

ASU @MESA CITY CENTER PROJECT FUNDING

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ASU @ MESA CITY CENTER



- Construction underway
- October 2021: ASU building construction complete
- January 2022: ASU classes begin
- Programs in digital and sensory technology, experiential design, gaming, media arts, film production and entrepreneurial development and support



CURRENT FUNDING PLAN

Total Project Budget	\$73.5 million + FF&E
ASU Commitment	\$10.0 million + FF&E
City Funding Sources	
Cash Contribution (Land Sales, Economic Investment Fund, Project Construction Sales Tax)	\$20.7 million
2020 Excise Tax Revenue Obligations	<u>\$42.8 million</u>
Total City Funding	\$63.5 million

Note: ASU is responsible for funding any increases to the total project budget

EXCISE TAX OBLIGATIONS

Excise tax – tax on a transaction (e.g., sales tax, gas tax)

Guaranteed by City excise (sales) tax receipts

Previous projects financed or guaranteed

- | | |
|--|---------------|
| 1. Highway Project Advancement Notes – State Route 24 | \$123 million |
| 2. Phoenix-Mesa Gateway Airport Authority improvements | \$ 19 million |
| 3. Stadium projects (Sloan Field/Hohokam Park) | \$ 94 million |

EXCISE TAX OBLIGATIONS - COUNCIL APPROVAL

June 4, 2018	Issuance authorization of not-to-exceed \$65 million (\$63.5 million project budget)
January 28, 2019	Authorization ratified and confirmed

ANNUAL COST ESTIMATES

	<u>City Commitment</u>	<u>To Finance</u>	<u>Annual Debt Service*</u>
Project Approval <i>Jun 4, 2018</i>	\$63.5M	\$60.0M	\$5M
Current <i>Sep 1, 2020</i>	\$63.5M	\$42.8M	\$3M

*Estimate – actual costs to be determined by market conditions when bonds are sold

2020 EXCISE TAX OBLIGATIONS - TIMELINE

(MAY BE ADJUSTED DUE TO MARKET CONDITIONS)

Nov 10-19 Issuance priced

Dec 10 Issuance closes and proceeds received

