

# 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 2004-05 Debt Service Budget

The FY 2004-05 budget includes scheduled debt service payments of \$9.3 million. Of this total, \$2.7 million and \$6.6 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-14 reflects both of the Sports Arena Debt Service Funds and the Sports Arena Surplus Debt Redemption Fund.

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

Series Number	Issue Name	Date of Issue	Term Years	Interest Rate	Outstanding Principal
568	Special Tax Revenue Bonds	06/15/98	30	4.2%-5.4%	87,660,000
569	Special Tax and Lease Revenue Bonds	06/15/98	30	6.0%-6.7%	32,725,000
<b>Total Sports Arena Revenue Bonds</b>					<b>\$120,385,000</b>

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### Sports Arena Debt Service Requirements As of 09/30/2004

Fiscal Year	Outstanding Debt		
	Principal	Interest	Total
2005	2,725,000	6,590,454	9,315,454
2006	2,870,000	6,447,326	9,317,326
2007	3,020,000	6,296,237	9,316,237
2008	3,185,000	6,130,557	9,315,557
2009	3,360,000	5,955,389	9,315,389
2010	3,550,000	5,767,369	9,317,369
2011	3,750,000	5,568,604	9,318,604
2012	3,960,000	5,358,499	9,318,499
2013	4,180,000	5,136,529	9,316,529
2014	4,415,000	4,902,029	9,317,029
2015	4,665,000	4,650,124	9,315,124
2016	4,935,000	4,383,825	9,318,825
2017	5,210,000	4,106,863	9,316,863
2018	5,495,000	3,823,856	9,318,856
2019	5,795,000	3,525,056	9,320,056
2020	6,110,000	3,209,713	9,319,713
2021	6,440,000	2,876,913	9,316,913
2022	6,790,000	2,525,744	9,315,744
2023	7,160,000	2,155,206	9,315,206
2024	7,555,000	1,764,056	9,319,056
2025	7,965,000	1,350,963	9,315,963
2026	8,400,000	915,094	9,315,094
2027	8,850,000	469,781	9,319,781
	<b>\$ 120,385,000</b>	<b>\$ 93,910,187</b>	<b>\$ 214,295,187</b>

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### Statement of Debt Service Revenues and Expenditures *Sports Arena*

	FY 2002-03 Actual	FY 2003-04 Budget	FY 2003-04 Estimate	FY 2004-05 Adopted
<b>Beginning Cash Balance</b>	\$ 12,343,354	\$ 17,547,822	\$ 14,983,662	\$ 31,119,616
<u>Revenues</u>				
2% Hotel Occupancy Tax	8,127,894	8,603,427	8,489,141	9,175,000
5% Motor Vehicle Rental Tax	3,331,160	3,350,175	3,278,496	3,250,000
Interest/Transfers/Other	498,750	620,000	13,685,677 <sup>1</sup>	650,000
<b>Total</b>	<b>11,957,804</b>	<b>12,573,602</b>	<b>25,453,314</b>	<b>13,075,000</b>
 <b>Total Available Resources</b>	 <b>\$ 24,301,158</b>	 <b>\$ 30,121,424</b>	 <b>\$ 40,436,975</b>	 <b>\$ 44,194,616</b>
<u>Expenses</u>				
Principal	2,490,000	2,605,000	2,605,000	2,725,000
Interest	6,827,496	6,712,359	6,712,359	6,590,454
<b>Total</b>	<b>9,317,496</b>	<b>9,317,359</b>	<b>9,317,359</b>	<b>9,315,454</b>
 <b>Ending Cash Balance</b>	 <b>\$ 14,983,662</b>	 <b>\$ 20,804,065</b>	 <b>\$ 31,119,616</b>	 <b>\$ 34,879,162</b>

<sup>1</sup> FY2004-05 Estimated Transfers include the transfer of \$13.1 million in interest earnings on the original bond proceeds to the debt service and surplus debt redemption funds.