

DEBT SERVICE

CONVENTION CENTER

Introduction

The Convention Center Debt Service Fund provides for the payment of principal and interest on the Convention Center's outstanding revenue bonded indebtedness. In April 1998, the Convention Center Complex issued \$326.23 million in revenue bonds. This issue included the refunding of all of the Convention Center's \$236.60 million outstanding debt and a new money issuance of \$110.76 million. The new money issuance of \$110.76 million is invested so as to generate total funding for a \$125 million expansion and renovation of the complex that will be completed in 2002.

The 7% Hotel Occupancy Tax, operating revenues of the Convention Center Complex, and interest earned on cash balances in the bond reserve and debt service funds are pledged for repayment of the debt. Additionally, the City has covenanted to provide for the payment of operating and maintenance expenses of the Convention Center Complex, should a shortfall in Convention Center revenues occur. Revenue from the Convention Center operating fund is transferred to the debt service fund to meet annual principal and interest payments.

Credit Rating

The Convention Center Complex currently holds A/A1 underlying ratings from Standard & Poor's and Moody's Investors Service, respectively. The bonds are rated AAA/ Aaa based on the bond insurance policy that MBIA Insurance Corporation is providing.

FY 2002-03 Debt Service Budget

The FY 2002-03 budget includes payments on existing debt of \$5.9 million in principal repayments and \$15.6 million in interest payments. There are no plans to issue debt in the upcoming fiscal year.

Statement of Revenue Bonded Indebtedness, as of 9/30/02

<u>Series Number</u>	<u>Issue Name</u>	<u>Date of Issue</u>	<u>Term Years</u>	<u>Outstanding Principal</u>
567	Civic Center Convention Complex, Revenue Refunding Bonds, Series 1998	04/01/98	30	311,825,000
Total Convention Center Outstanding Debt				<u>\$311,825,000</u>

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Debt Service Requirements As of 09/30/2002

Fiscal Year	Outstanding Debt		Total
	Principal	Interest	
2003	5,915,000	15,622,243	21,537,243
2004	7,290,000	15,326,493	22,616,493
2005	8,805,000	14,889,092	23,694,092
2006	10,685,000	14,360,792	25,045,792
2007	11,245,000	13,799,830	25,044,830
2008	11,835,000	13,209,467	25,044,467
2009	12,460,000	12,588,130	25,048,130
2010	12,065,000	12,014,970	24,079,970
2011	12,635,000	11,447,915	24,082,915
2012	13,240,000	10,841,435	24,081,435
2013	13,890,000	10,192,675	24,082,675
2014	14,585,000	9,498,175	24,083,175
2015	15,315,000	8,768,925	24,083,925
2016	16,080,000	8,003,175	24,083,175
2017	16,885,000	7,199,175	24,084,175
2018	17,725,000	6,354,925	24,079,925
2019	18,615,000	5,468,675	24,083,675
2020	19,520,000	4,561,194	24,081,194
2021	20,470,000	3,609,594	24,079,594
2022	6,470,000	2,611,681	9,081,681
2023	6,785,000	2,296,269	9,081,269
2024	7,115,000	1,965,500	9,080,500
2025	7,470,000	1,609,750	9,079,750
2026	7,845,000	1,236,250	9,081,250
2027	8,235,000	844,000	9,079,000
2028	8,645,000	432,250	9,077,250
	<u>\$311,825,000</u>	<u>\$208,752,580</u>	<u>\$520,577,580</u>

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Statement of Debt Service Revenues and Expenditures *Convention Center*

	FY 2000-01 <u>Actual</u>	FY 2001-02 <u>Budget</u>	FY 2001-02 <u>Estimate</u>	FY 2002-03 <u>Adopted</u>
Beginning Cash Balance	\$ 3,922,825	\$ 4,243,398	\$ 4,082,302	\$ 4,189,218
<u>Revenues</u>				
Transfers	20,095,469	20,593,268	20,593,268	21,325,202
Interest/Other	<u>399,651</u>	<u>350,000</u>	<u>409,391</u>	<u>391,915</u>
Total	20,495,120	20,943,268	21,002,659	21,717,117
Total Available Resources	\$ 24,417,945	\$ 25,186,666	\$ 25,084,961	\$ 25,906,335
<u>Expenses</u>				
Principal Payments	4,165,000	4,975,000	4,975,000	5,915,000
Interest Payments	<u>16,170,643</u>	<u>15,920,743</u>	<u>15,920,743</u>	<u>15,622,243</u>
Total	20,335,643	20,895,743	20,895,743	21,537,243
Ending Cash Balance	<u><u>\$ 4,082,302</u></u>	<u><u>\$ 4,290,923</u></u>	<u><u>\$ 4,189,218</u></u>	<u><u>\$ 4,369,092</u></u>

DEBT SERVICE

SPORTS ARENA

Introduction

On January 17, 1998, the Dallas voters approved a proposition authorizing the City to impose an additional 2% Hotel Occupancy Tax and a 5% Motor Vehicle Rental Tax to be used solely to pay for a new sports arena. On June 24, 1998, \$140.38 million of revenue bonds were issued to fund the City's \$125 million contribution to build the new arena. Of the \$140.38 million issued, \$104.81 million of the bonds are tax-exempt and the other \$35.57 million of the bonds are taxable. The debt service fund provides for the payment of principal and interest on both series of bonds.

Credit Rating

These bonds currently hold AAA/Aaa/AAA ratings from Standard & Poor's, Moody's Investors Service and Fitch IBCA, respectively. These ratings reflect the assessment of the likelihood of repayment of principal and interest based on the bond insurance policy that Ambac Assurance Corporation is providing.

FY 2002-03 Debt Service Budget

The FY 2002-03 budget includes scheduled debt service payments of \$9.3 million. Of this total, \$2.49 million and \$6.8 million are for principal payments and interest payments, respectively. These payments are funded with transfers of the 2% Hotel Occupancy Tax, the 5% Motor Vehicle Rental Tax and interest earnings on the cash balance. Tax revenues in excess of the required debt service payments are retained in the Surplus Debt Redemption Fund until required for the payment of debt service. The Statement of Expenditures and Revenues shown on page F-10 reflects both of the Sports Arena Debt Service Funds and the Sports Arena Surplus Debt Redemption Fund.

Statement of Revenue Bonded Indebtedness as of 9/30/02

Series Number	Issue Name	Date of Issue	Term Years	Outstanding Principal
568	Special Tax Revenue Bonds	06/15/98	30	91,560,000
569	Special Tax and Lease Revenue Bonds	06/15/98	30	33,920,000
Total Sports Arena Revenue Bonds				\$125,480,000