

MOSAIC DISTRICT CDA – FAIRFAX COUNTY

CDA DISTRICT SUMMARY
ASSESSMENT YEAR
2021-2022



SUMMARY OF REFUNDING ANALYSIS

- The Series 2011 Bonds in the amount of \$62,155,000 were paid in full on March 1, 2021.
 - The average coupon of the Series 2011 Bonds was 6.97%.
- The Series 2020 Bonds were issued in the amount of \$55,650,000 on December 3, 2020.
 - The average coupon of the Series 2020 Bonds was 3.53%.
- The Series 2020 Refunding Bonds received an A2 rating.

Refunding Results to the County:

- NPV savings - \$24,198,699
- No Debt Service Payment due on March 1, 2021 as a result of the refunding
- Excess surplus fund release - \$2,102,009 (see slide 8)

FUND BALANCES¹

The table below provides a summary of the account activity and the fund balances as of February 28, 2021.

Fund/Account	Balance 3/1/2020	Disburse- ments	Additional Proceeds	Transfers	Investment Income	Balance 2/28/2021
Interest Account	\$3,339,606	\$5,496,906	\$0	\$2,155,513	\$1,799	\$12
Principal Account	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Expense Fund	\$0	\$52,036	\$0	\$52,035	\$1	\$0
Revenue Fund	\$361,779	\$0	\$2,832,300	(\$2,884,335)	\$3,046	\$312,790
Delinquent Payments Fund	\$0	\$0	\$0	\$0	\$0	\$0
Rebate Account	\$0	\$0	\$0	\$0	\$0	\$0
Surplus Account	\$5,456,146	\$0	\$0	(\$928,213)	\$16,487	\$4,544,420
Debt Service Reserve Fund	\$7,178,763	\$0	\$0	(\$2,309,863)	\$16,127	\$4,885,027
2020A Bond Fund ³	\$0	\$0	\$0	\$0	\$0	\$0
2020A Net Proceeds Account ³	\$0	\$0	\$0	\$0	\$0	\$0
2020 Project Fund ^{3,4}	\$61,030,482	\$606,811	\$0	(\$60,388,585)	\$2	\$35,088
2020A Redemption Account ³	\$0	\$0	\$0	\$0	\$0	\$0
2020A-T Bond Project Account ³	\$0	\$0	\$0	(\$1)	\$1	\$0
2020A Bond Project Account ³	\$0	\$0	\$0	\$0	\$0	\$0
2020A Optional Redemption Account ³	\$0	\$0	\$0	\$0	\$0	\$0
2020A Prepayment Account ³	\$0	\$0	\$0	\$0	\$0	\$0
2011A Escrow Fund ³	\$0	\$0	\$0	\$45,894,468	\$0	\$45,894,468
2011A-T Escrow Fund ³	\$0	\$0	\$0	\$18,408,981	\$0	\$18,408,981
2020A-T Prepayment Account ³	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$77,366,776	\$6,155,753	\$2,832,300	\$0	\$37,463	\$74,080,786

¹The calculations are shown rounded to the dollar.

²Excludes the funds and accounts which did not have activity during the past twelve months which were closed as of February 28, 2021.

³This fund or account was opened by the Trustee in December 2020.

⁴The balance as of March 1, 2020 represents the initial deposit of Series 2020 Bond proceeds in December 2020.

ESTIMATED REAL PROPERTY TAX INCREMENT REVENUES¹

The table below shows the estimated Tax Increment Revenues (County Advanced Revenues) for the 2021-2022 Assessment Year.

2021 aggregate assessed value	\$663,560,710
Less: base year aggregate assessed value	\$38,271,740
<i>Subtotal incremental assessed value</i>	<i>\$625,288,970</i>
Estimated real property tax rate per \$100 of assessed value ²	\$1.14
Estimated Tax Increment Revenues for Assessment Year 2021-2022	\$7,128,294

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

²The real property tax rate represents an estimate of the real property tax rate for tax year 2021. The above calculation will be updated once the tax year 2021 tax rate is finalized.

REVENUES AND EXPENSES – CDA ANNUAL BUDGET¹

The table below shows the estimated excess of revenues over CDA expenditures for the 2021-2022 Assessment Year.

Revenues:	
Estimated County Advanced Revenues	\$7,128,294
Available balance of the Revenue Fund as of February 28, 2021	\$312,790
Available balance of the Surplus Fund as of February 28, 2021	\$0
Available balance of the Debt Service Reserve Fund as of February 28, 2021	\$205
Estimated annual Debt Service Reserve Fund investment income ²	\$488
Total revenues	\$7,441,777
Expenditures:	
Debt service due on the Series 2020 Bonds:	
Series 2020A Bonds:	
Interest payment due on September 1, 2021	\$1,124,558
Interest payment due on March 1, 2022	\$755,300
Principal payment due on March 1, 2022	\$1,550,000
<i>Subtotal Series 2020A Bonds debt service</i>	<i>\$3,429,858</i>
Series 2020A-T Bonds:	
Interest payment due on September 1, 2021	\$291,429
Interest payment due on March 1, 2022	\$195,736
Principal payment due on March 1, 2022	\$965,000
<i>Subtotal Series 2020A-T Bonds debt service</i>	<i>\$1,452,164</i>
<i>Total debt service due on the Series 2020 Bonds</i>	<i>\$4,882,022</i>
Estimated administrative expenses	\$84,000
Contingency	\$99,320
Total expenditures	\$5,065,342
Excess of revenues over expenditures	\$2,376,435

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

²Estimated investment income earned during the period of March 2, 2021 to March 1, 2022.

ANNUAL REVENUE REQUIREMENT PART A¹

The Annual Revenue Requirement Part A for the 2021-2022 Assessment Year is equal to \$0 as shown below.

Expenses:	
Debt service due on the Series 2020 Bonds:	
Series 2020A Bonds:	
Interest payment due on September 1, 2021	\$1,124,558
Interest payment due on March 1, 2022	\$755,300
Principal payment due on March 1, 2022	\$1,550,000
<i>Subtotal Series 2020A Bonds debt service</i>	<i>\$3,429,858</i>
Series 2020A-T- Bonds:	
Interest payment due on September 1, 2021	\$291,429
Interest payment due on March 1, 2022	\$195,736
Principal payment due on March 1, 2022	\$965,000
<i>Subtotal Series 2020A-T Bonds debt service</i>	<i>\$1,452,164</i>
<i>Total debt service due on the Series 2020 Bonds</i>	<i>\$4,882,022</i>
Periodic costs associated with the Series 2020 Bonds	\$0
Estimated administrative expenses	\$84,000
Contingency	\$99,320
Total expenses	\$5,065,342
Available Funds:	
Estimated County Advanced Revenues	\$7,128,294
Available balance of the Revenue Fund as of February 28, 2021	\$312,790
Available balance of the Surplus Fund as of February 28, 2021	\$0
Available balance of the Debt Service Reserve Fund as of February 28, 2021	\$205
Estimated annual Debt Service Reserve Fund investment income ²	\$488
Total available funds	\$7,441,777
Annual Revenue Requirement Part A	\$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, 2021 to March 1, 2022.

SPECIAL ASSESSMENT REDUCTION

Per the RMA, if the actual costs incurred by the CDA are less than the special assessments, the CDA Board may reduce the special assessments such that the sum of the assessments equal the total costs to be incurred.

Special assessments are proposed to be reduced to an amount equal to principal, interest, and estimated administrative expenses, plus a 5.0% contingency.

	<u>Before Refunding</u>	<u>Post Refunding</u>
Principal	\$60,805,000	\$55,650,000
Interest	\$42,063,238	\$17,558,765
Administration and contingency	\$1,013,100	\$5,706,828
Total levy	\$103,881,337	\$78,915,592

SURPLUS FUND TRANSFERS¹

Surplus Fund: Required Deposits to the Surplus Fund

Tax Revenue Bonds Debt Service:	
Series 2020A Bonds:	
Interest payment due on September 1, 2021	\$1,124,558
Interest payment due on March 1, 2022	\$755,300
Principal payment due on March 1, 2022	\$1,550,000
<i>Subtotal Series 2020A Bonds debt service</i>	<i>\$3,429,858</i>
Series 2020A-T Bonds:	
Interest payment due on September 1, 2021	\$291,429
Interest payment due on March 1, 2022	\$195,736
Principal payment due on March 1, 2022	\$965,000
<i>Subtotal Series 2020A-T Bonds debt service</i>	<i>\$1,452,164</i>
Total debt service	\$4,882,022
Available Funds:	
Balance of the Surplus Fund as of February 28, 2021	\$4,544,420
Estimated Tax Increment Revenues for Assessment Year 2021-2022	\$7,128,294
Total available funds	\$11,672,714
Surplus Fund Coverage Ratio	2.39x

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

Recommendation: No deposit to the Surplus Fund is necessary as available funds exceed 1.5 coverage ratio on the bond year ending 2022 debt service.

SURPLUS FUND TRANSFERS¹

Surplus Fund: Release of Excess Surplus Funds

Balance of the Surplus Fund as of February 28, 2021	\$4,544,420
Required Minimum Balance ² :	
Maximum annual debt service on the Series 2020 Bonds	\$4,884,821
Portion of the maximum annual debt service required to be retained	50%
<i>Required balance</i>	<i>\$2,442,411</i>
Surplus Fund release amount	\$2,102,009

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

²Based on Section 7.7 of the First Supplemental Indenture.

Recommendation: Release \$2,102,009 from the Surplus Fund representing amounts in excess of the surplus fund requirement.

SURPLUS COMPARISON

Additional Surplus Revenues to the County After the Refunding:

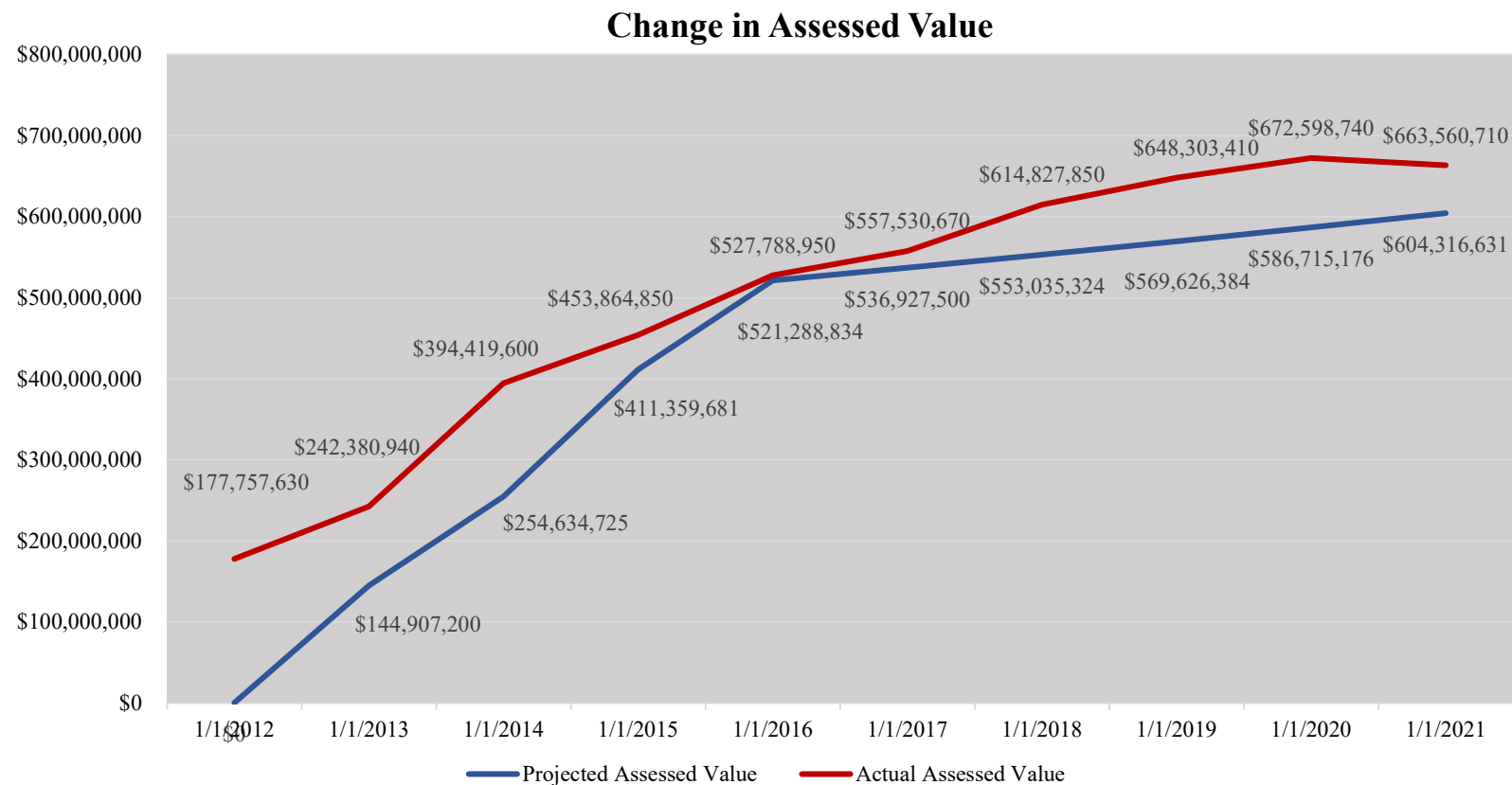
	Bond Year Ended 2020 (Pre-Refunding)	Bond Year Ending 2022 (Post Refunding)	Difference
Estimated County Advanced Revenues	\$7,015,364	\$7,128,294	\$112,930
Total debt service (Series A and AT Bonds) ¹	(\$5,534,213)	(\$4,882,022)	(\$652,191)
Surplus revenues	\$1,481,151	\$2,246,272	\$765,121

¹Includes principal and interest payments only. Excludes administrative service expenses and contingency.

Compares the surplus tax increment revenues flowing to the County before and after the 2020 bond refunding.

CHANGE IN TOTAL ASSESSED VALUES

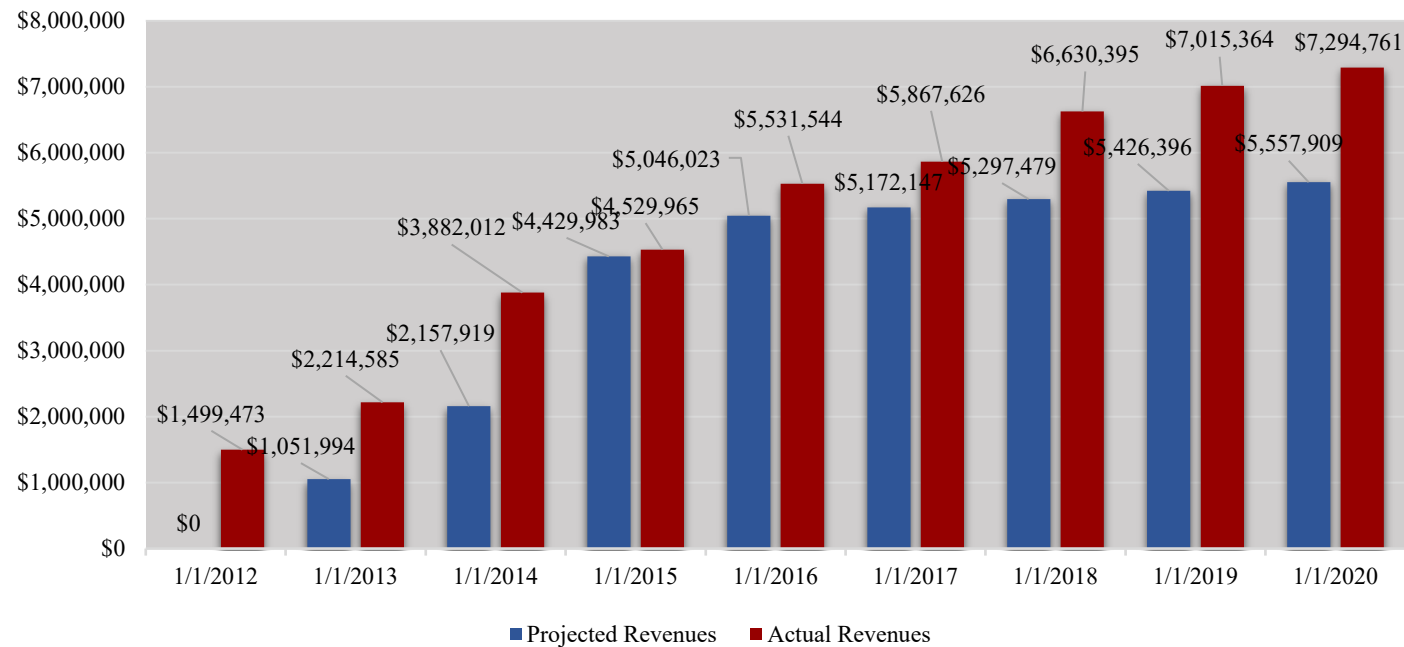
The below chart provides a comparison of the actual assessed value of the parcels in the CDA District compared to the values projected in the Limited Offering Memorandum for the 2011 Bonds.



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 amounts projected in the Limited Offering Memorandum for the 2011 Bonds.

Projected vs. Actual Tax Increment Revenues



SUMMARY OF ESTIMATED REAL PROPERTY TAX REVENUES

The total estimated real property tax revenues for fiscal years 2022 through 2036 are shown below.

Fiscal Year Ending	Inflation Factor	Projected Assessed Value ¹	Base Value	Incremental Property Value	FY 2022 County Tax Rate Per \$100 A.V. ²	Projected Tax Increment Revenues	Less: Amounts Applied to Debt Service ³	Surplus Tax Increment Revenues After Debt Service
30-Jun-22	100.0%	\$663,560,710	(\$38,271,740)	\$625,288,970	\$1.140	\$7,128,294	\$4,966,022	\$2,162,272
30-Jun-23	102.5%	\$680,149,728	(\$38,271,740)	\$641,877,988	\$1.140	\$7,317,409	\$4,967,115	\$2,350,295
30-Jun-24	105.1%	\$697,153,471	(\$38,271,740)	\$658,881,731	\$1.140	\$7,511,252	\$4,967,954	\$2,543,297
30-Jun-25	107.7%	\$714,582,308	(\$38,271,740)	\$676,310,568	\$1.140	\$7,709,940	\$4,967,841	\$2,742,099
30-Jun-26	110.4%	\$732,446,865	(\$38,271,740)	\$694,175,125	\$1.140	\$7,913,596	\$4,972,719	\$2,940,877
30-Jun-27	113.1%	\$750,758,037	(\$38,271,740)	\$712,486,297	\$1.140	\$8,122,344	\$4,971,460	\$3,150,884
30-Jun-28	116.0%	\$769,526,988	(\$38,271,740)	\$731,255,248	\$1.140	\$8,336,310	\$4,974,686	\$3,361,624
30-Jun-29	118.9%	\$788,765,163	(\$38,271,740)	\$750,493,423	\$1.140	\$8,555,625	\$4,975,545	\$3,580,080
30-Jun-30	121.8%	\$808,484,292	(\$38,271,740)	\$770,212,552	\$1.140	\$8,780,423	\$4,980,931	\$3,799,492
30-Jun-31	124.9%	\$828,696,399	(\$38,271,740)	\$790,424,659	\$1.140	\$9,010,841	\$4,979,876	\$4,030,965
30-Jun-32	128.0%	\$849,413,809	(\$38,271,740)	\$811,142,069	\$1.140	\$9,247,020	\$4,987,217	\$4,259,803
30-Jun-33	131.2%	\$870,649,154	(\$38,271,740)	\$832,377,414	\$1.140	\$9,489,103	\$4,983,043	\$4,506,059
30-Jun-34	134.5%	\$892,415,383	(\$38,271,740)	\$854,143,643	\$1.140	\$9,737,238	\$4,987,424	\$4,749,814
30-Jun-35	137.9%	\$914,725,768	(\$38,271,740)	\$876,454,028	\$1.140	\$9,991,576	\$4,989,756	\$5,001,820
30-Jun-36	141.3%	\$937,593,912	(\$38,271,740)	\$899,322,172	\$1.140	\$10,252,273	\$4,989,823	\$5,262,449
Total						\$129,103,243	\$74,661,411	\$54,441,832

¹Represents actual assessed value increased by the inflation factor shown.

²Provided by the Fairfax County Department of Tax Administration. The fiscal year 2022 tax rate represents the proposed rate from the FY 2022 Advertised Budget.

³Includes the 2020A and 2020A-T Bonds. Excludes interest earnings. Source: Mosaic CDA Official Statement for the 2020 Bonds. Also includes the estimated administrative expenses reported in the Mosaic CDA Special Assessment Report 2021, increased at a 2.5% inflation factor.

COVID-19 IMPACT

COVID-19 had extensive impacts to Mosaic.

The future impacts are not known at this time.

Some insights into how Mosaic has been affected and is recovering are noted below.

- Target fared well with the pandemic and did not experience a significant negative economic impact.
- Hotel and theater uses have been hit the hardest with near closure economic impact.
- Full-service restaurants experienced a significant impact and do not appear to have fully recovered at this time.
- Retail and limited service restaurants impacts appear to be showing moderate improvement in 2021.