

Texas Municipal Reports

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Arlington, City of (Municipal Drainage Utility Sys)

Tarrant County

Last Revised 07/22/2014

TMR # 2828

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FINANCIAL STATEMENT (As of September 30, 2013)

Special Obligation Debt	
Senior Lien (Drainage Utility System)	\$23,040,000
Special Fund Balances	
I&S and Reserve	\$(0(a))

(a) Reserve Fund is not required.

PAYMENT RECORD: The City has never defaulted on Revenue Bonds. The City has not defaulted on its General Obligation Bonds since 1935 when all bonds were refunded at par with a reduction in interest rate.

DETAILS OF REVENUE DEBT

Details of Senior Lien Debt (Outstanding 9/30/2013)

Mun Dr Util Sys Rev Bds Ser 2011

Lien: Senior	
Tax Treatment:	Tax Exempt
Original Issue Amount	\$25,600,000.00
Dated Date:	04/15/2011
Sale Date:	04/26/2011
Delivery Date:	05/19/2011
Sale Type:	Competitive
TIC:	3.6925%
Record Date:	MSRB
Bond Form:	BE
Denomination	\$5,000
Interest pays	Semi-Annually: 06/01, 12/01
1st Coupon Date:	12/01/2011

Paying Agent: Wells Fargo Bank, N.A., Fort Worth, TX
 Bond Counsel: Vinson & Elkins L.L.P.
 Financial Advisor: Estrada Hinojosa & Co., Inc., Dallas, TX
 Lead Manager: Mesiroow Financial Inc.

Use of Proceeds: Drainage.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
06/01/2014	1,280,000.00	3.0000%	1.150%
06/01/2015	1,280,000.00	4.0000%	1.540%
06/01/2016	1,280,000.00	4.0000%	1.840%
06/01/2017	1,280,000.00	4.0000%	2.170%
06/01/2018	1,280,000.00	4.0000%	2.490%
06/01/2019	1,280,000.00	5.0000%	2.830%
06/01/2020	1,280,000.00	4.0000%	3.060%
06/01/2021	1,280,000.00	4.0000%	3.250%
06/01/2022	1,280,000.00	4.0000%	3.370%
06/01/2023	1,280,000.00	5.0000%	3.580%
06/01/2024	1,280,000.00	5.0000%	3.740%
06/01/2025	1,280,000.00	4.0000%	100.00%
06/01/2026	1,280,000.00	4.0000%	4.125%
06/01/2027	1,280,000.00	4.0000%	4.200%
06/01/2028	1,280,000.00	4.1250%	4.300%
06/01/2029	1,280,000.00	4.2500%	4.400%
06/01/2030	1,280,000.00	4.3750%	4.500%
06/01/2031	1,280,000.00	4.5000%	4.600%

-----\$23,040,000.00

Call Option: Bonds maturing on 06/01/2022 to 06/01/2031 callable in whole or in part on any date beginning 06/01/2021 @ par.

GRAND TOTAL===== > \$23,040,000.00

BOND DEBT SERVICE

Period Ending	Principal	Interest	Debt Service
09/30/14	1,280,000.00	963,200.00	2,243,200.00
09/30/15	1,280,000.00	924,800.00	2,204,800.00
09/30/16	1,280,000.00	873,600.00	2,153,600.00
09/30/17	1,280,000.00	822,400.00	2,102,400.00
09/30/18	1,280,000.00	771,200.00	2,051,200.00
09/30/19	1,280,000.00	720,000.00	2,000,000.00
09/30/20	1,280,000.00	656,000.00	1,936,000.00
09/30/21	1,280,000.00	604,800.00	1,884,800.00
09/30/22	1,280,000.00	553,600.00	1,833,600.00
09/30/23	1,280,000.00	502,400.00	1,782,400.00
09/30/24	1,280,000.00	438,400.00	1,718,400.00
09/30/25	1,280,000.00	374,400.00	1,654,400.00
09/30/26	1,280,000.00	323,200.00	1,603,200.00
09/30/27	1,280,000.00	272,000.00	1,552,000.00
09/30/28	1,280,000.00	220,800.00	1,500,800.00
09/30/29	1,280,000.00	168,000.00	1,448,000.00
09/30/30	1,280,000.00	113,600.00	1,393,600.00
09/30/31	1,280,000.00	57,600.00	1,337,600.00
	23,040,000.00	9,360,000.00	32,400,000.00

DEBT AMORTIZATION RATES

Period Ending	Principal	% of Principal Retired
09/30/2014	1,280,000.00	05.56%
09/30/2015	1,280,000.00	11.11%
09/30/2016	1,280,000.00	16.67%
09/30/2017	1,280,000.00	22.22%
09/30/2018	1,280,000.00	27.78%
09/30/2019	1,280,000.00	33.33%
09/30/2020	1,280,000.00	38.89%
09/30/2021	1,280,000.00	44.44%
09/30/2022	1,280,000.00	50.00%
09/30/2023	1,280,000.00	55.56%
09/30/2024	1,280,000.00	61.11%
09/30/2025	1,280,000.00	66.67%
09/30/2026	1,280,000.00	72.22%
09/30/2027	1,280,000.00	77.78%
09/30/2028	1,280,000.00	83.33%
09/30/2029	1,280,000.00	88.89%
09/30/2030	1,280,000.00	94.44%
09/30/2031	1,280,000.00	100.00%

PERTINENT PROVISIONS OF THE DRAINAGE SYSTEM REVENUE BOND INDENTURE

- Nature of Pledge: First lien on and pledge of the Revenues from the operation of the Drainage System.
- Special Funds Created by Indenture:

I&S Fund: Receives equal monthly deposits sufficient to meet debt service requirements.

Reserve Fund: The ordinance establishes a reserve fund, but such reserve fund is not required to be funded and maintained unless revenues of the System are

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less than 2.0X times maximum annual debt service requirements on the Bonds plus any additional Bonds. The reserve fund requirement is equal to the maximum annual debt service.

3. Coverage Required as a Condition to Issuance of Parity Bonds: For the completed fiscal year or a consecutive 12 month period out of the last 18 months preceding the date of the bonds, Revenues shall have been not less than 1.25 times maximum annual requirements, after giving effect of the additional bonds, or had rates in effect for at least 30 days prior to the end of the period covered by the accountant's certificate, which, in the opinion of an independent engineer, would have produced net revenues of 1.25 times maximum annual requirements, including the additional bonds, if such rates had been in effect for the entire period.

4. Rate Covenant: The City has covenanted that while any Bonds or Additional Bonds are outstanding, to establish, maintain and impose drainage charges for services afforded the System sufficient to produce gross revenues each year in an amount not less than 1.10 times maximum annual debt service requirements.

MUNICIPAL DRAINAGE UTILITY SYSTEM OPERATING EXPERIENCE

	Fiscal Year Ended			
	09-30-2013	09-30-2012	09-30-2011	09-30-2010
Revenues:				
Storm Drainage Fee	\$10,815,000	\$10,536,000	\$10,492,000	\$8,702,000
Interest Income	72,000	99,000	173,000	104,000
	-----	-----	-----	-----
Total Revenues	\$10,887,000	\$10,635,000	\$10,665,000	\$8,806,000
Available For Debt Service*	\$10,887,000	\$10,635,000	\$10,665,000	\$8,806,000
Revenue Maximum Reqmts	\$2,281,600	\$2,452,889	N/A	N/A

Gross Coverage On Revenue Bds 4.77X 4.34X

*Bonds are secured by a Gross Pledge of Revenues.

MUNICIPAL DRAINAGE SYSTEM The City established a Municipal Drainage Utility System in August, 1990 pursuant to Chapter 552, Subchapter C of the Texas Local Government Code. The City charges "Storm Water" fees in support of the System.

WATER RATES (Monthly billing) Historical rate changes were effective October 1, 2008, October 1, 2009 and October 1, 2010.

Old Rate (Effective October 1, 2009)

Flat Rate \$3.50

New Rate (Effective October 1, 2010)

Flat Rate \$4.25

REVENUE BONDS AUTHORIZED BUT UNISSUED None

NON-FUNDED DEBT PAYABLE (As of September 30, 2013)

The City reports additional debt in the principal amount of \$184,000 under Drainage Util Fd as follows:

	Amount Outstanding	Reported Under
Compensated Absences	\$184,000	Drainage Util Fd

ECONOMIC BACKGROUND

The City of Arlington is located in the eastern part of Tarrant County between Dallas and Fort Worth on IH-30. The City's location places it at the exact geographical center of the Dallas-Fort Worth Metropolitan Area. The 2010 population was 365,438, a 9.75% increase since 2000. The City's economic base is centered around its industrial, manufacturing, and distributing plants. The City is known as the entertainment capital of the Southwest and includes Six Flags Over Texas, one of the nation's oldest and most successful theme parks, Hurricane Harbor water park, the Ballpark at Arlington, home of the Texas Rangers professional baseball club, and the Dallas Cowboy Stadium. The Great Southwest Industrial District, comprising 2,800 acres located mostly within Arlington, features approximately 800 firms. The Dallas-Fort Worth International Airport, the world's largest in size and sixth busiest in the world, is located eight miles north of the City.

COUNTY CHARACTERISTICS: Tarrant County was created in 1849 from Navarro County. The County is a manufacturing and wholesale trade center for much of west Texas, with its economy closely tied in with the Dallas/Fort Worth urban area. Tarrant County is one of the largest manufacturing counties in the United States. Southwestern Baptist Theological Seminary and The College of St. Thomas Moore are also located in Fort Worth. There were 419.0 million cubic feet of natural gas recovered in 2008. The County was ranked 1st for largest gas production in 2013.

COUNTY SEAT: Fort Worth

2010 census: 1,809,034 increasing 25.1 % since 2000
2000 census: 1,446,000 increasing 23.6 % since 1990
1990 census: 1,170,103

ECONOMIC BASE

Mineral: stone, sand, gravel, gas and cement.

Industry: tourism, plastics plant, planes, mobile homes, helicopters, food, electronic equipment, chemicals, automobiles and airport.

Agricultural: wheat, horticulture, horses, hay and beef cattle.

CIVIL / MILITARY PERSONNEL

Year	Description	Volume
2008	Naval Air Station-Joint Reserve Base	4,064 Members
2009	Naval Air Station-Joint Reserve Base	4,658 Members

RETAIL SALES & EFFECTIVE BUYING INCOME(a)

Year	2013	2012	2011
Retail Sales	\$30.4B	\$26.1B	\$26.1B
Effective Buying Income (EBI)	\$40.9B	\$39.4B	\$38.9B
County Median Household Income	\$44,117	\$44,837	\$44,943
State Median Household Income	\$48,646	\$47,613	\$47,705
% of Households with EBI below \$25K	12.6 %	12.4 %	12.3 %
% of Households with EBI above \$25K	67.7 %	67.6 %	69.2 %

EMPLOYMENT DATA

	2013		2012		2011	
	Employed	Earnings	Employed	Earnings	Employed	Earnings
1st Q:	791,003	\$9.9B	767,938	\$9.5B	746,019	\$8.7B
2nd Q:	805,501	\$9.5B	780,475	\$9.1B	762,250	\$8.9B
3rd Q:	N/A	N/A	783,198	\$9.3B	764,131	\$9.1B
4th Q:	N/A	N/A	795,775	\$10.1B	771,375	\$9.4B

MAJOR COLLEGES AND UNIVERSITIES: University of Texas at Arlington, University of North Texas Health Science Center, The College of St. Thomas More, Texas Wesleyan University, Texas Christian University, Tarrant Co College District (Trinity River), Tarrant Co College District (Southeast Campus), Tarrant Co College District (South Campus), Tarrant Co College District (Northwest

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Campus), Tarrant Co College District (Northeast Campus)

COLLEGES AND UNIVERSITIES

Year	Total	Fall Enrollment
2013	10	105,864
2012	10	114,121
2011	10	112,983
2010	10	110,716
2009	10	97,846
2008	9	80,652

(a) DemographicsUSA County Edition

Any data on population, value added by manufacturing or production of minerals or agricultural products are from US Census or other official sources.

Major Employers(a)	# Employees
Texas Health Resources Healthcare	8,252
Arlington ISD Public Education	8,000
University of Texas at Arlington Higher Education	5,300
Six Flags Over Texas (b) Amusement Park	3,800
The Parks at Arlington Retail	3,500
General Motors (c) Automobile Assembly	2,900
City of Arlington Municipality	2,315
JP Morgan Chase Bank Banking Services	1,965
Texas Rangers Baseball Club (b) Major League Baseball & Hockey	1,881
Americredit Retail	1,591

(a) Source: City of Arlington CAFR dated September 30, 2013.

(b) Includes part-time and peak seasonal employees.

(c) General Motors filed for bankruptcy protection in 2009.

FINANCE CONNECTED OFFICIALS

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Chief Financial Officer

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