

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 was invested to generate total funding for the \$125 million expansion and renovation of the complex which was put into service 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 2004-05 Debt Service Budget

The FY 2004-05 budget includes payments on existing debt of \$8.8 million in principal repayments and \$14.9 million in interest payments. There are no plans to issue debt in the upcoming fiscal year.

Statement of Revenue Bonded Indebtedness, as of 09/30/04

Series Number	Issue Name	Date of Issue	Term Years	Interest Rate	Outstanding Principal
567	Civic Center Convention Complex, Revenue Refunding Bonds	04/01/98	30	4.6%-6.0%	298,620,000
Total Convention Center Outstanding Debt					\$298,620,000

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Convention Center Debt Service Requirements As of 09/30/2004

Fiscal Year	Outstanding Debt		
	Principal	Interest	Total
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
	\$298,620,000	177,803,844	\$476,423,844

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Statement of Debt Service Revenues and Expenditures *Convention Center*

	FY 2002-03 <u>Actual</u>	FY 2003-04 <u>Budget</u>	FY 2003-04 <u>Estimate</u>	FY 2004-05 <u>Adopted</u>
Beginning Cash Balance	\$ 4,095,566	\$ 4,232,352	\$ 4,040,275	\$ 4,129,716
<u>Revenues</u>				
Transfers	21,325,202	22,733,615	22,585,934	23,609,955
Interest/Other	<u>156,750</u>	<u>160,000</u>	<u>120,000</u>	<u>140,000</u>
Total	21,481,952	22,893,615	22,705,934	23,749,955
 Total Available Resources	 \$ 25,577,518	 \$ 27,125,967	 \$ 26,746,209	 \$ 27,879,671
<u>Expenses</u>				
Principal Payments	5,915,000	7,290,000	7,290,000	8,805,000
Interest Payments	<u>15,622,243</u>	<u>15,326,493</u>	<u>15,326,493</u>	<u>14,889,092</u>
Total	21,537,243	22,616,493	22,616,493	23,694,092
 Ending Cash Balance	 <u><u>\$ 4,040,275</u></u>	 <u><u>\$ 4,509,474</u></u>	 <u><u>\$ 4,129,716</u></u>	 <u><u>\$ 4,185,579</u></u>