

MOSAIC DISTRICT CDA – FAIRFAX COUNTY

CDA DISTRICT SUMMARY
ASSESSMENT YEAR
2019-2020



FUND BALANCES¹

The table below provides a summary of the account activity and the available fund balances as of December 31, 2018.

Fund/Account	Account Balance 12/31/2017	Investment Income	Additional Proceeds	Transfers	Disburse- ments	Account Balance 12/31/2018
Interest Account	\$0	\$452	\$0	\$5,256,775	\$5,256,775	\$452
Principal Account	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Expense Fund	\$85,723	\$958	\$0	\$0	\$54,060	\$32,621
Optional Redemption Account	\$0	\$0	\$0	\$0	\$0	\$0
Prepayment Fund	\$0	\$0	\$0	\$0	\$0	\$0
Revenue Fund	\$740,427	\$15,099	\$5,312,570	(\$5,256,775)	\$0	\$811,321
Delinquent Payments Account	\$0	\$0	\$0	\$0	\$0	\$0
Rebate Fund	\$0	\$0	\$0	\$0	\$0	\$0
Surplus Fund	\$5,238,301	\$86,514	\$0	\$0	\$0	\$5,324,815
Debt Service Reserve Fund ² :						
Original Reserve Fund	\$6,891,298	\$29,053	\$0	(\$6,920,351)	\$0	\$0
New Reserve Fund	\$0	\$91,006	\$0	\$6,920,351	\$0	\$7,011,357
Total	\$12,955,749	\$223,082	\$5,312,570	\$0	\$5,310,835	\$13,180,566

¹The calculations are shown rounded to the dollar; however, the calculations are not rounded.

²Due to an internal banking issue, the Trustee closed the original Debt Service Reserve Fund and opened a new Debt Service Reserve Fund. The remaining balance of the original Debt Service Reserve Fund was transferred to the newly created Debt Service Reserve Fund on July 9, 2018 and the original Debt Service Reserve Fund was subsequently closed.

ESTIMATED REAL PROPERTY TAX INCREMENT REVENUES¹

The table below shows the estimated Tax Increment Revenues (County Advanced Revenues) for the 2019-2020 Assessment Year.

2019 aggregate assessed value	\$648,303,410
Less: base year aggregate assessed value	\$38,271,740
<i>Subtotal incremental assessed value</i>	<i>\$610,031,670</i>
Estimated real property tax rate per \$100 of assessed value ²	\$1.15
Estimated Tax Increment Revenues for Assessment Year 2019-2020	\$7,015,364

¹The calculations are shown rounded to the dollar; however, the calculations are not rounded.

²Real Property Tax Rate as reflected in the fiscal year 2020 Advertised Budget Plan.

REVENUES AND EXPENSES – CDA ANNUAL BUDGET¹

The table below shows the excess of revenues over CDA expenditures for the 2019-2020 Assessment Year.

	Series 2011A Bonds	Series 2011A-T Bonds	Total
Revenues:			
Estimated County Advanced Revenues (Tax Increment Revenues)	\$5,012,716	\$2,002,648	\$7,015,364
Available balance of the Surplus Fund	\$0	\$0	\$0
Estimated Debt Service Reserve Fund investment income ²	\$105,705	\$42,008	\$147,713
Surplus from prior year	\$561,485	\$215,047	\$776,532
Total revenues	\$5,679,906	\$2,259,703	\$7,939,609
Expenditures:			
Debt service:			
Interest payment due on September 1, 2019	\$1,539,569	\$655,038	\$2,194,606
Interest payment due on March 1, 2020	\$1,539,569	\$655,038	\$2,194,606
Principal payment due on March 1, 2020	\$840,000	\$305,000	\$1,145,000
<i>Subtotal debt service</i>	<i>\$3,919,138</i>	<i>\$1,615,075</i>	<i>\$5,534,213</i>
Estimated administrative expenses	\$58,056	\$23,194	\$81,250
Contingency	\$80,249	\$32,060	\$112,309
Total expenditures	\$4,057,442	\$1,670,330	\$5,727,772
Excess of revenues over expenditures	\$1,622,464	\$589,373	\$2,211,837

¹The calculations are shown rounded to the dollar; however, the calculations are not rounded.

²Estimated investment income earned during the period of March 2, 2019 to March 1, 2020.

ANNUAL REVENUE REQUIREMENT PART A¹

The Annual Revenue Requirement Part A for the 2019-2020 Assessment Year is equal to zero (\$0) as shown below.

	Series 2011A Bonds	Series 2011A- T Bonds	Total
Expenses:			
Debt service:			
Interest payment due on September 1, 2019	\$1,539,569	\$655,038	\$2,194,606
Interest payment due on March 1, 2020	\$1,539,569	\$655,038	\$2,194,606
Principal payment due on March 1, 2020	\$840,000	\$305,000	\$1,145,000
<i>Subtotal debt service</i>	<i>\$3,919,138</i>	<i>\$1,615,075</i>	<i>\$5,534,213</i>
Periodic costs associated with the Series 2011 Bonds	\$0	\$0	\$0
Estimated administrative expenses	\$58,056	\$23,194	\$81,250
Contingency	\$80,249	\$32,060	\$112,309
Total expenses	\$4,057,442	\$1,670,330	\$5,727,772
Available Funds:			
Estimated Tax Increment Revenues (County Advanced Revenues)	\$5,012,716	\$2,002,648	\$7,015,364
Available balance of the Surplus Fund	\$0	\$0	\$0
Estimated Debt Service Reserve Fund investment income ²	\$105,705	\$42,008	\$147,713
Surplus from prior year	\$561,485	\$215,047	\$776,532
Total available funds	\$5,679,906	\$2,259,703	\$7,939,609
Annual Revenue Requirement Part A	\$0	\$0	\$0

¹The calculations are shown rounded to the dollar; however, the calculations are not rounded.

²Estimated investment income earned during the period of March 2, 2019 to March 1, 2020.

REQUIREMENT OF TRANSFER TO SURPLUS FUND

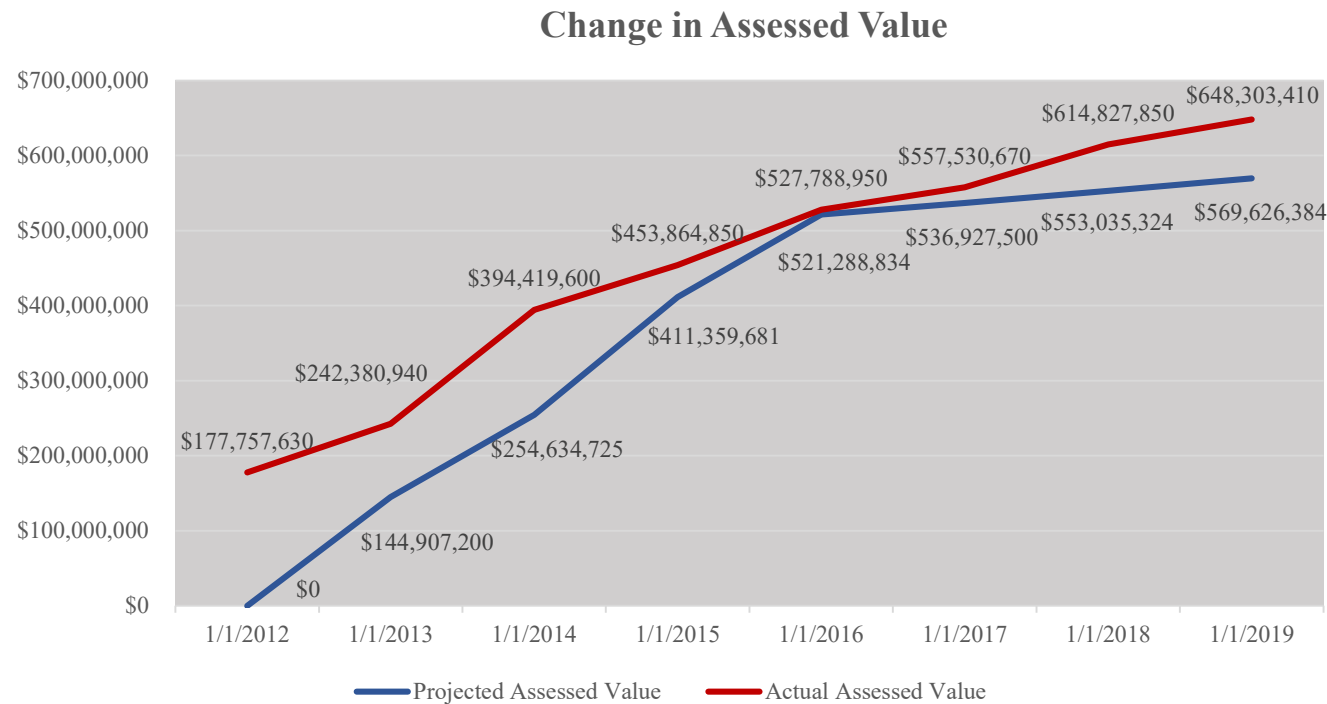
- Surplus Fund balance as of December 31, 2018: \$5,324,814.
- Surplus Fund Coverage Ratio for the 2019-2020 Assessment Year: 2.23x debt service (1.50x debt service is considered fully funded)
- The Surplus Fund Coverage Ratio for Assessment Year 2019-2020 exceeds the required Surplus Fund Coverage Ratio of 1.5 times the current year's debt service. As such, the Assessment Year 2019-2020 Surplus is not required to be deposited to the Surplus Fund. Instead, the Surplus will be retained by the County.

Available Funds:	
Balance of the Surplus Fund as of December 31, 2018	\$5,324,814
Estimated Tax Increment Revenues for Assessment Year 2019-2020	\$7,015,364
Total available funds	\$12,340,178
Tax Revenue Bonds Debt Service:	
Series 2011A Bonds:	
Interest payment due on September 1, 2019	\$1,539,569
Interest payment due on March 1, 2020	\$1,539,569
Principal payment due on March 1, 2020	\$840,000
<i>Subtotal Series 2011A Bonds debt service</i>	<i>\$3,919,138</i>
Series 2011A Bonds:	
Interest payment due on September 1, 2019	\$655,038
Interest payment due on March 1, 2020	\$655,038
Principal payment due on March 1, 2020	\$305,000
<i>Subtotal Series 2011A-T Bonds debt service</i>	<i>\$1,615,075</i>
Total debt service	\$5,534,213
Surplus Fund Coverage Ratio	2.23x

Recommendation: No transfer to Surplus Fund is necessary pursuant to Section 5.j.(3) of the Memorandum Of Understanding.

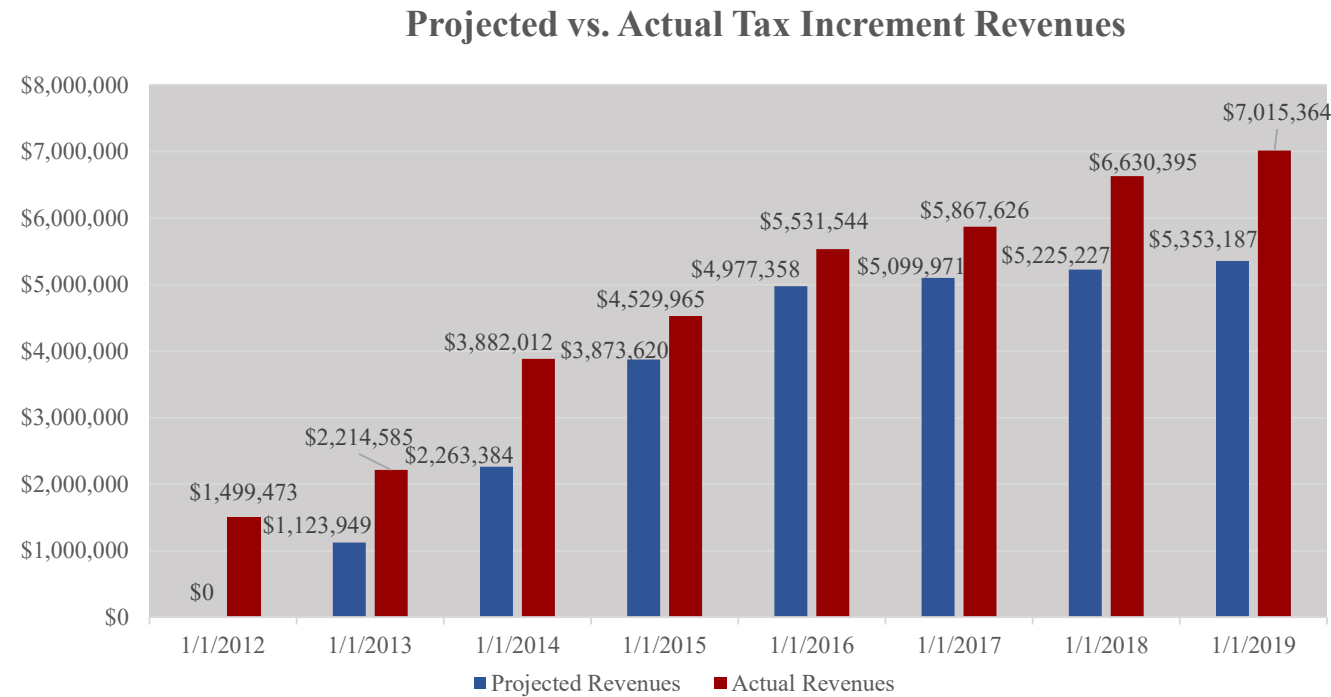
CHANGE IN TOTAL ASSESSED VALUES

The below chart provides a comparison of the actual assessed value of the parcels in the CDA District compared to the values projected in the Limited Offering Memorandum.



COMPARISON OF TAX INCREMENTAL REVENUES – COUNTY ADVANCED REVENUE

The below chart provides a comparison of the actual Tax Increment Revenues produced by the taxable parcels comprising the CDA District compared to the amount projected in the Limited Offering Memorandum.



SUMMARY OF ESTIMATED TOTAL TAX REVENUES

The total estimated tax revenues for fiscal years 2020 and 2021 are shown below.

Revenues:	Fiscal Year Ending	
	30-Jun-20	30-Jun-21
Real property taxes after debt service	\$1,399,902	\$1,491,554
Sales taxes	\$3,018,952	\$3,109,521
Transient occupancy taxes	\$113,918	\$117,335
Personal property taxes	\$341,339	\$351,579
BPOL taxes	\$657,950	\$677,688
Utility taxes	\$121,035	\$124,666
Additional taxes	\$258,176	\$265,921
Total Estimated Tax Revenues	\$5,911,272	\$6,138,264

SUMMARY OF ESTIMATED JOB IMPACTS

- The Mosaic development is estimated to have an impact of 1,830 direct full time equivalent jobs which is estimated to generate \$73,697,226 in annual compensation.

Permanent Employment Impacts	Permanent Jobs from Mosaic at Merrifield ¹		
	Permanent Jobs	Annual Compensation	Wage per Employee
Retail:			
Direct impacts (full time equivalents)	1,598	\$52,815,297	\$33,060
Indirect impacts (full time equivalents)	198	\$14,975,220	\$75,639
Sub-total impacts	1,796	\$67,790,517	
Office:			
Direct impacts (full time equivalents)	164	\$17,172,110	\$104,791
Indirect impacts (full time equivalents)	64	\$4,375,370	\$68,576
Sub-total impacts	228	\$21,547,480	
Theater:			
Direct impacts (full time equivalents)	23	\$1,499,850	\$65,946
Indirect impacts (full time equivalents)	11	\$865,871	\$77,606
Sub-total impacts	34	\$2,365,722	
Hotel:			
Direct impacts (full time equivalents)	46	\$2,209,969	\$48,146
Indirect impacts (full time equivalents)	16	\$1,239,017	\$76,581
Sub-total impacts	62	\$3,448,986	
Total direct impacts	1,830	\$73,697,226	
Total indirect impacts	289	\$21,455,478	
Total permanent impacts	2,119	\$95,152,704	

¹Generated using IMPLAN software.

SUMMARY OF REFUNDING ANALYSIS

Series 2011A Bonds (Tax Exempt):

Under the federal tax law, tax exempt bonds may be refunded no sooner than ninety days prior to the call date.

As a result, it is not possible to refund the Series 2011A Bonds at this time.

Series 2011A-T Bonds (Taxable):

Taxable bonds issued in 2011: \$18.670 Million

Optional call date: March 1, 2021

Taxable bonds outstanding (as of March 1, 2019):
\$18.320 Million

NPV Savings:

- -6.1%
- (\$1,085,638)

Reasons for loss:

- Two year escrow required through the call date.
- Low interest earnings on funds on deposit in the escrow fund.

Refunding Bonds¹:

Date bonds issued	1-Mar-19
First interest payment	1-Sep-19
First principal payment	1-Mar-20
Final maturity	1-Mar-36
Assumed refunding bonds interest rate ²	6.28%
Issuance costs	\$503,640
Percent of bond issue	2.47%

Total net debt service of refunding bonds	\$34,157,823
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Refunded Bonds:

Series 2011A-T

Bonds refunded (callable portion)	\$17,765,000
Final maturity	1-Mar-36
Average coupon rate	7.25%
Call date	1-Mar-21
Call premium at bond call date	100.00%

Total net debt service of refunded bonds	\$31,551,510
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Summary of Savings:

Total Savings	(\$1,606,313)
Net PV Savings	(\$1,085,638)

Net PV Savings (% of refunded bonds)	-6.1%
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¹A detailed summary of the sources and uses of funds is shown in Schedule II of the refunding analysis.

²A detailed summary of the assumed interest rates is shown in Schedule III of the refunding analysis.