

FY2004-05 ADOPTED CAPITAL IMPROVEMENT BUDGET

The Adopted FY2004-05 Capital Improvement Program budget is \$464.2 million consisting of \$226.4 million for General Purpose Capital Improvements and \$237.8 million for Enterprise Fund Capital Improvements. This compares to the FY 2003-04 budget of \$459.4 million that consisted of \$235.2 million for General Purpose and \$224.2 million for Enterprise projects.

General Purpose Capital Improvement Program

The General Purpose Capital Improvement Program provides for improvements to and/or construction of the City's street system; parks and recreational facilities; libraries; police and fire protection facilities; cultural art facilities; the flood protection and storm drainage system; other City-owned facilities, and economic initiatives. General Obligation bonds are the primary financing mechanism for these capital improvements. The current General Obligation Bond program was approved by voters in May 2003 and totals \$579.3m. The bonds for the 1998 Bond Program were issued over four years with the exception of the Trinity River Corridor proposition. This proposition still remains open. The bonds are scheduled to be sold over a ten-year period ending in 2008.

Enterprise Fund Capital Improvement Program

The Capital Improvement Program for the enterprise departments consists of improvements to and/or construction of water and wastewater systems, venues for convention activities, and air transportation facilities. These projects are funded primarily by the transfer of enterprise revenues and the issuance of debt such as commercial paper and/or revenue bonds.

Capital Budget Process

The FY 2004-05 Capital Improvement Program budget was developed according to the same schedule as the City's operating funds. The foundation of the annual General Purpose Capital Improvement Program budget is the 2003 General Obligation Bond Program. The development of this program began in early 2001 and included the update of a Citywide needs inventory; citizen input meetings; analysis of financial and implementation capacity; City Council workshops and amendments; and, public hearings. All seventeen propositions received voter approval in May 2003. This is the second year of the 4-year bond program.

Capital Budget Format

Within each Capital Program section, category narratives, accomplishments, and objectives are listed and projects are detailed in alphabetical order, regardless of funding source or project category. Projects funded in prior years that are active or that have remaining appropriations yet to be awarded as of June 30, 2004 have been included. Projects funded in prior years that have been finalized as of June 30, 2004 have been excluded. Estimated costs for future phases of current projects beyond FY 2004-05 have been indicated when known. Identification of future cost is not a commitment of future funding.

Operating and Maintenance Impact

By developing the annual capital budget concurrently with the operating budget, the impact of operating, maintenance and debt service costs are incorporated into the operating budget as necessary. Operating cost impacts are indicated by capital improvement program where they have been identified at this time.

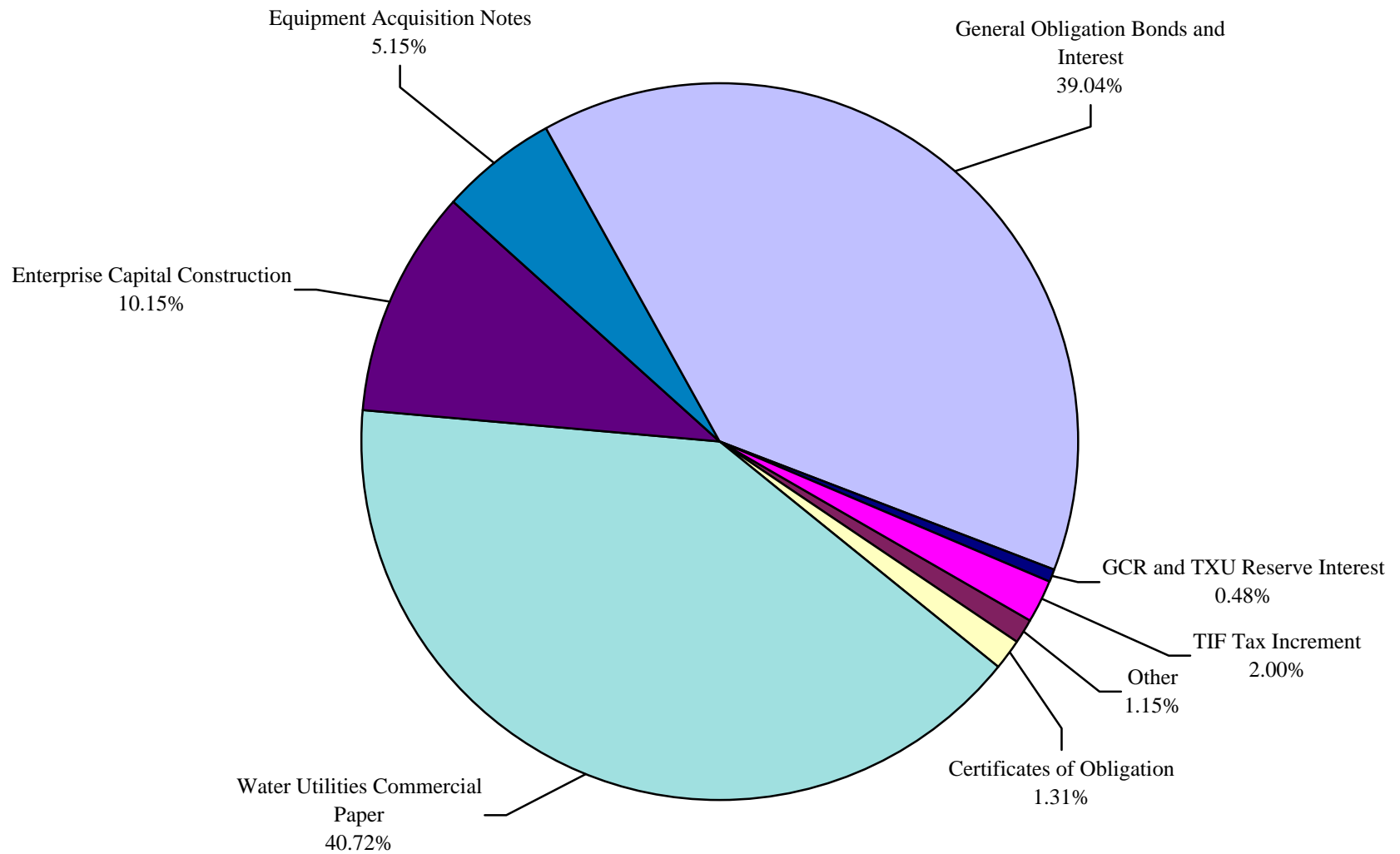
FY2004-05 ADOPTED CAPITAL IMPROVEMENT BUDGET

<u>Source of Funds</u>	<u>Budget as of 06-30-04</u>	<u>Spent or Committed 06-30-04</u>	<u>Remaining as of 06-30-04</u>	<u>FY2004-05 Adopted</u>	<u>FY2005-06 Estimated</u>	<u>FY2006-07 Estimated</u>	<u>Total Estimated Cost</u>
Aviation Capital Construction and Federal AIP Funds	139,294,804	96,841,556	42,453,248	0	0	0	139,294,804
Capital Construction - General Purpose	20,684,570	15,994,456	4,690,114	2,016,880	0	0	22,701,450
Capital Projects Reimbursements	7,164,842	2,040,275	5,124,567	0	0	0	7,164,842
Certificates of Obligation	54,120,360	32,740,999	21,379,361	6,068,900	0	0	60,189,260
Convention and Event Services Capital Construction	24,406,722	21,233,075	3,173,647	0	0	0	24,406,722
Convention Center Revenue Bonds	129,069,581	128,046,323	1,023,258	0	0	0	129,069,581
Equipment Acquisition Notes	47,490,296	40,521,097	6,969,199	23,912,565	0	0	71,402,861
General Capital Reserve and Texas Utilities Reserve Interest	12,722,900	11,950,021	772,879	2,242,236	0	0	14,965,136
General Obligation Bonds and Interest	547,453,936	332,676,439	214,777,497	181,213,714	187,234,113	245,821,048	1,161,722,811
Other	28,166,866	14,971,683	13,195,183	685,498	0	0	28,852,364
Public/Private Partnership Funds	15,465,838	12,283,947	3,181,891	2,000,000	0	0	17,465,838
Sports Arena Revenue Bonds and Interest	0	0	0	179,124	0	0	179,124
Street Assessments	3,485,150	2,149,945	1,335,205	463,000	0	0	3,948,150
TIF Tax Increment and Interest	138,706,256	109,539,176	29,167,080	9,282,375	0	0	147,988,631
Water Utilities Capital Construction	767,023,639	729,694,857	37,328,782	47,100,000	50,000,000	57,500,000	921,623,639
Water Utilities Commercial Paper	851,296,231	737,352,881	113,943,350	189,000,000	199,000,000	200,000,000	1,439,296,231
Water Utilities Revenue Bonds	222,615,290	222,600,629	14,661	0	0	0	222,615,290
Total Sources of Funds	3,009,167,281	2,510,637,359	498,529,922	464,164,292	436,234,113	503,321,048	4,412,886,734

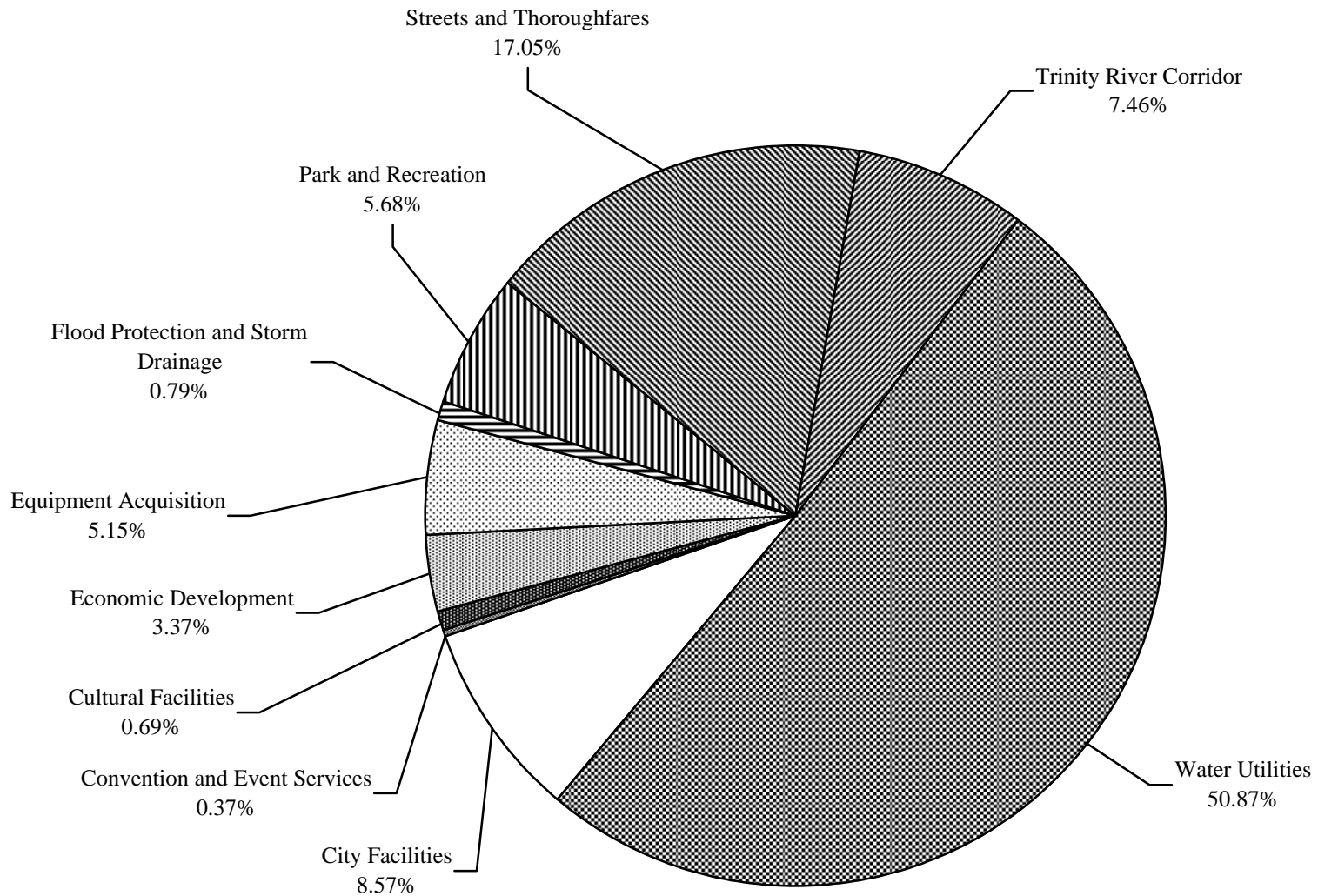
FY2004-05 ADOPTED CAPITAL IMPROVEMENT BUDGET

<u>Use of Funds</u>	<u>Budget as of 06-30-04</u>	<u>Spent or Committed 06-30-04</u>	<u>Remaining as of 06-30-04</u>	<u>FY2004-05 Adopted</u>	<u>FY2005-06 Estimated</u>	<u>FY2006-07 Estimated</u>	<u>Total Estimated Cost</u>
Aviation Facilities	139,294,804	96,841,556	42,453,248	0	0	0	139,294,804
City Facilities	248,754,215	142,965,741	105,788,474	39,768,534	36,098,532	26,377,240	350,998,521
Convention and Event Services	153,776,303	149,279,424	4,496,879	1,742,311	1,200,000	0	156,718,614
Cultural Facilities	26,667,942	22,712,281	3,955,661	3,214,850	5,679,906	19,625,596	55,188,294
Economic Development	174,122,094	136,497,262	37,624,832	15,652,172	2,200,000	800,000	192,774,266
Equipment Acquisition	47,490,296	40,521,097	6,969,199	23,912,565	0	0	71,402,861
Flood Protection and Storm Drainage	21,773,205	13,343,518	8,429,687	3,663,318	2,120,455	6,960,203	34,517,181
Park and Recreation	95,034,761	64,693,304	30,341,457	26,342,495	25,045,530	24,142,981	170,565,767
Streets and Thoroughfares	203,618,345	121,751,730	81,866,615	79,130,699	66,480,577	60,390,529	409,620,150
Trinity River Corridor	57,700,156	32,383,079	25,317,077	34,637,348	48,409,113	107,524,499	248,271,116
Water Utilities	1,840,935,160	1,689,648,367	151,286,793	236,100,000	249,000,000	257,500,000	2,583,535,160
Total Uses of Funds	3,009,167,281	2,510,637,359	498,529,922	464,164,292	436,234,113	503,321,048	4,412,886,734

FY2004-05 ADOPTED CAPITAL BUDGET - SOURCES OF FUNDS



FY2004-05 ADOPTED CAPITAL BUDGET - USES OF FUNDS



1998 GENERAL OBLIGATION BOND PROGRAM

Approved May 2, 1998 - Total Authorized \$543,500,000

Bond Issue Schedule

Propositions	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	To FY 2007-08	Total Authorized
Street & Thoroughfare Improvements	37,276,000	21,862,000	35,473,000	30,414,000	0	0	0	0	125,025,000
Park, Playground, Recreation & Community Facilities	14,165,000	8,633,000	17,140,000	7,622,000	0	0	0	0	47,560,000
Police Headquarters Facility	10,650,000	0	31,630,000	0	0	0	0	0	42,280,000
Fire Protection Facilities	350,000	250,000	2,665,000	0	0	0	0	0	3,265,000
Library Facilities	2,000,000	50,000	1,100,000	6,900,000	0	0	0	0	10,050,000
Flood Protection & Storm Drainage Improvements	5,169,000	3,285,000	1,697,000	4,219,000	0	0	0	0	14,370,000
Cultural Arts Facilities Acquisition & Improvements	500,000	10,000,000	0	0	0	0	0	0	10,500,000
City Facilities Repair & Improvements	2,040,000	4,000,000	5,710,000	12,600,000	0	0	0	0	24,350,000
Economic Development, Neighborhood Revitalization & Business Expansion Programs	7,000,000	2,300,000	7,300,000	0	0	0	0	0	16,600,000
Animal Control Facilities	350,000	0	250,000	2,900,000	0	0	0	0	3,500,000
Trinity River Corridor Project	30,500,000	15,500,000	0	0	0	10,550,000	33,515,000	155,935,000	246,000,000
Total 1998 General Obligation Bond Program	110,000,000	65,880,000	102,965,000	64,655,000	0	10,550,000	33,515,000	155,935,000	543,500,000

2003 GENERAL OBLIGATION BOND PROGRAM

Approved May 3, 2003 - Total Authorized \$579,290,000

Bond Issue Schedule

Propositions	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	Total Authorized
Street & Transportation Improvements	54,310,762	52,795,836	52,666,239	39,187,163	198,960,000
Neighborhood & Community Park, Playground and Recreation	10,789,957	16,042,901	16,977,213	13,479,929	57,290,000
Library Facilities	9,538,679	15,507,437	14,600,514	15,878,370	55,525,000
Flood and Storm Drainage Facilities	4,325,657	3,028,685	2,120,455	6,960,203	16,435,000
Planning and Designing a Performing Arts Theater and Constructing Related Site Improvements in the Downtown Arts District	450,000	0	1,800,930	9,004,070	11,255,000
City Service & Maintenance Facilities	16,825,000	0	0	0	16,825,000
Animal Control Facilities	11,755,000	0	0	0	11,755,000
Land Acquisition for the Development of Low and Moderate Income, Owner-Occupied Single Family Homes	2,000,000	1,030,000	0	0	3,030,000
Flood Protection & Storm Drainage Facilities for the McCommas Bluff Landfill	24,000,000	0	0	0	24,000,000
Specified Street Projects Described in the Election Ordinance	10,909,360	21,972,936	13,814,338	21,203,366	67,900,000
Major & Citywide Park and Recreation Facilities	14,340,043	9,630,137	8,068,317	11,191,503	43,230,000
Cultural Arts Facilities	473,481	2,691,017	3,878,976	10,621,526	17,665,000
Street, Utility & Other Infrastructure Improvements in Furtherance of Economic and Business Development in the Southern Area of the City	0	3,000,000	2,200,000	800,000	6,000,000
Fire Station Facilities	1,239,000	5,521,784	7,321,004	5,668,212	19,750,000
Farmers Market Improvement	300,000	1,700,000	1,200,000	0	3,200,000
Police Facilities	1,563,061	2,899,267	14,177,014	4,830,658	23,470,000
Homeless Assistance Facilities	0	3,000,000	0	0	3,000,000
Total 2003 General Obligation Bond Program	162,820,000	138,820,000	138,825,000	138,825,000	579,290,000

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CAPITAL IMPROVEMENT FUNDING SOURCES

Asbestos Abatement - settlement funds that provide for the remediation of asbestos

Bond Program – bond proceeds and/or interest earnings from one of five active general obligation bond programs – 2003, 1998, 1995, 1989, or 1985

Capital Construction – funds transferred from the operating budget to fund capital improvements.

Certificates of Obligation – notes issued for a term of 10 years or fewer to finance capital improvements.

Commercial Paper – short-term debt used to finance capital improvements until permanent financing is secured.

Donation – gift of funds to the City, usually for a specific project.

Equipment Acquisition – notes issued for 5-year term to specifically finance the purchase of equipment.

Federal Airport Improvement – grants from the Federal Aviation Administration (FAA) for specific types of improvements at the airports. AIP grants require that the City match a certain percentage of the project cost.

General Capital Reserve – funds are derived from the proceeds of surplus City land sales.

Hensley Field – funds received from the Federal government for the rehabilitation of Hensley Field (NASD).

Neighborhood Revitalization Initiatives - a set aside of Public/Private Partnership funds for neighborhood initiatives.

Public/Private Partnership – a set aside of funds from various sources to be used for economic development purposes.

Reimbursement - funds from other governmental agencies such as TXDOT and Dallas County for cost participation in shared projects.

Revenue Bonds – bonds for capital improvements and are secured by revenues from the issuing enterprise department.

State Fair of Texas – funds provided by the State Fair of Texas for capital improvements at Fair Park .

Street Assessments - payments of an assessment for a portion of petition paving projects by the property owners.

Tax Increment Financing – funds include developer advances, “captured” tax revenue derived from growth in the taxable value in the district and interest earnings.

TXU Reserve- investment earnings on the final franchise payment from TXU Energy.