city of plano

December 28, 2009

Keith Self, County Judge
Collin County Commissioners' Court
210 South McDonald
McKinney, Texas 75069

Dear Judge Self,

Tax Increment Finance District 1 (also referred to as Tax Reinvestment Zone 1 or TIF 1) was established by the City of Plano in 1998 under the authority contained within Chapter 311 of the Texas Tax Code. The maximum duration of the TIF 1 was for 20 years and the TIF 1 will expire on December 31, 2019. Early termination of the TIF 1 is anticipated if ordained by the City Council. There is likelihood that all reimbursement obligations will be satisfied by approximately 2011. After the reimbursement obligations of the TIF 1 have been discharged, the residual balance may be prorated to participating taxing jurisdictions according to each jurisdiction's contributions. The purpose of the TIF 1 was to establish a regional mall site and reimburse a portion of the developer's (Taubman Realty) expense for constructing public parking decks and other identified public improvements. The TIF 1 District includes approximately 133.15 taxable acres within the city of Plano.

Enclosed please find the Annual Statements of the Tax Increment Finance District 1 (TIF 1) for the year ended September 30, 2009. Additionally, please note the following information regarding the TIF 1 District.

Amount and Source of ad valorem tax revenue for the current fiscal year:

Plano Independent School District	$	2,627,352
City of Plano		1,192,605
Collin County		488,629
Collin County Community College		217,848
Total	$	4,526,434

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www.plano.gov

Amount and Purpose of Expenditures from the fund for the current fiscal year:

Pay Taubman Realty Balance of Amount Due	$	4,730,878
Administrative Fee		10,000
Total	$	4,740,878

In the current year the City of Plano advanced the TIF 1 funds to pay the balance due to Taubman Realty, the developer of the regional mall site. The remaining note payable on the TIF 1 balance sheet is due to the City of Plano.

The amount of principal and interest due on outstanding bonded indebtedness: The financing plan does not anticipate using the TIF 1 fund as security for payment of bonded debt. The plan anticipates that TIF 1 project costs will be paid by either (1) Cash accumulated by the TIF 1 fund or (b) Cash advanced by a governmental agency or a private developer, with subsequent reimbursement of approved project costs as cash becomes available to the TIF 1 fund.

The tax increment base for the current fiscal year:	$ 21,278
Current captured appraised values for the current fiscal year:	$261,809,125
Total certified taxable value	$261,830,403

Please let me know if I can be of further assistance. Thank you.

Sincerely,

Denise Tacke

Denise Tacke
Finance Director
City of Plano, TX

Cc: Monika Arris, Budget Director

CITY OF PLANO, TEXAS
STATEMENT OF FUND NET ASSETS
TAX INCREMENT FINANCING DISTRICT #1
AS OF SEPTEMBER 30, 2009 (with comparative totals for 2008)

	2009	2008
ASSETS		
Cash and cash equivalents	$ -	$ -
Total Assets	-	-
LIABILITIES		
Notes payable	6,397,476	5,742,533
Total Liabilities	6,397,476	5,742,533
NET ASSETS		
Unrestricted	(6,397,476)	(5,742,533)
Total Net Assets	(6,397,476)	$ (5,742,533)

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
TAX INCREMENT FINANCING DISTRICT #1
FOR THE YEAR ENDED SEPTEMBER 30, 2009 (with comparative totals for 2008)

	2009	2008
REVENUES		
Miscellaneous	$ -	$ -
Total revenues	-	-
EXPENSES		
Contractual services	4,740,878	5,040,164
Administrative fees		
Total expenses	4,740,878	5,040,164
Operating loss	(4,740,878)	(5,040,164)
NONOPERATING REVENUES (EXPENSES)		
Property taxes	4,526,434	4,989,314
Interest expense	(440,499)	(325,001)
Total nonoperating revenues	4,085,935	4,664,313
Change in net assets	(654,943)	(375,851)
Total net assets (deficit) - beginning	(5,742,533)	(5,366,682)
Total net assets (deficit) - ending	$ (6,397,476)	$ (5,742,533)

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
TAX INCREMENT FINANCING DISTRICT #1
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash payments to suppliers for goods and services	$(4,085,935)	$(4,714,314)
Net cash proved by operating activities	(4,085,935)	(4,714,314)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Property taxes	4,526,434	4,989,314
Net cash provided by noncapital financing activities	4,526,434	4,989,314
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Interest expense	(440,499)	(325,001)
Net cash used for capital and related financing activities	(440,499)	(325,001)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale and maturities of investment securities	-	34,115
Net cash used in investing activities	-	34,115
Net increase (decrease) in cash and cash equivalents	-	(15,886)
Cash and cash equivalents, October 1	-	15,886
Cash and cash equivalents, September 30	$ -	$ -

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
TAX INCREMENT FINANCING DISTRICT #1
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(continued)

	2009	2008
RECONCILIATION OF OPERATIN INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating loss	$ (4,740,878)	$(5,040,164)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in assets and liabilities -		
Increase (decrease) in		
Notes payable	654,943	325,850
Total adjustments	654,943	325,850
Net cash used by operating activities	$(4,085,935)	$(4,714,314)