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 2 (also referred to as Tax Reinvestment Zone 2 or TIF 2) was established by the City of Plano in 1999 under the authority contained within Chapter 311 of the Texas Tax Code. The duration of the TIF 2 was for 15 years and the TIF 2 will expire in 2014. The TIF 2 District includes downtown Plano and the north-south corridor extending along the Dallas Area Rapid Transit (DART) light-rail line from the southern city limit to approximately ½ mile north of Parker Road.

Enclosed please find the Annual Statements of the Tax Increment Finance District 2 (TIF 2) for the year ended September 30, 2009. Additionally, please note the following information regarding the TIF 2 District.

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

| | | |
|---|---|---|
| Plano Independent School District | $ | 1,973,630 |
| City of Plano | | 1,028,190 |
| Collin County | | 422,831 |
| Collin County Community College | | 94,376 |
| Total | $ | 3,519,027 |

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

| | | |
|---|---|---|
| Courtyard Theater interest from Note Payable | $ | 46,586 |
| Administrative Fees | | 18,730 |
| Public Improvement at Holt-Lunsford Warehouse | | 549,999 |
| Demolition & Abatement at Holt-Lunsford | | 250,000 |
| Courtyard Theater final payment to City | | 2,113,806 |
| Total | $ | 2,979,121 |

P.O. Box 860358
Plano, Texas 75086-0358
972-941-7000
www.plano.gov

The amount of principal and interest due on outstanding bonded indebtedness: The financing plan does not anticipate using the TIF 2 fund as security for payment of bonded debt. The plan anticipates that TIF 2 project costs will be paid by either (1) Cash accumulated by the TIF 2 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 2 fund.

| | |
|---|---|
| The tax increment base for the current fiscal year: | $317,040,980 |
| Current captured appraised values for the current fiscal year: | $227,558,731 |
| Total certified taxable value | $519,308,906 |

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 #2**
**AS OF SEPTEMBER 30, 2009 (with comparative totals for 2008)**

| | 2009 | 2008 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ 1,689,570 | $ 6,059,256 |
| Investments | 4,983,721 | 855,827 |
| Receivables: | | |
| Accrued Interest | 26,066 | 12,071 |
| **Total Assets** | 6,699,357 | 6,927,154 |
| | | |
| **LIABILITIES** | | |
| Accounts payable | 8,730 | - |
| Notes payable | - | 776,433 |
| **Total Liabilities** | 8,730 | 776,433 |
| | | |
| **NET ASSETS** | | |
| Unrestricted | 6,690,627 | 6,150,721 |
| **Total Net Assets** | $ 6,690,627 | $ 6,150,721 |

**CITY OF PLANO, TEXAS**
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**
**TAX INCREMENT FINANCING DISTRICT #2**
**FOR THE YEAR ENDED SEPTEMBER 30, 2009 (with comparative totals for 2008)**

| | 2009 | 2008 |
|---|---|---|
| **REVENUES** | | |
| Miscellaneous | $ - | $ 5,000 |
| Total revenues | - | 5,000 |
| **EXPENSES** | | |
| Contractual services | 2,932,535 | 4,614,935 |
| Administrative fees | | |
| Total expenses | 2,932,535 | 4,614,935 |
| Operating loss | (2,932,535) | (4,609,935) |
| **NONOPERATING REVENUES (EXPENSES)** | | |
| Property taxes | 3,519,027 | 3,646,769 |
| Interest expense | (46,586) | (90,535) |
| Total nonoperating revenues | 3,472,441 | 3,556,234 |
| Change in net assets | 539,906 | (1,053,701) |
| Total net assets (deficit) - beginning | 6,150,721 | 7,204,422 |
| Total net assets (deficit) - ending | $ 6,690,627 | $ 6,150,721 |

**CITY OF PLANO, TEXAS**
**STATEMENT OF CASH FLOWS**
**TAX INCREMENT FINANCING DISTRICT #2**
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

| | 2009 | 2008 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Cash received from customers | $ - | $ 5,000 |
| Cash payments to suppliers for goods and services | (3,700,238) | (4,614,935) |
| Net cash proved by operating activities | (3,700,238) | (4,609,935) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** | | |
| Property taxes | 3,519,027 | 3,646,769 |
| Net cash provided by noncapital financing activities | 3,519,027 | 3,646,769 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | |
| Payment on note payable | - | (732,483) |
| Interest expense | (46,586) | (90,535) |
| Net cash used for capital and related financing activities | (46,586) | (823,018) |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Purchase of investment securities | (4,983,721) | (855,827) |
| Proceeds from sale and maturities of investment securities | 855,827 | 5,257,120 |
| Increase (decrease) in fair value of investments | (13,995) | 44,786 |
| Net cash used in investing activities | (4,141,889) | 4,446,079 |
| Net increase (decrease) in cash and cash equivalents | (4,369,686) | 2,659,895 |
| Cash and cash equivalents, October 1 | 6,059,256 | 3,399,361 |
| Cash and cash equivalents, September 30 | $1,689,570 | $6,059,256 |

**CITY OF PLANO, TEXAS**
**STATEMENT OF CASH FLOWS**
**TAX INCREMENT FINANCING DISTRICT #2**
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**
**(continued)**

| | 2009 | 2008 |
|---|---|---|
| **RECONCILIATION OF OPERATIN INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:** | | |
| Operating loss | $ (2,932,535) | $(4,609,935) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Changes in assets and liabilities - | | |
| Increase (decrease) in | | |
| Accounts payable | 8,730 | - |
| Notes payable | (776,433) | - |
| Total adjustments | (767,703) | - |
| Net cash provided (used) by operating activities | $(3,700,238) | $(4,609,935) |