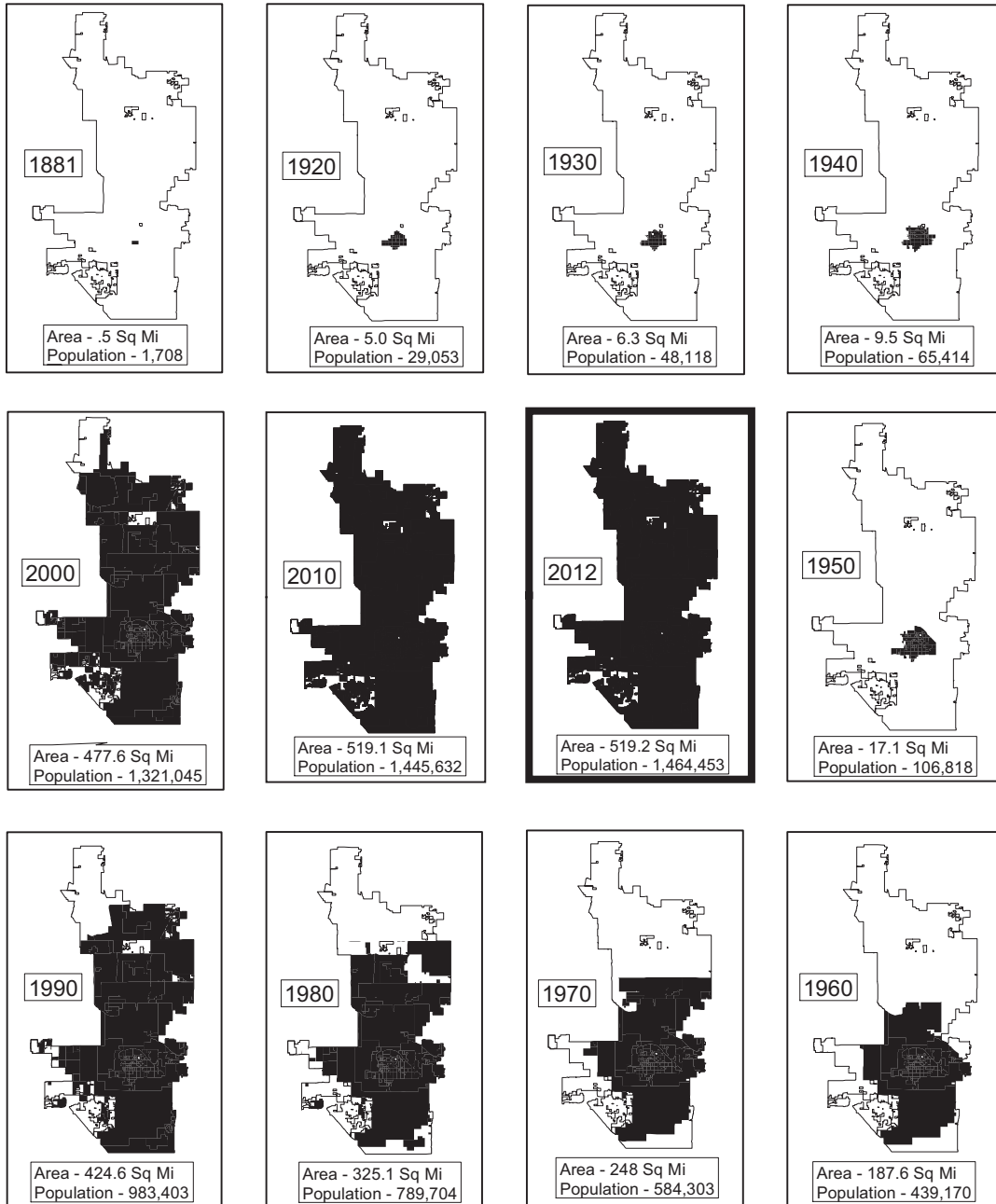




PHOENIX GROWTH





Community Profile and Trends

Phoenix was founded in 1870 as an agricultural community and was incorporated as a city in 1881. The City Charter, under which it is presently governed, was adopted in 1913 and has been amended by Phoenix voters from time to time since then. The charter allows Phoenix to determine its governmental structure and levy revenue and privilege license taxes. A council-manager form of government was also adopted in 1913. Under this organizational structure, the Mayor and Council appoint a city manager to act as the chief operating officer. The City Council sets policy direction, and the city manager is responsible for implementing those policies in an efficient and effective manner. In 1982, a group of residents initiated an effort to move to a district system for electing council members. These residents were concerned that at-large elections resulted in an organization that was less responsive to neighborhoods. The initiative was passed by the voters of Phoenix, and the number of Council seats was increased from six to eight. The Mayor continued to be elected at-large.

Economic Diversity

Phoenix has grown steadily, especially since 1950. The 1900 Census recorded Phoenix 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 recent 2010 Census recorded Phoenix population at 1,445,632. The city currently encompasses 519.2 square miles.

Today, Phoenix is the sixth most populous city in the United States, state capital of Arizona and center of the metropolitan area encompassed by Maricopa County. This metropolitan area also includes the cities of Mesa, Glendale, Tempe, Scottsdale, Chandler, Peoria, Surprise, Goodyear, Avondale, El Mirage, Tolleson and the towns of Gilbert and Buckeye. It is situated 1,117 feet above sea level in the semi-arid Salt River Valley. The area is widely known for its mild, sunny winters and hot summers and receives an average rainfall of seven inches a year.

The Phoenix metropolitan area employment mix is well diversified and fairly similar to that of the United States as a whole. An exception is construction and financial employment, which comprise more of Phoenix's employment mix than the United States average due to historical rapid population and employment growth. Additionally, the Phoenix area's manufacturing mix is much more concentrated in high technology than the United States. The high technology manufacturing sectors are cyclical in nature and may be more impacted during periods of economic slowing than other manufacturing sectors. The primary employment sectors and their share of total employment in the Phoenix metropolitan area consist of service industry (45%); trade (17%); government (14%); construction (5%); financial activities (8%); and manufacturing (7%). Major employers of the Phoenix metropolitan area include the state of Arizona, Wal-Mart Stores, Inc., Banner

Health Systems, city of Phoenix, Wells Fargo and Company, Bank of America, Maricopa County, Arizona State University, Apollo Group, Inc., JPMorgan Chase & Co., Intel Corporation and US Airways Group, Inc. The top ten property taxpayers, based on secondary assessed valuation, are Arizona Public Service Company, QWest Communications (CenturyLink), Southwest Gas, Westcor Company LP/Macerich Management Company, Host Kierland LP, AT&T Corporation, LBA Realty Fund, Metropolitan Life Insurance Company, Starwood Hotels and Resorts, and Wells Fargo and Company. These taxpayers make up just over six percent of total assessed valuation.

Demographics and Economic Statistics

The following statistics are presented to provide an overview of Phoenix residents, the city's financial condition and infrastructure.





	1970-71	1980-81	1990-91	2000-01	Actual 2010-11	Estimated 2011-12	Projected 2012-13
Demographic Profile							
Population ¹	584,303	789,704	995,896	1,350,435	1,445,632	1,464,000	1,482,000
Percent of Population by Age							
Under 5	8.8	7.8	8.5	8.5	8.3		
5-19	29.9	25.0	21.6	21.5	23.0		
20-44	32.2	39.3	42.9	42.8	37.2		
45-64	20.4	18.6	17.3	17.3	23.1		
65+	8.7	9.3	9.7	9.8	8.4		
Percent of Population by Race ¹							
Caucasian	93.3	78.1	71.9	55.8	65.9		
Black/African American	4.8	4.7	4.9	4.8	6.5		
American Indian/Alaska Native	1.0	1.1	1.6	1.6	2.2		
Asian	0.5	0.9	1.5	1.9	3.2		
Native Hawaiian/ Other Pacific Islander ²	N/A	N/A	N/A	0.1	.2		
Other ³	0.4	15.2	20.1	35.8	22.0		
Hispanic/Latino (of Any Race) ⁴	N/A	14.8	20.0	34.1	40.8		
Not Hispanic or Latino (of Any Race) ⁴	N/A	85.2	80.0	65.9	59.2		
City Economic Profile							
Median Household Income ⁵	\$27,601	\$29,706	\$30,797	\$40,856	\$42,260	\$43,190	\$44,140
Personal Income Growth							
(Metro Phoenix) ⁶	13.6%	14.8%	4.6%	6.7%	3.0%	3.8%	3.6%
Assessed Valuation ('000s) ⁷	N/A	N/A	\$5,700,825	\$7,573,211	\$16,092,308	\$12,343,774	\$10,849,744
Employment Growth Rate ⁸	N/A	N/A	(3.0)%	3.7%	(2.1)%	0.9%	1.4%
Unemployment Rate ⁹	N/A	N/A	4.9%	2.7%	9.1%	8.3%	8.3%
Value of Residential Construction ¹⁰							
(Billions)	N/A	N/A	\$0.42	\$1.16	\$0.28	\$0.32	\$0.30
Value of Commercial Construction ¹⁰							
(Billions)	N/A	N/A	\$0.46	\$1.33	\$2.60	\$2.50	\$2.20





	1970-71	1980-81	1990-91	2000-01	Actual 2010-11	Estimated 2011-12	Projected 2012-13
City Financial Profile							
Total Budget ('000s)	\$95,835	\$392,780	\$1,026,545	\$1,946,013	\$3,020,690	\$3,081,820	\$3,572,641
Total GF Budget ('000s) ¹¹	\$62,343	\$221,106	\$591,021	\$953,324	\$954,795	\$1,006,629	\$1,115,020
Total Employees	5,670	9,435	11,388	14,352.0	15,002.8	14,893.8	14,983.8
Total Employees per 1,000 population ¹²	9.7	11.9	11.4	10.6	10.4	10.2	10.2
Non-Enterprise Employees per 1,000 population	N/A	N/A	N/A	8.6	8.1	8.0	7.9
Enterprise Employees per 1,000 population ¹³	N/A	N/A	N/A	2.0	2.3	2.3	2.3
Property Tax Rate	1.75	1.75	1.79	1.82	1.82	1.82	1.82
G.O. Bond Rating (Moody's/Standard and Poor's)	A/A	Aa/AA	Aa/AA+	Aa1/AA+	Aa1/AAA	Aa1/AAA	Aa1/AAA
Number of PLT Licenses	N/A	37,943	43,756	51,000	56,460	57,000	57,000
City Retail Sales Tax Rate ¹⁴	1%	1%	1.2%	1.8%	2.0%	2.0%	2.0%
Infrastructure Profile							
Area (Square Miles)	247.9	329.1	427.1	483.5	519.1	519.2	519.2
Police							
Major Crimes	50,747	86,287	110,961	97,666	70,108	73,000	73,000
Dispatched Calls for Service	374,003	452,350	895,117	862,769	620,969	639,000	639,000
Authorized Sworn Police Officers	1,054	1,694	2,047	2,810	3,281	3,273	3,273
Fire							
Fire Stations	30	35	45	45	57	58	58
Fires and All Other Calls ¹⁵	14,437	25,162	26,281	28,369	19,335	20,000	20,000
Emergency Medical Calls ¹⁵	—	46,122	75,112	101,396	136,163	143,000	144,000
Authorized Sworn Firefighters	572	838	1,042	1,315	1,661	1,661	1,668
Building Inspections							
Total Number of Inspections ¹⁶	236,000	196,356	176,909	261,184	131,600	131,600	138,800
Streets							
Total Miles	2,270	3,084	3,800	4,299	4,825	4,835	4,845
Miles Resurfaced and Sealed	378	216	250	220	127	203	178
Total Miles of Bikeway ¹⁷	N/A	N/A	250	472	615	628	633
Traffic Control and Lighting							
Signalized Intersections	423	555	761	906	1,092	1,098	1,102
Street Lights	23,097	39,097	50,825	70,750	89,826	90,600	94,000
Traffic Accidents ¹⁸	22,765	28,129	28,414	36,500	22,742	23,000	23,000
Aviation							
Passengers Arriving and Departing	2,925,700	6,500,000	22,175,000	35,900,000	40,500,000	40,500,000	41,000,000
Solid Waste Collection							
Residences Served	204,800	281,900	281,392	327,953	392,825	395,000	396,000
Tons Disposed at City Landfills ¹⁹	325,300	379,000	513,643	1,051,935	1,002,346	890,000	900,000





	1970-71	1980-81	1990-91	2000-01	Actual 2010-11	Estimated 2011-12	Projected 2012-13
Municipal Parks							
Number of Municipal Parks ³⁰	121	137	181	199	225	225	226
Developed Park Acres ²¹	N/A	1,303	2,206	3,332	5,071	5,646	5,660
Number of municipally operated golf courses	4	5	5	7	6	6	6
Libraries							
Book Circulation	2,368,232	3,691,745	5,962,411	9,151,000	13,839,543	14,100,000	14,300,000
Total Book Stock	704,940	1,182,606	1,732,410	2,016,000	1,643,977	1,800,000	1,850,000
Number of library branches	7	9	11	13	16	17	17
Equipment Management							
Number of Equipment Units in Fleet ²²	2,637	4,497	4,776	6,080	7,612	7,340	7,229
Water							
Connections	172,100	282,048	321,996	350,967	397,390	399,186	401,182
Production (billions of gallons) ²³	52.7	88.5	84.7	109.4	98.6	97.8	97.7
Wastewater							
Connections	169,255	250,199	311,980	327,051	389,978	391,077	392,817
Miles of Line	2,090	3,040	3,661	4,174	4,980	4,984	4,989

¹Population by age and race is only available in census years. Also, racial categories were modified by the Census Bureau in the 2000 Census.

²Prior to the 2000 Census, Native Hawaiian/Other Pacific Islander data was combined under the same category. In pre-2000 Census counts this race category was included in the Asian category.

³Hispanic/Latino of any race is included in the Census' "Other" race category for fiscal year 1980-81, fiscal year 1990-91 and fiscal year 2000-01.

⁴Pre-1980 census questionnaires did not include "Hispanic" or "Spanish" race categories.

⁵Median Household Income is based on United States Census Bureau data for city of Phoenix geographic area. For the estimate and projection years, the Calendar Year 2011 greater Phoenix Consumer Price Index (CPI) (+2.2%) was applied to the 2010 census figure to forecast Median Household Income growth. This reflects a change from the method used in previous budget documents, which calculated median household income using personal income growth rates from the U.S. Bureau of Economic Analysis.

⁶Personal income growth percentage is from University of Arizona's "Economic Outlook" quarterly publication (University of Arizona Economic and Business Research Center).

⁷The formula for assessing valuation was changed significantly in 1980 making comparisons to prior years not meaningful.

⁸Employment growth rate figures (total non-farm employment) are calendar year and not fiscal year. Calendar 2010 is shown under fiscal year 2010-11, and calendar 2011 is shown under fiscal year 2011-12, and projected calendar 2012 is shown under fiscal year 2012-13. Estimates are for the Phoenix metro area and are obtained from the Arizona Workforce Informer-Arizona Department of Economic Security.

⁹Unemployment rate is reported monthly on by the Arizona Department of Commerce Research Administration's website: workforce.az.gov and converted to fiscal year by the city of Phoenix Budget and Research Department. Seasonally adjusted unemployment data from 2001-11 is currently unavailable for the Phoenix-Glendale-Mesa MSA due to data revisions. Revisions for the MSA, counties and cities are currently in process, however no released due has been announced.

¹⁰Beginning with fiscal year 2006-07, multi-family projects are included in the commercial valuation total. Prior to fiscal year 2006-07, multi-family projects were included in the residential valuation total. These measures represent the annual estimated value of projects permitted by the city of Phoenix (new construction).

¹¹As of fiscal year 1998-99, Arizona Highway User Revenue funds are no longer included in the General Fund total.

¹²A correction was made to the calculation of city employees per 1,000 population for fiscal year 1980-81 and fiscal year 1990-91. Previous budget books did not adjust for Census data that was published at least a year after the statistic was recorded in budget documents.

¹³Enterprise departments include Water, Wastewater, Aviation, Phoenix Convention Center, Golf and Solid Waste Management.

¹⁴Voters approved a 0.1 percent increase in most city sales tax categories effective December 1, 1993, for increased fire and police protection services. Voters approved a 0.1 percent increase in most city sales tax categories effective November 1, 1999, for 10 years and reapproved it on May 30, 2008, for 30 years to provide funds for parks enhancements and improvements, and to acquire land for a Sonoran preserve. Voters approved a 0.4 percent increase in most city sales tax categories effective June 1, 2000, for 20 years to provide funding for public transit improvements and light rail. Voters approved a 0.2 percent increase in most city sales tax categories to provide funds for additional police officers and firefighters effective December 1, 2007.

¹⁵Prior to fiscal year 1980-81, emergency medical, fire and all other calls were combined into one figure.

¹⁶Includes building, electrical, mechanical, plumbing and general inspections. The lower numbers for recent years, as compared to 1970-71, are the result of the implementation of the general inspection program that combined several residential inspections, performed by one inspector, into a single permit.

¹⁷The bikeway program was approved by the City Council in 1987. Figures include on-street bike lanes, bike routes and paved and unpaved paths.

¹⁸Due to the implementation of a new Arizona Department of Transportation (ADOT) collision system in 2009 and associated delays in data entry and processing, full collision data for Phoenix for the years 2009-11 is not yet available. The figures presented are projections based on historical trending. Traffic accident data comes from the city of Phoenix Police Department's TADS database and estimates are based on an average over the previous three years.

¹⁹Tonnage was unusually high in fiscal year 2010-11 due to a significant hail storm and all the material that was disposed of that year, however estimates for fiscal year 2011-12 and fiscal year 2012-13 represent tonnage levels that are more consistent with typical averages. Residential tonnage continues to be flat.

²⁰This number includes all parks and areas maintained by the Parks and Recreation Department. For example, retention basins, canal projects, developed and undeveloped parks.

²¹Increase in developed parks acres in fiscal year 2011-12 is due to improved methods of measurement.

²²Reduction in vehicles is due to programmed reductions and turn in of underutilized vehicles.

²³Includes water produced for city of Phoenix only.

