

City of Phoenix Civic Improvement Corporation

\$385,615,000*
Subordinated Excise Tax Revenue Bonds

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

Investor Presentation

June 2025

City of Phoenix

*Preliminary, subject to change.



Disclaimer

This electronic Investor Presentation you are about to view is provided as of June 10, 2025 for a proposed offering by the City of Phoenix Civic Improvement Corporation (the “Corporation”) of its Subordinated Excise Tax Revenue Bonds, Series 2025A (the “Series 2025A Bonds”), Subordinated Excise Tax Revenue Bonds, Series 2025B (Taxable) (the “Series 2025B Bonds”), and the Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C (the “Series 2025C Bonds” and, together with the Series 2025A Bonds and the Series 2025B Bonds, the “Bonds”) on the behalf of the City of Phoenix, Arizona (the “City”). If you are viewing this presentation after June 10, 2025 there may have been events after that date that could have a material adverse effect on the financial data and other information of the Corporation and the City as presented herein; the Corporation and the City have no obligation to update this Investor Presentation. All financial data and other information provided herein are not warranted as to completeness or accuracy and are subject to change without notice.

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Financing Summary*

Issuer	City of Phoenix (the “City”) Civic Improvement Corporation (the “Corporation”)		
Bond Issue	\$385,615,000 Subordinated Excise Tax Revenue Bonds (the “Bonds”)		
Consisting of	\$139,405,000 Subordinated Excise Tax Revenue Bonds, Series 2025A (the “Series 2025A Bonds”)	\$26,000,000 Subordinated Excise Tax Revenue Bonds, Series 2025B (Taxable) (the “Series 2025B Bonds”)	\$220,210,000 Subordinated Excise Tax Revenue Refunding Bonds, Series 2025C (the “Series 2025C Bonds”)
Tax Status	Tax-Exempt	Taxable	Tax-Exempt
Amortization	Fixed rate bonds maturing 7/1/2028 – 7/1/2045	Fixed rate bonds maturing 7/1/2028 – 7/1/2045	Fixed rate bonds maturing 7/1/2026 – 7/1/2041
Redemption Provisions	Bonds maturing on and after 7/1/2036 subject to optional redemption at par on or after 7/1/2035 Series 2025B Bonds subject to make-whole optional redemption on any date prior to 7/1/2035		
Sale Type & Timing	Competitive bids: Series 2025A and Series 2025C Bonds: June 24, 2025 at 8:15 AM MST (11:15 AM New York time) Series 2025B Bonds: June 24, 2025 at 8:45 AM MST (11:45 AM New York time) Delivery Date: July 16, 2025		
Purpose	<u>Series 2025A and Series 2025B Bonds</u> To fund or reimburse the City for cost 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		<u>Series 2025C Bonds</u> To refund the Corporation’s outstanding Subordinated Excise Tax Revenue Refunding Bonds, Series 2015A
Pledged Revenues	All excise, transaction, privilege, business and franchise taxes, state-shared sales and income taxes, and receipts from licenses and permits, except for those specifically earmarked for a contrary or inconsistent purpose		
Ratings	Aa1/AAA/AA+ (M/S/F)		

*Preliminary, subject to change.



City of Phoenix – Demographic and Economic Overview

City Population (2024) ⁽¹⁾ (fifth largest in U.S.)	1,692,268
Phoenix Metro Labor Force ⁽²⁾	2.6 million
Median Household Income (2023) ⁽³⁾	\$77,041
Unemployment Rate (2024) ⁽⁴⁾	3.2%
Population over 18 with at least some college ⁽⁵⁾	67.2%
Phoenix Metro % Share of State GDP (2023) ⁽⁶⁾	76.2%

Sources:

1)City of Phoenix Planning & Development Department as of July 1, 2024 (Census Bureau estimate)

2)U.S. Bureau of Labor Statistics

3)U.S. Census, American Community Survey 2023 5-Year Estimates

4)U.S. Bureau of Labor Statistics

5)U.S Census Bureau's 2022 American Community Survey for Maricopa County

6)U.S Bureau of Economic Analysis



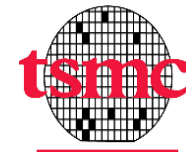
City of Phoenix – 5th Largest City in the United States and the Economic Engine for Arizona

- **Economic hub of the state**
 - Phoenix is the fifth largest city in the United States; also the state capital and county seat
 - Provides stabilizing institutional influence with a long-standing role as home to major public-sector employers: the State, Maricopa County, the City
 - Phoenix Metropolitan Statistical Area (MSA) accounts for more than 76.2% of statewide Gross Domestic Product (GDP) and 68.2% of the State's population (2023)
- **Rapid growth**
 - Population has grown 72.1% from 1990 to 2024
 - City housing starts totaled 8,997 in 2024; housing units increased by 11,505 from 2023 to 2024
- **Thriving, diverse economic base**
 - Strong regional economy with unemployment rates below national average and sustained economic growth
 - Thriving biotechnology center – the Phoenix Bioscience Core downtown and the Arizona Biomedical Corridor in north Phoenix
 - Top national and international tourist destination



City of Phoenix – A Diversified, Growing Economy

- **Large, diverse employment base**
 - Health Care, Education, Manufacturing, Financial, Retail, Governments and Schools, Technology, Tourism
 - Large Base of Employers/Corporate and Regional Headquarters
- **Established higher education institutions**
 - All three State public universities have campuses in Phoenix; plus, community colleges and private universities
- **Efficient transportation systems**
 - Air, rail, interstate, and robust highway system
- **Vibrant downtown**
 - Convention Center & Hotel destination with the Phoenix Convention Center hosting over 65 conventions in 2024
 - 2023 Super Bowl Activities, 2024 Final Four, 2027 NBA All-Star Game
- **Taiwan Semiconductor Manufacturing Corporation**
 - \$165 billion capital expenditure to bring manufacturing facilities to the City
 - Projected to create more than 4,500 new jobs (excluding construction jobs) with average annual salaries exceeding \$80,000





City General Fund Budget

General Fund Budgetary Schedule (in thousands)

	Actual	Estimated*
	2023-24	2024-25
Resources:		
Beginning Balance	\$ 222,931	\$ 293,513
Revenue	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	\$ 1,810,817	\$ 1,881,950
Capital	34,061	50,538
Total Expenditures	\$ 1,844,878	\$ 1,932,488
Ending Fund Balance (Budgetary)	\$ 293,513	\$ 210,144

* Based on ten-months actuals and two-month estimates.



The Bonds Benefit from Strong Security Features

- The Bonds are special revenue obligations of the City of Phoenix Civic Improvement Corporation (the “Corporation”)
- There are currently no senior or junior bonds outstanding, but those liens remain available for future use
- Pledged revenues include all excise, transaction, privilege, business and franchise taxes, State-shared sales and income taxes, and receipts from licenses and permits, except for those specifically earmarked for a contrary or inconsistent purpose
 - Privilege license (sales and use) taxes and fees make up almost half of the total revenues
 - State-shared sales and income taxes are subject to changes in State formulas



The Bonds Benefit from Strong Security Features (continued)

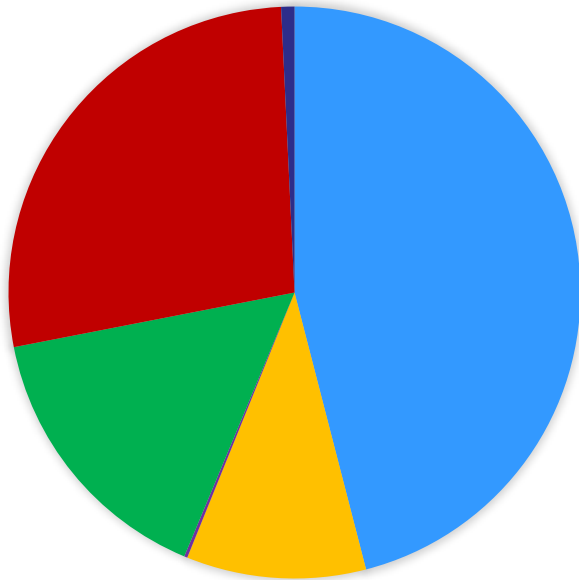
- Debt service supported by unconditional payments from the City
 - City makes semiannual payments under a loan agreement between the City and the Corporation, sufficient to cover debt service on the Bonds (the “Loan Payments”)
 - The Loan Payments are unconditional and not subject to appropriation but do not constitute a pledge of the City’s full faith and credit
- Debt service coverage easily exceeds additional bonds test requirements
 - For Senior Bonds*: two times the combined maximum annual debt service of Senior, Junior and Subordinated Bonds, including the bonds to be issued
 - For Junior Bonds*: two times the combined maximum annual debt service of Senior, Junior and Subordinated Bonds, including the bonds to be issued
 - For Subordinated Bonds: One time the combined maximum annual debt service for Senior and Junior Bonds, plus two times the maximum debt for Subordinated Bonds, including the bonds to be issued

*No senior or junior bonds currently outstanding.



Pledged Excise Tax Revenues

REVENUE SOURCES



- Privilege License Tax and Fees
- Utility & Franchise Fees
- Licenses & Permits
- State-Shared Sales Tax
- State-Shared Income Tax
- Recreational Marijuana Sales Tax

Actual FY 2023-24 Excise Tax Revenue Sources (in thousands)

Privilege License Tax and Fees	\$733,615*
Utility & Franchise Fees	161,906
Licenses & Permits	2,882
State-Shared Sales Tax	249,504
State-Shared Income Tax	435,754
Recreational Marijuana Sales Tax	12,006
FY 2024 Total	\$1,595,667

* Privilege License (Sales and Use) Tax and Fees include taxes on retail, restaurant, bars, construction contracting, residential rental, hotels, vehicle rentals, and other activities. *Does not include certain dedicated excise tax revenues approved by voters for a specific purpose.*

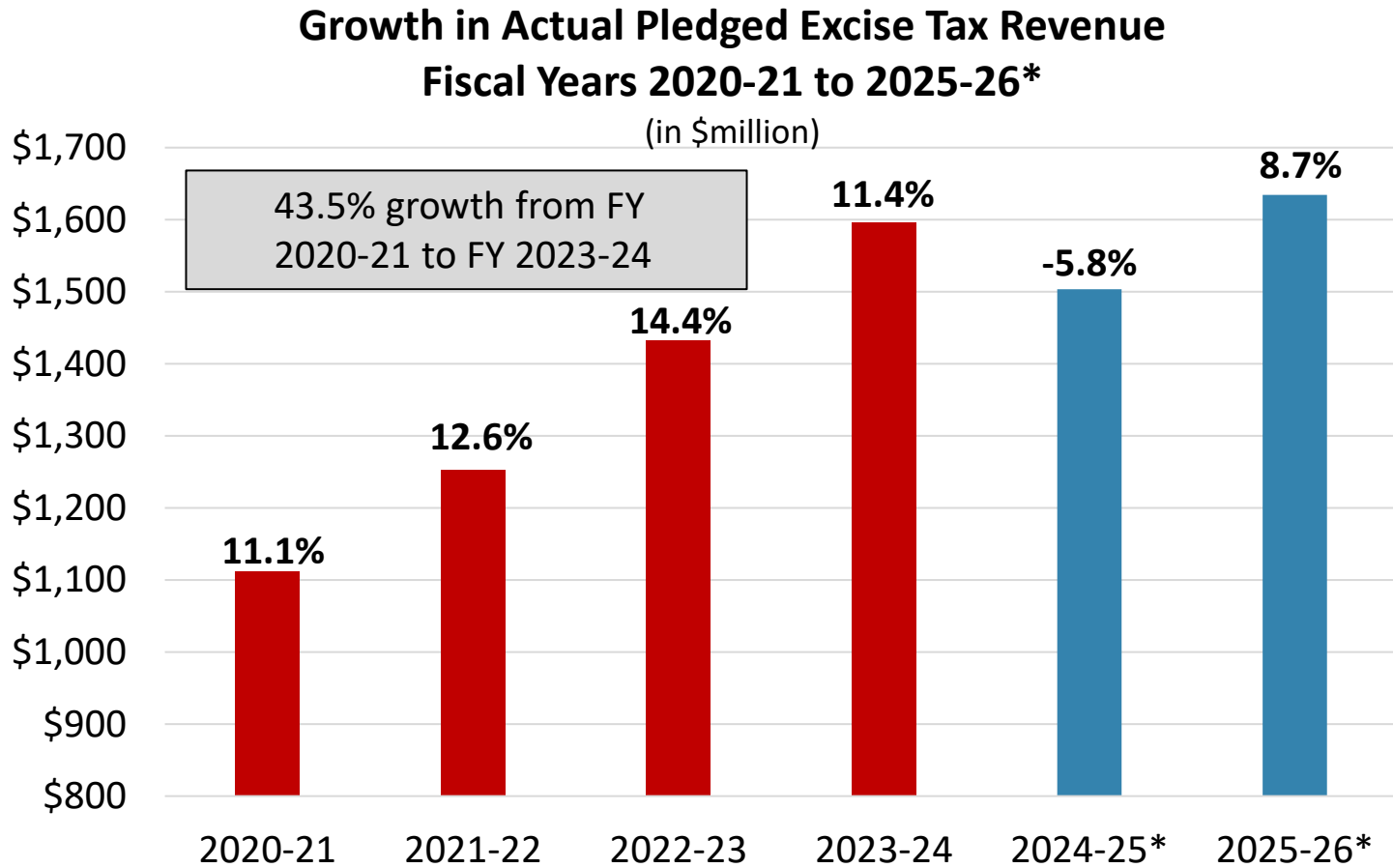


Excise Tax Credit Strengths

- Strong growth in pledged excise taxes
 - Growth of 43.5% from FY 2020-21 to FY 2023-24
 - Moderate decrease of 5.8% projected for FY 2024-25 due to impact of Senate Bill 1131 which eliminated residential rental sales taxes and Senate Bill 1828 which reduced State-shared income taxes by reducing the individual income tax rate to a single flat rate of 2.5%
- Growth and low leverage have contributed to consistently strong coverage
 - From FY 2020-21 through FY 2023-24 coverage ranged from 13.3x to 17.4x (inclusive of all liens)
 - \$942.2 million of debt outstanding as of July 1, 2025
- Further growth expected in FY 2025-26 due to 0.5% increase in the City's transaction privilege (sales) tax and use tax from 2.3% to 2.8%.
 - This tax increase was approved by City Council on March 18, 2025, and is effective July 1, 2025.
 - The increase in the transaction privilege (sales) tax and use tax will help offset the negative impacts of state legislation



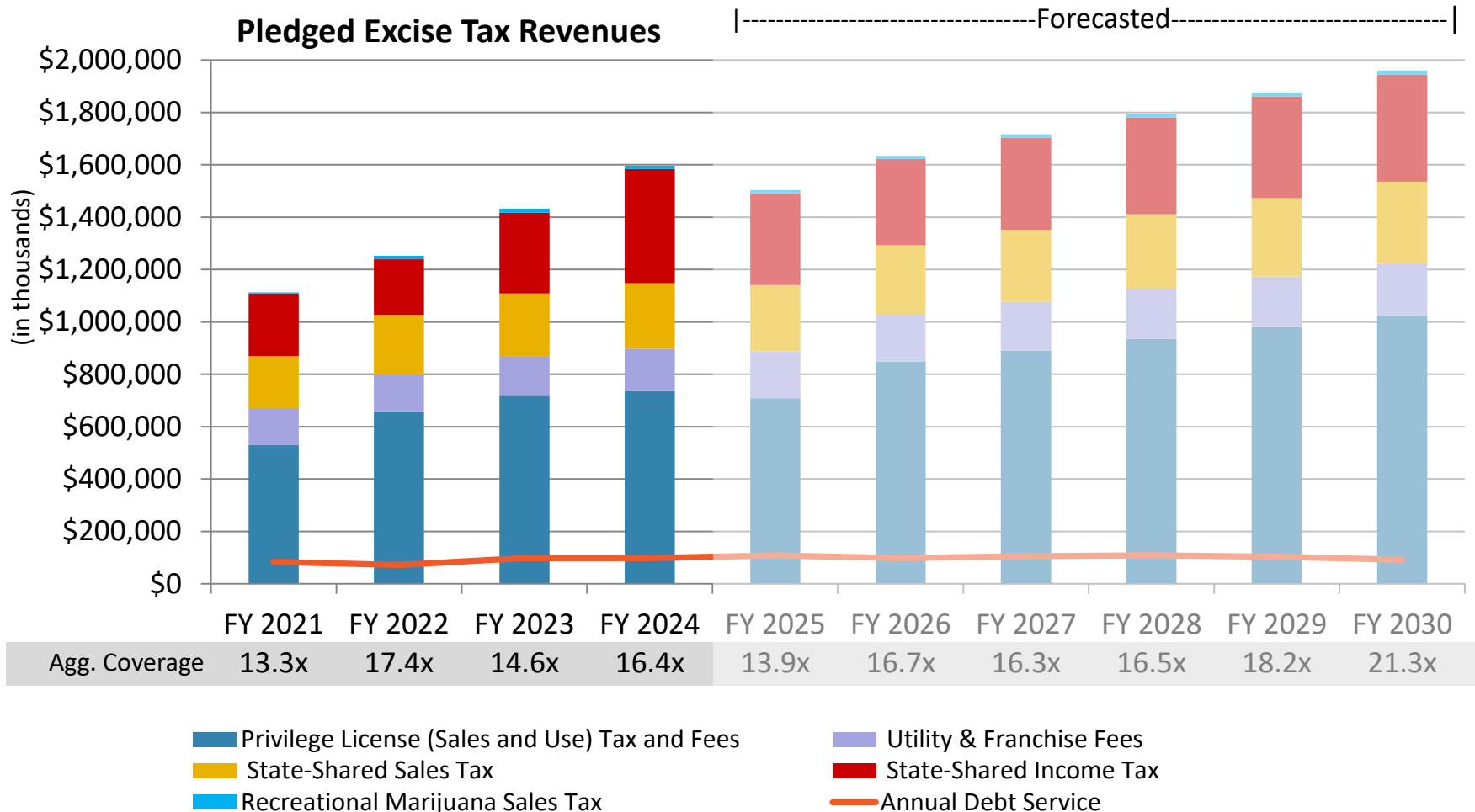
History of Strong Pledged Revenue Growth



*Estimated.



Actual and Forecasted Pledged Excise Tax Revenues & Aggregate Debt Coverage*

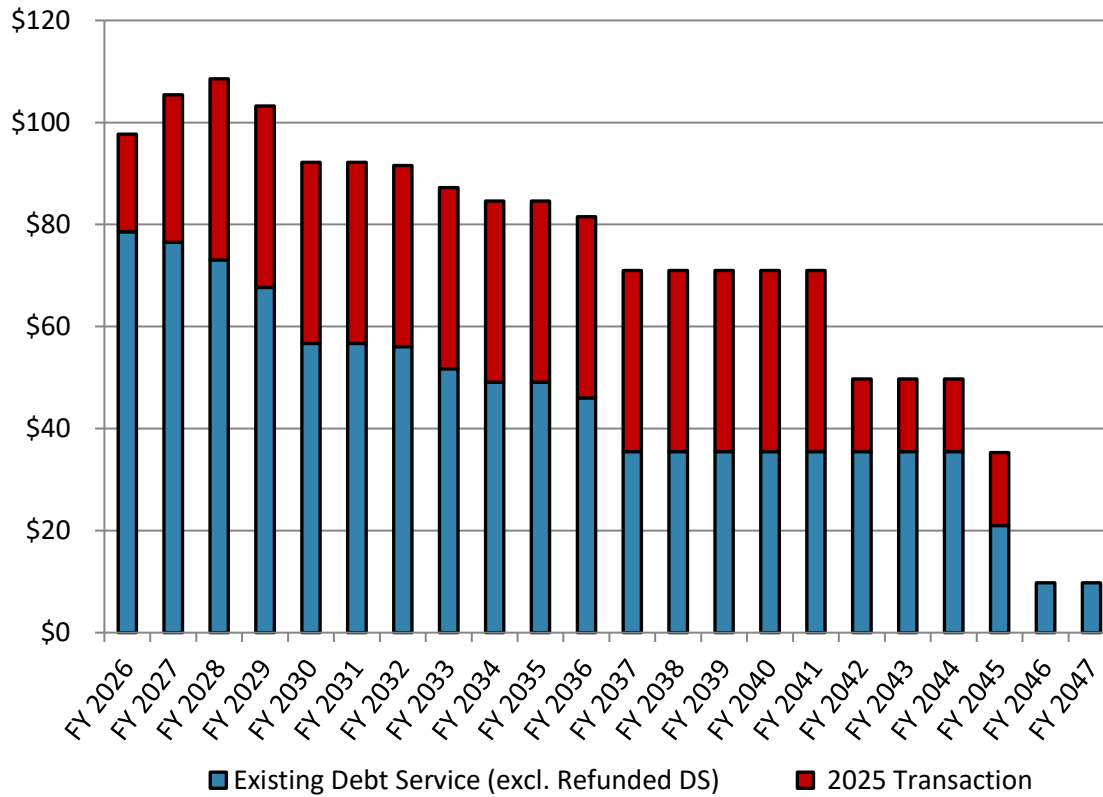


* Includes expected debt service impacts of the 2025 transaction. Excludes any additional future issuance.



Financing Structure of the Bonds*

Outstanding Annual Debt Service by Fiscal Year
(Millions)



Principal Amortization (Thousands)

Mat. 7/1	Series 2025A	Series 2025B (Taxable)	Series 2025C (Refunding)	Total
2026	\$ -	\$ -	\$500	\$500
2027	-	-	9,500	9,500
2028	4,955	905	10,720	16,580
2029	5,205	945	11,255	17,405
2030	5,465	990	11,825	18,280
2031	5,735	1,035	12,415	19,185
2032	6,025	1,090	13,040	20,155
2033	6,325	1,145	13,690	21,160
2034	6,640	1,205	14,375	22,220
2035	6,975	1,270	15,095	23,340
2036	7,320	1,340	15,850	24,510
2037	7,685	1,410	16,640	25,735
2038	8,070	1,490	17,470	27,030
2039	8,475	1,575	18,345	28,395
2040	8,900	1,665	19,265	29,830
2041	9,345	1,760	20,225	31,330
2042	9,810	1,870	-	11,680
2043	10,300	1,980	-	12,280
2044	10,815	2,100	-	12,915
2045	11,360	2,225	-	13,585
Total	\$139,405	\$26,000	\$220,210	\$385,615

* Preliminary, subject to change.



Transaction Schedule and Contact Information

Event	Date*
Release of POS and Investor Presentation	Tuesday, June 10, 2025
Competitive Bids	Series 2025A and Series 2025C Bonds: June 24, 2025 at 8:15 AM MST (11:15 AM New York time) Series 2025B (Taxable) Bonds: June 24, 2025 at 8:45 AM MST (11:45 AM New York time)
Closing and Delivery of Bonds	Wednesday, July 16, 2025

City of Phoenix Contact Information:

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Investor Relations Website

Additional information is available
at the City's Investor Relations
website:

phoenix.gov/finance/investor

The screenshot shows the City of Phoenix official website. At the top, there's a header with the City of Phoenix logo, a search bar labeled "Search Phoenix.gov", and a "Menu" button. Below the header is a navigation bar with links: Home > Administration > City Departments > Finance > Financial Reporting > Investor Information. The main content area is titled "Investor Information" and includes a "Department Menu" button. The text on the page reads: "Welcome to the City of Phoenix Investor Information page. Phoenix is the fifth largest City in the United States, the capital of Arizona, and the center of the metropolitan area encompassed by Maricopa County. Phoenix has been one of the most rapidly growing metropolitan areas in the country for several decades in terms of population, employment and personal income growth. The sustained growth of Phoenix has contributed to the City's use of bonds as a major source of financing for its capital improvement programs. The City issues bonds to fund infrastructure and development through the following major debt categories: General Obligation; Excise Tax Revenue; Airport Revenue; Water Revenue; Wastewater Revenue; Community Facilities Districts; State of Arizona Distribution Revenue; Transit Excise Tax Revenue; and Rental Car Facility Charge Revenue." A small icon of a hand pointing to a question mark is visible in the bottom right corner.