Members Present:
Dan Anderson, Assistant Executive Director,
   Institutional Analysis, Arizona Board of Regents
Brian Cary, Salt River Project
Pete Ewen, Pinnacle West
Dean Martin, State Treasurer
Georganna Meyer, Chief Economist, Department of Revenue
Aruna Murthy, Department of Commerce
Jim Rounds, Vice President, Elliott D. Pollack & Co.
Martin Shultz, Pinnacle West Capital Corporation
Ms. Randie Stein, Stone & Youngberg

Mr. Richard Stavneak, Director, JLBC Staff, opened the meeting at 3:05 p.m. and welcomed everyone to the Finance Advisory Committee (FAC) meeting. The panel meets 3 times a year to discuss the economy and to provide the Legislature with guidance on state revenue projections.

Mr. Stavneak, Mr. Eric Jorgensen, Mr. Hans Olofsson, and Mr. Martin Lorenzo, gave the JLBC Staff presentation with an overview of state revenues.  (Click here to view)

Mr. Jim Rounds, Vice President, Elliott D. Pollack & Company, gave a slide presentation on the national and state economies.  (Click here to view)

Mr. Dean Martin, State Treasurer, gave a handout to members and made a presentation regarding the state operating balance and revenue picture.  (Click here to view)

Mr. Dan Anderson, Assistant Executive Director, Institutional Analysis, Arizona Board of Regents, stated that the worst is behind us.  He noted that Arizona has seen hard times before, but that good times will return.  He believes that by the middle of this decade we will see some solid improvements.

Mr. Pete Ewen, Pinnacle West, stated that he is more optimistic now than he has been in 2 years.  He thinks the odds are shifting slowly towards a more optimistic scenario.  There has been fear and panic as a result of the financial crisis.  Mr. Ewen’s outlook is that once that fear and panic dissipates and confidence returns, things will improve.  He believes that with job rehiring, and the income gains that
come from that, there is actually going to be some very good news and that will move things along very quickly.

Brian Cary, Salt River Project, stated that their numbers indicated that the worst was probably passed this last summer. During that period, customer growth was flat, which implies that population was probably actually shrinking, since the normal replacement rate would naturally be around 1% per year. Since then, they have seen some growth, both in residential accounts, and large industrial customers. While Mr. Cary noted the fundamentals are in place to accommodate a relatively strong recovery, he cautioned that a big question that remains is how bad is the commercial real estate problem going to be. He believes that we could begin to see acceleration in growth rates as soon as 2011 or 2012. He also noted that there is the potential for some upside surprises compared to what the consensus forecast is expecting.

Ms. Georganna Meyer, Chief Economist, Department of Revenue, stated that in November, DOR paid out almost $100 million in corporate income tax refunds; a level never before seen. Nearly half of that refund amount was 1 corporation who had grossly overpaid their estimated payment in the prior year. She noted that January was the highest January gross collection month ever.

Ms. Randie Stein, Vice President, Public Finance Department, Stone & Youngberg, stated that the last 24 months of data shows us that the housing industry is not a sustainable export industry. We have some big fundamental pieces to rethink with respect to the state economy and the state budget.

Aruna Murthy, Department of Commerce, gave a slide presentation to the panel of their latest Arizona Workforce employment report.

The meeting adjourned at 4:30 p.m.

__________________________________
Sandy Schumacher, Secretary

__________________________________
Tim Everill, Assistant Director

NOTE: A full audio recording of this meeting is available at the JLBC Staff Office, 1716 W. Adams. A full video recording of this meeting is available at http://www.azleg.gov/jlbc/meeting.htm.
Finance Advisory Committee
Revenue and Budget Update

January 21, 2010

JLBC
For the Arizona Economy, 2009 Was the Worst Year in Decades

- Employment – the largest average annual percentage decline on record (data available from 1939).

- Personal Income – first annual decline since 1944.

- Population – increased at the slowest rate since 1945.

- Building Permits – lowest single-family permitting activity since the late 1960s.

- Consumer Confidence – lowest on record in the 1st quarter (data available from 1985).
### While Economic Indicators Have Stabilized, Recovery Could Take 3 to 5 Years

<table>
<thead>
<tr>
<th>Stabilized</th>
<th>Long Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs</td>
<td>– Total employment</td>
</tr>
<tr>
<td>– 276,500 job loss since 12/07</td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>– Home prices</td>
</tr>
<tr>
<td>– 50,000 surplus homes, 80 M sq. ft. surplus commercial space</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>– 3-month tax collections</td>
</tr>
<tr>
<td>– 48% of mortgages “underwater”</td>
<td></td>
</tr>
</tbody>
</table>
FY ’10 Revenues Are (16.6)% Below FY ’09 through December
- % Decline Unlikely to be Replicated for Full Year
- Revenues Are $(550) Below Budget through December

Percent Change From Prior Year

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY ’09</th>
<th>FY 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Qtr</td>
<td>-8.9%</td>
<td>-16.1%</td>
</tr>
<tr>
<td>2nd Qtr</td>
<td>-11.6%</td>
<td>-17.1%</td>
</tr>
<tr>
<td>3rd Qtr</td>
<td>-21.3%</td>
<td></td>
</tr>
<tr>
<td>4th Qtr</td>
<td>-30.4%</td>
<td></td>
</tr>
</tbody>
</table>
Where Are We Headed Over the Next Few Years?
- Four-Sector Consensus Forecast Incorporates Different Economic Views, Including the FAC

4-sector forecast equally weights:

- FAC average
- UofA model - base
- UofA model - low
- JLBC Staff forecast
- Remaining revenues (10% of total) are staff forecast

* Includes Big 3 categories of sales tax, individual income and corporate income taxes.
Consensus Forecasts 5.1% Growth in FY ‘11
- What Would Cause the Turnaround?
- Less Optimistic than 7.8% Projection in October

• National economic recovery is expected to pull the Arizona economy along

• Starting point of the recovery is so low in dollar terms that it may be relatively easy to generate positive growth

• Recent monthly data has begun to stabilize
Sales Tax
- The Consensus Forecasts Decline of (10.2)% in FY ’10, with Positive Growth Rates Beginning in FY ‘11

* 5.6% without the $(55.2) million estimated payment threshold change.
Sales Tax
- Despite 5% - 9% Growth, Collections Would Not Reach FY ’06 Level Until After FY ’13

Includes enacted tax law changes.
Sales Tax Collections Appear to Have Stabilized
- Second-Half Flat Growth Still Leads to Yearly Decline

Collections by Quarter

<table>
<thead>
<tr>
<th></th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>$900</td>
<td>$900</td>
<td>$900</td>
<td>$900</td>
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<tr>
<td>2nd</td>
<td>$900</td>
<td>$900</td>
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<td>3rd</td>
<td>$900</td>
<td>$900</td>
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<td>$900</td>
</tr>
<tr>
<td>4th</td>
<td>$900</td>
<td>$900</td>
<td>$900</td>
<td>$900</td>
</tr>
</tbody>
</table>

JLBC Forecast

Actual
Building and Vehicle Spending

Represent 30% of Sales

- Decrease in Vehicles Less Than Last Year,
While Decrease in Contracting is Greater

-33%  -14%  -17%  -26%  -41%  -6%  -10%

Retail - Auto  Retail - Housing  Contracting  Retail - Other

FY '09 - Total Year  FY '10 YTD
Individual Income Tax
- The Consensus Forecasts Decline of (3.4)% in FY ’10, with Positive Growth Rates Beginning in FY ‘11

* Excluding the 10% phased-in rate reduction, growth would have been 6.3% in ’07, and (4.1)% in ’08.
Individual Income Tax

- Collections Reach FY ’05 Level in FY ’13

Includes enacted tax law changes.
As With Sales, Withholding Appears to Have Bottomed Out
- More Difficult to Project Estimated Payments

Collections by Quarter

FY 2007
FY 2008
FY 2009
FY 2010
JLBC Forecast

Actual
April Final Payments Will Be the Key to the Individual Income Tax Forecast in FY10

- Withholding tax has declined for an unprecedented 8 consecutive quarters, but appears to be bottoming out.
- April final payments are the “great unknown” – almost 80% of year’s total collected after April 15th.
- ’09 final payments of $541m were 43% below ’07 level and the lowest since ’04 – will payments decline further in ’10?
- April returns could be greater than expected – 15% stock market gain in calendar ’09 plus increased number of real estate transactions.
Corporate Income Tax

- The Consensus Forecasts Decline of (24.3)% in FY ’10, with Positive Growth Rates Beginning in FY ‘11

* The ’08 – ’10 percentages include the impact of the consolidated reporting credit and the phase-in of the corporate sales factor. Excluding these tax law changes, baseline growth for ’08 – ’10 would be (17.2)%, (20.7)%, and (18.7)% respectively.
Corporate Income Tax
- FY ’13 Collections Below FY ’05 Level

Includes enacted tax law changes.
January 4-Sector Projecting Revenue Decline of (8.9)% in FY ‘10

- Executive is Forecasting (9.4)% Decline

Weighted Big 3 Average Prior to Tax Law Changes
Rather Than Consensus, JLBC Recommends Using Its (10.8)% FY ’10 Forecast

- Better to be cautious and improve rather than to see it get worse
- Equates to (3.5)% decline in remaining 6 months rather than a 1.9% increase
- Results in $(880) M revenue shortfall
5.6% Consensus Forecast Growth for FY ’11

- UA 9% Gain is the Outlier
- Executive is Forecasting 4.1% Growth

Weighted Big 3 Average Prior to Tax Law Changes
FY ’11 Revenue Base Also Adjusted for Tax Laws and Urban Revenue Sharing

- Enacted tax law changes of $(11) M
  - Phoenix Convention Center payment $(5) M
  - Solar tax credit $(5) M – 1st year difficult to predict

- Urban Revenue Sharing decreases by $(155) M from $629 M in ’10 to $474 M in ’11
  - Due to lagged decline in income tax collections
Consensus Forecasts 5.1% Growth in ’11
- Moderate Recovery in Out Years

* JLBC forecast in ’10, and 4-sector forecast in ’11 – ‘13
While Moderate Recovery, Revenues Far Below ’07 Level
- Would Take 4 Years of 11% Growth to Reach FY ’07 Level

- Excludes balance forward and other one-time revenues
Caveats

• Economic forecasting has limited ability to predict future, especially in unprecedented times

• 5.1% would be significant turnaround – would be $353 M greater than flat forecast.
## FY2010-FY 2013 Quartile Forecast Worksheet

<table>
<thead>
<tr>
<th></th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
<th>FY 2013</th>
</tr>
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<tbody>
<tr>
<td><strong>Sales Tax</strong></td>
<td></td>
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<td></td>
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<tr>
<td>JLBC Forecast (12/09)</td>
<td>-9.0%</td>
<td>4.6%</td>
<td>7.9%</td>
<td>8.0%</td>
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<tr>
<td>UA - Low (11/09 revision)</td>
<td>-12.5%</td>
<td>2.6%</td>
<td>4.4%</td>
<td>11.3%</td>
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<tr>
<td>UA - Base (11/09 revision)</td>
<td>-8.3%</td>
<td>7.5%</td>
<td>5.5%</td>
<td>10.1%</td>
</tr>
<tr>
<td>FAC (12/09 Survey)</td>
<td>-11.0%</td>
<td>3.9%</td>
<td>6.4%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Average:</td>
<td>-10.2%</td>
<td>4.7%</td>
<td>6.1%</td>
<td>9.1%</td>
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<tr>
<td><strong>Individual Income Tax</strong></td>
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<td></td>
<td></td>
<td></td>
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<td>JLBC Forecast (12/09)</td>
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</tr>
<tr>
<td>Average:</td>
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<td>7.8%</td>
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<tr>
<td><strong>Corporate Income Tax</strong></td>
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<td>JLBC Forecast (12/09)</td>
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<td><strong>Consensus Weighted Average:</strong></td>
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<td>4.9%</td>
<td>7.8%</td>
<td>7.1%</td>
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</tbody>
</table>

* Consensus forecast adjusted to include small tax categories.

Forecast percentages are prior to tax law changes.
A Recovery, But Not Recovered

Presented to:
FAC

By:
Jim Rounds, Senior Vice President
January 21, 2010
Overview:

Not much different than before for AZ. Slightly better story for the U.S.
Some Tough Questions for Staff:

FY 2010: When *exactly* will sales tax collections turn around? PIT?

FY 2011: Rebound year in terms of growth rates. But to what extent in FY 2011 versus some occurring in FY 2012?

Out Years: Will an extended period of weakness in the stock market, commercial, housing, etc. dampen State collections in the longer term?
U.S.
U.S. Y/Y Job Losses - Recent Recessions

Duration in Months - BLS

-4.5%
-4.0%
-3.5%
-3.0%
-2.5%
-2.0%
-1.5%
-1.0%
-0.5%
0.0%

1974 Recession
1980/81 Recession
1991 Recession
2001 Recession
Current Recession

December
U.S. Unemployment Rate
1980 – 2009*
Source: Bureau of Labor Statistics

*Data through December 2009
U.S. Leading Indicators
1971 – 2009 (through November)
Source: The Conference Board
10 Components of U.S. Leading Indicators - **August**

- Vendor performance
- Claims for unemployment (inverted)
- **Stock prices**
- Manuf. new orders – capital goods
- **Real money supply**
- Manuf. new orders – consumer goods
- Consumer expectations
- Manuf. hours
- Building permits
- Interest rate spread
10 Components of U.S. Leading Indicators - November

- Supplier performance
- Claims for unemployment (2)
- Stock prices (5)
- Manuf. new orders – capital goods
- Real money supply (6)
- Manuf. new orders – consumer goods
- Consumer expectations
- Manufacturing hours (3)
- Building permits (4)
- Interest rate spread (1)
Primary Recession Indicators:

- Real GDP
- Real Income
- Employment
- Industrial Production
- Wholesale – Retail Sales
Real Gross Domestic Product
Percent Change Quarter Ago, Annualized
1971 – 2009*
Source: Bureau of Economic Analysis

Recession Periods

* Data through 3rd quarter 2009
Real Personal Income Net of Government Transfers
Percent Change Quarter Ago, Annualized
1971 – 2009*

Source: Bureau of Economic Analysis

* Data through third quarter 2009
National Employment
Percent Change Month Ago, Annualized (S/A)
1981 – 2009*
Source: U.S. Bureau of Labor Statistics

*Data through December 2009
Industrial Production
Percent Change Year Ago
1973 – 2009*
Source: The Conference Board

*Data through December 2009
Real Retail Sales U.S.
Percent Change Year Ago
1973 – 2009*
Source: Federal Reserve

*Data through December 2009
**Three-month moving average
Recession Indicators Summary:

- Real GDP  
- Real Income  
- Employment  
- Industrial Production  
- Wholesale – Retail Sales
We are in a recovery, but we have yet to fully recover. Years not months.

The recovery will still be very weak and consumers will still be a drag.

They are finally getting their finances in order though, at least partially.
Financial Obligation Ratio**
1980 – 2009*
Source: Federal Reserve

**Ratio of mortgage and consumer debt (including auto, rent and tax payments) to disposable income.

*Data through third quarter 2009
Mortgage Equity Withdrawal as a share of Disposable Income
U.S.: 1971 – 2009*

Source: Bureau of Economic Analysis

Recession Periods

* Data through third quarter 2009
Savings Rate
1973 – 2009*
Source: Federal Reserve

*Data through November 2009
**Three-month moving average
Consumer Confidence
1978 – 2009*
Source: The Dismal Scientist

Recession Periods

*Data through December 2009

Disenfranchised
Weary
Worried
P.O.’d

Elliott D. Pollack & Company
State of Business?
Still Ugly?
U.S. Real Exports as a Percent of Real GDP
1971 – 2009*

Source: Bureau of Economic Analysis

*Data through third quarter 2009
Corporate Profit
(Billions of Dollars, SA)
1975-2009*
Source: Freelunch.com

*Data through third quarter 2009
Hours Worked
Percent Change from Year Ago
1976 – 2009**

Source: Bureau of Labor Statistics

**Data through third quarter 2009
Capacity Utilization Rate
1970 – 2009*
Source: The Conference Board

*Data through December 2009
Percentage of Large U.S. Banks Reporting Tougher Standards on Business Loans 1997 – 2009*

Source: Federal Reserve, Board of Governors

* Data as of October 2009 survey.
Percentage of Large U.S. Banks Reporting Easier Standards on Business Loans 1997 – 2009*

Source: Federal Reserve, Board of Governors

* Data as of October 2009 survey.

[Graph showing the percentage of large U.S. banks reporting easier standards on business loans from 1997 to 2009, with data points for each quarter.]
U.S. Summary:

U vs. V?
or even W; L?
U.S. Summary:

You are here
(mixed news but improving)

Longer term?
Why No Strong Recovery?

• Some confidence will return but consumers will still feel poor (i.e. wealth effect).

• Home sales will eventually increase but housing supply will still exceed demand in many areas.

• Job gains will be slow to materialize.
Why No Strong Recovery?

• Stock market will initially surge (done) then **growth will be slow.** A relatively flat year?

• Just getting started with **problems in commercial real estate.**

• Excess production capacity will **limit investment this year at least.**

• **Less pent up consumer demand** created during downturn than normal, but consumers finally getting their act together.
State of Arizona
Job Growth 2006
Source: US BLS
Job Growth Update: Arizona Falls to 50th

YTD November 09 v YTD November 08

Alaska
2

Hawaii
= 280,000 lost AZ jobs during last two years.

(>10% of jobs)
Employment Growth: Top 10 States

- North Dakota
- Alaska
- Louisiana
- South Dakota
- Montana
- Nebraska
- Texas
- Oklahoma
- New York
- Maryland
Arizona Employment Rank Among 50 States
1980 – 2009 Growth Over Previous Year
Source: Arizona State University

Elliott D. Pollack & Company

Recession Periods

= YTD November = 50
Greater Phoenix Y/Y Job Losses - Recent Recessions
Duration in Months - BLS

-9.0%
-8.0%
-7.0%
-6.0%
-5.0%
-4.0%
-3.0%
-2.0%
-1.0%
0.0%
-0.0%
1980/81
1991
2001
1974
November
0 3 6 9 12 15 18

1974 Recession
1980/81 Recession
1991 Recession
2001 Recession
Current Recession
2008 and 2009 are estimates put out by ADOC and may be subject to substantial revision.

* 2010 forecast is from Elliott D. Pollack & Co.
APS: Slowest Growth in over 50 years
1955 – 2009*

Residential Customers Over Prior Year

*Data through third quarter 2009
Source: APS
Phoenix-Mesa MSA Employment*
Annual Percent Change 1975–2010**
Source: Department of Commerce, Research Administration

*Non-agricultural wage & salary employment. Changed from SIC to NAICS reporting in 1990.

** 2009 & 2010 forecast is from Elliott D. Pollack & Co.
# Phoenix-Mesa Employment

**Source:** Arizona Department of Commerce, Research Administration

## Sectors in Decline

<table>
<thead>
<tr>
<th>Sector</th>
<th>Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>-15.8%</td>
</tr>
<tr>
<td>Construction</td>
<td>-22.7%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-7.5%</td>
</tr>
<tr>
<td>Trade</td>
<td>-5.3%</td>
</tr>
<tr>
<td>Transp. &amp; Utilities</td>
<td>-8.4%</td>
</tr>
<tr>
<td>Information</td>
<td>-3.9%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>-5.5%</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Services</td>
<td>-6.2%</td>
</tr>
<tr>
<td>Other Services</td>
<td>-6.6%</td>
</tr>
<tr>
<td>Educational Services</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Leisure &amp; hosp svcs</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Health Services</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Government</td>
<td>-5.4%</td>
</tr>
</tbody>
</table>

## Sectors in Decline

- Health Services: 1.3%
Investors: STILL 1/3+ of the Market?
Percent of Non-Owner Occupied Sales of Total Sales
Maricopa County
Source: DataQuick
How Investors Impact the Market:

1) Temporarily inflate housing prices;

2) Temporarily deflate housing “supply.”
We won’t get out of this until population inflows improve.
Home Prices Indices
2000 – 2009
Source: Macro Markets, LLC; AMLS

Recession Periods

typical realtor forecast

MLS Index  Case-Shiller Index  Trendline (4.0%)
Greater Phoenix Median Price of Single Family Homes - Resale
1982 – 2009*
Source: Realty Studies

*Data through third quarter 2009
Single-Family Permits
Greater Phoenix 1975–2008

Source: PMHS / RL Brown

# Permits

Recession Periods

Elliott D. Pollack & Company
U.S. Single-Family Starts
1978–2009

Source: Census Bureau

1/ Through November 2009

(Millions)

Over-supply
LTA: 1.2
Under-supply

Elliott D. Pollack & Company
New Permits

Distinguish between % growth and level. Percent growth could be large. For example, if permits go from 8,000+ to 12,000, that’s a 50% increase. It’s still 80% off peak or 65% off long-term demand.
Balance between supply and demand will not be fully achieved until about 2014.

But, building will get progressively better between now and then.

Balance = when you have to build for net in-migration.
Housing Affordability Index
2009 q3
Source: NAHB

Las Vegas: 84.7
Phoenix: 82.9
Denver: 76.4
Albuquerque: 75.1
Austin: 74.0
Tucson: 73.4
Salt Lake City: 70.9
Seattle: 55.7
San Diego: 50.2
Los Angeles: 40.1
Commercial Real Estate?
Back to Normal Vacancy?
(based on revised, more aggressive employment estimates for 2010-2015)

- Office = 2015 *ish*
- Industrial = 2015 *ish*
- Retail = 2015 *ish*
Discussion of Rates vs. Levels...

(A 100% gain is needed to offset a 50% loss)
Gains Needed to Reach Previous Peak

Sales Tax: 17% / 21%

Corporate Income Tax: 44% / 78%

Individual Income Tax: 29% / 41%
Discussion of Turning Points…

(A small delay in turning positive has a huge impact on FY 2010)
Example Forecast Scenarios - Sales Tax Recovery

FY2010 = $200M Potential Swing?

- Pessimistic (-10%)
- Most Likely (-8%)
- Optimistic (-5%)
What does all this mean?

• We are in a very weak recovery phase.

• Job losses through a good part of 2010.

• We already hit bottom in single family permitting and prices.

• We are just getting started with problems in commercial real estate.
What does all this mean?

• Because we fell so far, it will be easy to post impressive growth rates in many data categories.

• Even with rapid growth, it will be a while before we get back to previous peaks (or even normal trend levels).

• We will get back to previous highs in sales/jobs, normal vacancies in commercial, and fully absorbed the excess in SF by roughly the middle of the decade (2014/2015).
What does all this mean?

• This is one of those few times when forecasting years 1 and 2 is just as problematic as forecasting years 3 and 4.

• Much more will be known by March in terms of the sales tax turning point.

• Be overly conservative in forecasting the next two years. This will probably mean that revenues will exceed expectations in FY 2011. Drop in the bucket though.
Only really need to ask:

1) Are population flows improving? NO
2) Are we creating jobs? NO

So are we recovering yet? NO
Finance Advisory Committee
January 21, 2010

State Budget Update

HON. DEAN MARTIN, TREASURER
OFFICE OF THE ARIZONA STATE TREASURER
State of Arizona Operating Cash Balance On A Downward Trend

Percent Change in Operating Account Balance

State Operating Balance:
Actual vs Adjusted for One Time Transfers

Jan 2007 -5.3%
Jan 2008 -21.6%
Jun 2008 -60.8%
April & May 2009 -98%
Dec. 2009 -191%
State Operating Balance:
Actual vs Adjusted for One Time Transfers

HON. DEAN MARTIN, TREASURER  OFFICE OF THE ARIZONA STATE TREASURER
“Nike” Swoosh Forecast

2004
2005
2006
2008
2009
2010
2011
2012
2013
2014
2015

High Inflation likely to kick in in 3 to 5 yrs