordinated Excise Tax**
**Revenue Refunding Bonds,**
**Series 2025C**

**Actual Sales Information as of the Closing Date for the General Rule Maturities**

| Maturity (July 1) | Coupon | Date Sold | Par Amount | Sale Price |
|---|---|---|---|---|

* Price assumes redemption on July 1, 20 , the earliest optional redemption date.

**[Offering Price Information for the Hold-the-Offering-Price Maturities**

| Maturity (July 1) | Coupon | Date Offered | Par Amount | Offering Price] |
|---|---|---|---|---|

**[Actual Sales Information as of the Closing Date for the Hold-the-Offering-Price Maturities**

| Maturity (July 1) | Coupon | Date Sold | Par Amount | Sale Price] |
|---|---|---|---|---|

* Price assumes redemption on July 1, 20 , the earliest optional redemption date.

* Subject to change.

## APPENDIX K

## NOTICE INVITING PROPOSALS FOR THE PURCHASE OF TAXABLE SUBORDINATED EXCISE TAX REVENUE BONDS

**TAXABLE SUBORDINATED EXCISE TAX REVENUE BONDS**
**(Electronic PARITY® Bidding Only)**

**$26,000,000***
**CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION**
**Subordinated Excise Tax Revenue Bonds,**
**Series 2025B (Taxable)**

**NOTICE IS HEREBY GIVEN** that the City of Phoenix Civic Improvement Corporation (the "Corporation") will receive proposals via PARITY® Competitive Bidding System ("PARITY®") until 8:45 A.M., Mountain Standard Time ("M.S.T.") (11:45 A.M., New York City time) on June 24, 2025* unless the Corporation, acting through an authorized representative, changes receipt of proposals to an alternate date and/or time as described herein (see "RIGHT TO CHANGE THE SALE DATE AND TIME AND SUPPLEMENT NOTICE OF SALE"). Proposals must be submitted via PARITY®. Proposals must be for the purchase of all, but not less than all, $26,000,000* City of Phoenix Civic Improvement Corporation Subordinated Excise Tax Revenue Bonds, Series 2025B (Taxable) (the "Series 2025B Taxable Bonds"). No other form of bid or provider of electronic bidding services will be accepted. The Chief Financial Officer of the City of Phoenix, Arizona (the "City"), acting on behalf of the Corporation, will decide on the date of the sale whether to (i) award the Series 2025B Taxable Bonds to the bidder offering the best proposal for the sale, as specified in "BASIS OF AWARD" or (ii) reject all proposals for the sale.

**MATURITY SCHEDULE:** The Series 2025B Taxable Bonds are to mature on July 1 in the years and in the amounts as follows:

**$26,000,000***
**Subordinated Excise Tax**
**Revenue Bonds,**
**Series 2025B (Taxable)**

| Maturity July 1 | Principal Amount* | Maturity July 1 | Principal Amount* |
|---|---|---|---|
| 2028 | $ 905,000 | 2037 | $1,410,000 |
| 2029 | 945,000 | 2038 | 1,490,000 |
| 2030 | 990,000 | 2039 | 1,575,000 |
| 2031 | 1,035,000 | 2040 | 1,665,000 |
| 2032 | 1,090,000 | 2041 | 1,760,000 |
| 2033 | 1,145,000 | 2042 | 1,870,000 |
| 2034 | 1,205,000 | 2043 | 1,980,000 |
| 2035 | 1,270,000 | 2044 | 2,100,000 |
| 2036 | 1,340,000 | 2045 | 2,225,000 |

**TERM BONDS:** The successful bidder may provide in the bid form for all of the Series 2025B Taxable Bonds to be issued as serial bonds or may designate consecutive annual principal amounts of the Series 2025B Taxable Bonds to be combined into one or more term bonds. Each such term bond shall be subject to mandatory sinking fund redemption commencing on July 1 of the first year which has been combined to form such term bond and continuing on July 1 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the amortization schedule, as adjusted in accordance with the provisions described below under the caption "ADJUSTMENT TO PRINCIPAL AMOUNTS". The Series 2025B Taxable Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot or otherwise according to the DTC procedures from among the Series 2025B Taxable Bonds of the same maturity, as described in the Preliminary Official Statement.

**ADJUSTMENT TO PRINCIPAL AMOUNTS:** The preliminary aggregate principal amount of the Series 2025B Taxable Bonds and the preliminary annual principal amounts (the "Preliminary Aggregate

* Subject to change.

Principal Amount" and the "Preliminary Annual Principal Amounts," respectively, and collectively, the "Preliminary Amounts") as set forth in this Notice Inviting Proposals for the Purchase of Taxable Subordinated Excise Tax Revenue Bonds (the "Notice") may be revised before the date established for submission of electronic bids. ANY SUCH REVISIONS (THE "REVISED AGGREGATE PRINCIPAL AMOUNT" AND THE "REVISED ANNUAL PRINCIPAL AMOUNTS," RESPECTIVELY, AND COLLECTIVELY, THE "REVISED AMOUNTS") WILL BE PUBLISHED AS AN AMENDMENT TO THE NOTICE AND DISTRIBUTED VIA WWW.I-DEALPROSPECTUS.COM NO LATER THAN 7:00 A.M., M.S.T. (10:00 A.M., NEW YORK CITY TIME), ON ANY ANNOUNCED DATE FOR RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS.

After selecting the winning bid, the Corporation may adjust the Revised Aggregate Principal Amount and the Revised Annual Principal Amount of each maturity of the Series 2025B Taxable Bonds. In determining the final aggregate principal amount of the Series 2025B Taxable Bonds and each final annual principal amount (the "Final Aggregate Principal Amount" and the "Final Annual Principal Amounts," respectively, and collectively, the "Final Amounts"), the Corporation will not increase or reduce the aggregate principal amount by more than 15% of such amount. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES (AS HEREINAFTER DEFINED) AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS. The dollar amount bid by the successful bidder will be adjusted to reflect changes in the aggregate principal amounts of the Series 2025B Taxable Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and the original issue discount/premium, if any, but will not change the selling compensation per $1,000 of par amount of each series of the Series 2025B Taxable Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices. The interest rate specified by the successful bidder for each maturity at the Initial Reoffering Prices will not change. The Final Amounts and the adjusted bid price will be communicated to the successful bidder as soon as possible, but not later than within 24 hours of the receipt of the Initial Reoffering Prices and underwriter's discount from the successful bidder.

**PURPOSE:** The Series 2025B Taxable Bonds are being issued pursuant to the Arizona Constitution and laws of the State of Arizona (the "State" or "Arizona"), and pursuant to a resolution adopted by the Corporation on April 21, 2025. The Series 2025B Taxable Bonds are being issued for the purpose of, acquiring, constructing, expanding and improving real and personal property for technology upgrades, public safety property, systems and equipment and other municipal facilities for the City. Costs of issuance of the Series 2025B Taxable Bonds will be paid from proceeds of the Series 2025B Taxable Bonds.

**SECURITY AND SOURCE OF PAYMENT:** Principal of and interest on the Series 2025B Taxable Bonds are payable from the revenues received by the Corporation from the City pursuant to the Loan Agreement, between the Corporation and the City, dated as of July 1, 2025 (the "Loan Agreement"). The City's obligations under the Loan Agreement are secured by a subordinated pledge of the City's Excise Taxes, as defined in the Preliminary Official Statement, and will be sufficient as to amount and timing to provide for the payment of debt service on the Series 2025B Taxable Bonds. All right, title and interest of the Corporation in the amounts received by it from the City under the Loan Agreement will be assigned by the Corporation to U.S. Bank Trust Company, National Association (the "Trustee"), as trustee under the Trust Indenture, dated as of July 1, 2025, securing the Series 2025B Taxable Bonds.

**DESCRIPTION OF THE SERIES 2025B TAXABLE BONDS:** The Series 2025B Taxable Bonds will be dated the date of delivery, expected to be July 16, 2025, and bear interest from their date to the maturity of each of the Series 2025B Taxable Bonds, payable first on January 1, 2026, and semiannually thereafter on January 1 and July 1 of each year during the term of each of the Series 2025B Taxable Bonds, calculated on the basis of a 360-day year of twelve (12) 30-day months. The Series 2025B Taxable Bonds will be issued in book-entry form only as fully registered bonds in denominations of $5,000 each or any integral multiple thereof.

The Series 2025B Taxable Bonds will be issued, initially, in book-entry form and each person submitting a proposal agrees that if awarded the contract for the purchase of any Series 2025B Taxable Bonds, it will accept delivery of and pay for one fully registered Series 2025B Taxable Bond registered in the name of CEDE & CO., as nominee for the Depository Trust Company ("DTC") and representing the entire principal amount of each maturity of each series for which other registration instructions are not given to the bond registrar at least seven (7) business days before the closing and delivery of the Series 2025B Taxable Bonds.

**BOND REGISTRAR AND PAYING AGENT:** The Series 2025B Taxable Bonds will be transferable only on the books maintained by the Trustee, as bond registrar, upon surrender to the bond registrar with an appropriate instrument of transfer. The Trustee shall also serve as Paying Agent for the Series 2025B Taxable Bonds.

**PAR OPTIONAL REDEMPTION:** Series 2025B Taxable Bonds maturing on and after July 1, 2036 are subject to redemption at the option of the Corporation, as directed by the City, on July 1, 2035 and thereafter, in whole or in part at any time, in increments of $5,000, in any order of maturity within the Series 2025B Taxable 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 Series 2025B Taxable Bond called for redemption plus accrued interest to the date fixed for redemption, but without premium.

**MAKE-WHOLE OPTIONAL REDEMPTION**. The Series 2025B Taxable Bonds are subject to redemption at the option of the Corporation, as directed by the City, in whole or in part, on any date prior to July 1, 2035, at a redemption price equal to the greater of:

(a) the issue price set forth on the inside cover page hereof (but not less than 100%) of the principal amount of such Series 2025B Taxable Bonds to be redeemed; or

(b) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2025B Taxable Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2025B Taxable Bonds are to be redeemed, discounted to the date on which such Series 2025B Taxable Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus (i) for the Series 2025B Taxable Bonds maturing July 1, 2028 through and including July 1, 2034, 15 basis points; (ii) for the Series 2025B Taxable Bonds maturing July 1, 2035 through and including July 1, 2045, 20 basis points; plus in each case accrued interest to the date fixed for redemption.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2025B Taxable 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 Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but not more than 60 calendar days, prior to the redemption date (excluding inflation 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 Series 2025B Taxable Bond to be redeemed.

The make-whole call redemption price will be calculated by an independent investment banking institution or municipal advisory firm of national standing appointed by the City. If the City fails to appoint an independent investment banker or municipal advisory firm, at least 35 days prior to the redemption date, or if the independent investment banker or municipal advisory firm appointed by the City is unwilling or unable to make the calculation, the calculation will be made by an independent investment banking institution or municipal advisory firm of national standing appointed by the Trustee.

Any Series 2025B Taxable Bonds that are escrowed to maturity will remain subject to optional redemption.

**ELECTRONIC BIDDING PROCEDURES:** All bids must be submitted electronically for the purchase of the Series 2025B Taxable Bonds (all or none) by means of the Official Bid Form via PARITY®, as set forth above. The time maintained by PARITY® shall constitute the official time. All prospective bidders must be contracted customers of PARITY®. The Corporation will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. The use of PARITY® electronic bidding shall be at the bidder's risk and expense, and the Corporation shall have no liability with respect thereto. The Corporation is using PARITY® as a communications media, and not as the Corporation's agent, to conduct electronic bidding for the Series 2025B Taxable Bonds.

All bids made through the facilities of PARITY® shall be deemed irrevocable offers to purchase the Series 2025B Taxable Bonds bid for on the terms provided in this Notice and shall be binding upon the entity making the bid as if made by a signed, sealed bid delivered. The City, the Corporation, the Financial Advisor, as defined herein, and anyone or any combination of them are not responsible for any malfunction or mistake made by, or as a result of the use of facilities of PARITY®, the use of such facilities being the sole risk of the prospective bidder.

All bids shall be deemed to incorporate the provisions of this Notice. If any provisions of this Notice conflict with information provided by PARITY®, as the provider of electronic bidding services, this Notice controls. Further information about PARITY®, including any fee charged, may be obtained from *PARITY®*, 1359 Broadway, 2nd Floor, New York, NY 10018, Attn: Customer Support (212) 849-5021.

**BID SPECIFICATIONS:** Each bidder is required to transmit electronically by means of the Official Bid Form via PARITY® an unconditional bid specifying the rate or rates of interest and the price at which the bidder will purchase the Series 2025B Taxable Bonds. Each proposal for the Series 2025B Taxable Bonds must specify the amount bid for such Series 2025B Taxable Bonds not less than 99.5% of the par value of the aggregate principal amount of the Series 2025B Taxable Bonds based on the Revised Amounts. Each bidder shall indicate in its bid the rate of interest to be paid on each maturity. Each rate of interest shall be a multiple of 1/8 or 1/100 of one percent, but all Series 2025B Taxable Bonds of any one maturity must bear interest at the same rate. Interest will be calculated on the basis of a 360-day year of twelve (12) 30-day months. No bid for other than all of the Series 2025B Taxable Bonds will be considered. All bids must be unconditional.

**BOND INSURANCE:** The purchase of any bond insurance policy or the issuance of any such commitment shall be at the sole option and expenses of such bidder. Any failure of the Series 2025B Taxable Bonds, or a portion thereof, to be so insured or of any such policy of insurance to be issued shall not constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Series 2025B Taxable Bonds in accordance with the terms thereof.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of $260,000* (the "Deposit") is required in connection with the sale and bid for the Series 2025B Taxable Bonds. The Deposit may be provided for by a Federal funds wire transfer to be submitted to the Corporation by the successful bidder not later than 1:00 P.M., M.S.T. (4:00 P.M., New York City time) on the date of sale (the "Wire Transfer Deadline") as set forth below. The Deposit of the successful bidder will be collected, and the proceeds thereof retained by the Corporation to be applied in partial payment for the Series 2025B Taxable Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of the respective bid, the proceeds thereof will be retained as and for full liquidated damages.

The Corporation will distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Wire Transfer Deadline. If the Deposit is not received by the Wire Transfer Deadline, the award of the sale of the Series 2025B Taxable Bonds to the successful bidder may be cancelled by the Corporation in its discretion without any financial liability of the Corporation to the successful bidder or any limitation whatsoever on the Corporation's right to sell the Series 2025B Taxable Bonds to a different purchaser upon such terms and conditions as the Corporation shall deem appropriate.

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* Subject to change.

**AWARD AND DELIVERY:** Unless all proposals are rejected, the Series 2025B Taxable Bonds will be awarded to the bidder whose proposal results in the lowest true interest cost to the Corporation for the Series 2025B Taxable Bonds, based on the Revised Amounts (see "ADJUSTMENT TO PRINCIPAL AMOUNTS"). The true interest cost (expressed as an annual interest rate) will be determined as being twice that factor or discount rate, compounded semi-annually, which, when applied against each semi-annual debt service payment (interest, or principal and interest, as due) for the Series 2025B Taxable Bonds, will equate the sum of such discounted semi-annual payments to the aggregate purchase price for the Series 2025B Taxable Bonds. In the event that two or more bidders have bid the same true interest cost, the award will be made to one of such bidders based upon which bid was received first, as determined by reference to the time stamp displayed on PARITY®. Bids submitted for the Series 2025B Taxable Bonds may not be withdrawn prior to the award. Upon notice of such award, the successful bidder shall advise the Corporation in writing of the initial public offering prices of each maturity of the Series 2025B Taxable Bonds (the "Initial Reoffering Prices"). Such Initial Reoffering Prices, among other things, will be used by the Corporation to calculate the Final Amounts (see "ADJUSTMENT TO PRINCIPAL AMOUNTS").

As promptly as reasonably possible after bids for the Series 2025B Taxable Bonds are received, but no later than 2:00 P.M., M.S.T. (5:00 P.M., New York City time) on the day the bids are received, the Corporation will notify the winning bidder of the Series 2025B Taxable Bonds by email.

The Series 2025B Taxable Bonds are expected to be delivered on or about July 16, 2025. Delivery of the Series 2025B Taxable Bonds awarded will be made to the purchaser upon payment by the purchaser in immediately available funds to the City or, at the purchaser's request and expense, at any other place mutually agreeable to both the Corporation and the purchaser.

**RIGHT OF REJECTION:** The Corporation reserves the right, in its discretion, to reject any and all proposals received and to waive any irregularity or informality in the proposals.

**RIGHT TO CHANGE THE SALE DATE AND TIME AND SUPPLEMENT NOTICE OF SALE:** The Corporation expects to take bids on the Series 2025B Taxable Bonds until 8:45 A.M., M.S.T. (11:45 A.M., New York City time) on June 24, 2025*. However, the Corporation reserves the right to change, from time to time, the date and/or time established for the receipt of bids and will undertake to notify prospective bidders via a supplement to this Notice to be posted on www.i-dealprospectus.com not later than 7:00 A.M., M.S.T. (10:00 A.M., New York City time) on the announced date for receipt of bids, and an alternative sale date and time will be announced via notification to be posted on www.i-dealprospectus.com at least 20 hours prior to such alternative date and time for receipt of bids.

On any such alternative date and time for receipt of bids, the Corporation will accept electronic bids for the purchase of the Series 2025B Taxable Bonds, such bids to conform in all respects to the provisions of this Notice, except for the changes in the date and time for receipt of bids and any other changes announced via a supplement to this Notice to be posted on www.i-dealprospectus.com.

The Corporation may change any other information in connection with the offer and sale of the Series 2025B Taxable Bonds via a supplement to this Notice to be posted on www.i-dealprospectus.com, and any such supplemental information shall be deemed a part of this Notice.

**LOCAL AND MINORITY FIRMS:** The City strongly encourages bidders to include local and minority firms in their bidding syndicates.

**UNDERTAKINGS OF THE SUCCESSFUL BIDDER:** The successful bidder shall make a bona fide public offering of all the Series 2025B Taxable Bonds of each maturity and shall within 30 minutes of being notified of the preliminary award of the Series 2025B Taxable Bonds, advise the Corporation in writing (via

* Subject to change.

email) of the initial public offering prices of the Series 2025B Taxable Bonds and the underwriter's discount with respect to the Series 2025B Taxable Bonds. The successful bidder must deliver to the Corporation within two hours after the notification of the Final Annual Principal Amounts the following information to complete the Official Statement in final form:

A. Selling compensation (aggregate total anticipated compensation to such successful bidder expressed in dollars, based on the expectation that the Series 2025B Taxable Bonds are sold at the prices or yields at which the successful bidder advised the Corporation that the Series 2025B Taxable Bonds were initially offered to the public).

B. The identity of the underwriters if the successful bidder is part of a group or syndicate.

C. Details of any bond insurance.

D. Any other information that the Corporation determines is necessary to complete the Official Statement in final form.

**CERTIFICATE TO BE DELIVERED BY CORPORATION AND CITY:** The Corporation and the City will each deliver a certificate to the effect that no litigation is pending affecting the issuance or sale of the Series 2025B Taxable Bonds or the execution or delivery of the Loan Agreement.

**NOTICE REGARDING STATE CONTRACTS:** Pursuant to Section 38-511 of the Arizona Revised Statutes, notice is hereby given that Arizona law requires that every contract to which the State, its political subdivisions or any of the departments or agencies of the State or its political subdivisions, including the City and its instrumentalities, is a party include notice that such contract is subject to cancellation, within three (3) years after its execution, by the State, or the political subdivision, including the City and its instrumentalities, department or agency which is a party to such contract, if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of the State, or the political subdivision, including the City and its instrumentalities, department, or agency, is, at any time while the contract is in effect, an employee of any other party to the contract or an agent or consultant of any other party to the contract with respect to the subject matter of the contract.

**LEGAL OPINION:** The Series 2025B Taxable Bonds are sold with the understanding that the Corporation will furnish the purchaser or purchasers with the approving opinion of Squire Patton Boggs (US) LLP. These attorneys have been retained by the Corporation as Bond Counsel and in such capacity are to render their opinion only upon the legality and enforceability of the Series 2025B Taxable Bonds under Arizona law. Fees of Bond Counsel will be paid from the Series 2025B Taxable Bond proceeds.

**TAX STATUS:** No attempt has been or will be made to provide that interest on the Series 2025B Taxable Bonds is excluded from gross income for federal income tax purposes. No opinion is rendered with respect to the federal tax consequences of ownership of the Series 2025B Taxable Bonds and each purchaser should consult its own tax advisor to determine the federal tax consequences of owning the Series 2025B Taxable Bonds.

**CUSIP NUMBERS:** It is anticipated that CUSIP numbers will be printed on the Series 2025B Taxable Bonds, but neither failure to print such numbers on any Series 2025B Taxable Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2025B Taxable Bonds in accordance with the terms of the sale. No CUSIP number will be deemed to be a part of any Series 2025B Taxable Bond or of the contract evidenced thereby. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Series 2025B Taxable Bonds. Public Resources Advisory Group, Inc., as Financial Advisor to the City in connection with the issuance of the Series 2025B Taxable Bonds, will be responsible for applying for CUSIP numbers for the Series 2025B Taxable Bonds in a timely manner, as required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-34. All expenses in relation to the printing of the CUSIP numbers on the Series 2025B Taxable Bonds will be paid for by the Corporation; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and will be paid for by the winning bidder of the Series 2025B Taxable Bonds.

**COMPLIANCE WITH RULE 15c2-12:** The Corporation deems the Preliminary Official Statement provided in connection with the sale of the Series 2025B Taxable Bonds to be final as of its date for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, ("Rule 15c2-12") except for the omission of the offering prices or yields, the interest rates, the selling compensation, any other terms or provisions required by the Corporation to be specified in the bid, other terms of the Series 2025B Taxable Bonds depending on such matters, and the identity of the purchaser. The City will enter into a continuing disclosure undertaking with respect to the Series 2025B Taxable Bonds, which undertaking will be as described in the Preliminary Official Statement.

**ADDITIONAL INFORMATION:** Electronic copies of the Preliminary Official Statement relating to the Series 2025B Taxable Bonds are available on the i-Deal Prospectus website at http://www.i-dealprospectus.com or will be furnished to any bidder upon request made to Public Resources Advisory Group, 39 Broadway, Suite 1210, New York, New York 10006, telephone number (212) 566-7800, Financial Advisor to the City, or to the City at City of Phoenix Finance Department, 251 West Washington Street, 9th Floor, Phoenix, Arizona 85003, telephone number (602) 262-7166. The Corporation, at its expense, will make available to the successful bidder a reasonable number of Final Official Statements, to enable the successful bidder to comply with Rule 15c2-12, within seven (7) business days of the award of the Series 2025B Taxable Bonds, provided that the successful bidder cooperates in providing the information required to complete the final Official Statement. The winning bidder will be required to file the final Official Statement with MSRB's Electronic Municipal Market Access system or any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and information and will be required to certify that such filing has been made on the date of delivery of the Series 2025B Taxable Bonds.

CITY OF PHOENIX CIVIC IMPROVEMENT CORPORATION,
an Arizona nonprofit corporation

By: /s/ Kathleen Gitkin
Chief Financial Officer,
as Corporation Representative

Dated: June 10, 2025