

## **Debt Service**

District legislation limits the amount of debt service, which is an operating expense item, to 12 percent of the total general fund expenditures in any year during the Capital Improvements Program (CIP) period. The current CIP period includes FY 2014 through FY 2019.

A debt service model is used to determine the debt service costs and thus percentages of the general fund budget each year through the CIP period. The calculations are based on the amount of the planned general fund expenditures and then factor in the actual costs of each of the various types of District debt service obligations, along with the projected out-year obligations and costs, given the planned CIP budget allotments.

# Debt Cap Analysis

As of 3/22/2013

Mayor's 2014 Budget Submission Scenario



	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Existing General Obligation and Income Tax Bonds (G.O. and I.T.) Debt Service (Agency DS0)</b>	\$465,946,074	\$500,985,972	\$492,758,212	\$484,430,991	\$476,028,148	\$510,454,523	\$505,497,389	\$517,809,209	\$505,330,750	\$505,518,766
<b>Prospective I.T. Bonds Debt Service:</b>										
FY 2014 (Fall) I.T. Bonds (\$1026.3M)	\$0	\$21,807,919	\$66,645,825	\$66,644,125	\$66,643,119	\$66,640,894	\$66,645,325	\$66,644,288	\$66,645,656	\$66,642,200
FY 2015 (Fall) I.T. Bonds (\$933M)	\$0	\$0	\$20,991,488	\$62,158,575	\$62,158,400	\$62,159,463	\$62,159,738	\$62,157,200	\$62,159,600	\$62,159,575
FY 2016 (Fall) I.T. Bonds (\$742.4M)	\$0	\$0	\$0	\$18,560,000	\$52,018,000	\$52,019,375	\$52,020,500	\$52,019,375	\$52,018,875	\$52,021,625
FY 2017 (Fall) I.T. Bonds (\$469.6M)	\$0	\$0	\$0	\$0	\$11,740,750	\$32,904,875	\$32,909,125	\$32,907,875	\$32,905,000	\$32,909,000
FY 2018 (Fall) I.T. Bonds (\$480.3M)	\$0	\$0	\$0	\$0	\$0	\$12,008,625	\$33,660,000	\$33,657,875	\$33,659,750	\$33,659,250
FY 2019 (Fall) I.T. Bonds (\$491.7M)	\$0	\$0	\$0	\$0	\$0	\$0	\$12,293,500	\$34,458,875	\$34,454,750	\$34,459,000
FY 2020 (Fall) I.T. Bonds (\$450.6M)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,265,250	\$31,573,625	\$31,573,000
FY 2021 (Fall) I.T. Bonds (\$408.1M)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,202,000	\$28,594,000
FY 2022 (Fall) I.T. Bonds (\$364.5M)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,112,125
<b>Total Prospective I.T. Bonds Debt Service (Agency DS0)</b>	\$0	\$21,807,919	\$87,637,313	\$147,362,700	\$192,560,269	\$225,733,231	\$259,688,188	\$293,110,738	\$323,619,256	\$351,129,775
<b>Total G.O./I.T. Bonds Debt Service (Agency DS0)</b>	<b>\$465,946,074</b>	<b>\$522,793,891</b>	<b>\$580,395,525</b>	<b>\$631,793,691</b>	<b>\$668,588,417</b>	<b>\$736,187,755</b>	<b>\$765,185,577</b>	<b>\$810,919,946</b>	<b>\$828,950,006</b>	<b>\$856,648,541</b>
<b>Schools Modernization G.O. Bonds Debt Service (Agency SM0):</b>										
2007 Issuance (\$60M)	\$2,781,425	\$2,781,425	\$2,781,425	\$2,781,425	\$2,781,425	\$2,781,425	\$2,781,425	\$2,781,425	\$2,781,425	\$2,781,425
2008 Issuance (\$90M)	\$5,844,288	\$9,081,088	\$8,630,288	\$11,494,088	\$10,741,088	\$8,967,750	\$5,969,500	\$5,968,250	\$5,968,750	\$5,965,500
<b>School Modernization Fund Subtotal (Agency SM0)</b>	<b>\$8,625,713</b>	<b>\$11,862,513</b>	<b>\$11,411,713</b>	<b>\$14,275,513</b>	<b>\$13,522,513</b>	<b>\$8,749,175</b>	<b>\$8,750,925</b>	<b>\$8,749,675</b>	<b>\$8,750,175</b>	<b>\$8,746,925</b>
<b>Prospective Pay-as-you-go (Paygo) Capital Account:</b>										
FY 2016 (Spring) I.T. Bonds (\$0M)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2017 (Spring) I.T. Bonds (\$0M)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2018 (Spring) I.T. Bonds (\$0M)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2019 (Spring) I.T. Bonds (\$0M)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2020 (Spring) I.T. Bonds (\$0M)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2021 (Spring) I.T. Bonds (\$0M)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2022 (Spring) I.T. Bonds (\$0M)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Prospective Pay-as-you-go (Paygo) Capital Account</b>	<b>\$0</b>									
<b>Certificates of Participation (COPs) (Agency CP0)<sup>1</sup></b>	<b>\$32,541,713</b>	<b>\$24,619,294</b>	<b>\$24,620,075</b>	<b>\$24,622,431</b>	<b>\$24,620,269</b>	<b>\$24,620,738</b>	<b>\$24,622,938</b>	<b>\$24,621,863</b>	<b>\$24,618,250</b>	<b>\$24,619,919</b>
<b>Existing Housing Production Trust Fund (Agency DT0):</b>										
2007, 2010ABC, 2012AB Issuance	\$6,664,877	\$7,823,585	\$7,829,189	\$7,822,389	\$7,825,339	\$7,822,389	\$7,828,539	\$7,829,039	\$7,826,089	\$7,827,339
<b>Prospective HPTF Bond Debt Service:</b>										
FY 2014 (\$40M)	\$0	\$0	\$2,647,500	\$2,646,450	\$2,644,950	\$2,646,875	\$2,646,963	\$2,645,213	\$2,646,625	\$2,645,938
FY 2015 (\$37M)	\$0	\$0	\$0	\$2,450,438	\$2,447,888	\$2,448,750	\$2,448,038	\$2,450,750	\$2,446,625	\$2,445,925
FY 2016 (\$43M)	\$0	\$0	\$0	\$0	\$2,844,563	\$2,845,013	\$2,846,150	\$2,845,450	\$2,842,913	\$2,843,538
<b>Housing Production Trust Fund (Agency DT0)</b>	<b>\$6,664,877</b>	<b>\$7,823,585</b>	<b>\$10,476,689</b>	<b>\$12,919,276</b>	<b>\$15,762,739</b>	<b>\$15,763,026</b>	<b>\$15,769,689</b>	<b>\$15,770,451</b>	<b>\$15,762,531</b>	<b>\$15,762,739</b>
<b>Master Lease Equipment Purchases (Agency EL0)</b>	<b>\$50,035,750</b>	<b>\$42,676,892</b>	<b>\$35,802,399</b>	<b>\$29,770,486</b>	<b>\$19,057,522</b>	<b>\$11,287,431</b>	<b>\$6,433,039</b>	<b>\$5,681,318</b>	<b>\$6,777,817</b>	<b>\$9,773,924</b>
<b>Capital Leases<sup>2</sup></b>	<b>\$2,792,500</b>	<b>\$2,792,500</b>	<b>\$2,792,500</b>	<b>\$2,792,500</b>	<b>\$1,396,250</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TIF &amp; PILOT Bonds (Issued)<sup>3</sup></b>										
Oyster School PILOT	\$801,965	\$804,095	\$805,235	\$805,235	\$805,235	\$805,236	\$805,237	\$805,238	\$805,238	\$805,238
Mandarin Oriental Hotel TIF <sup>4</sup>	\$4,509,125	\$4,462,325	\$4,425,525	\$4,378,725	\$4,336,925	\$4,300,125	\$4,253,325	\$4,211,525	\$1,854,725	\$0
Gallery Place Mixed Use Development TIF	\$4,311,533	\$4,310,500	\$4,312,500	\$4,311,500	\$4,312,500	\$4,314,000	\$4,315,000	\$4,310,500	\$4,310,500	\$4,309,500
Capitol Hill Towers Development TIF	\$935,087	\$506,208	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DC USA Retail Development TIF/Revenue Bond	\$1,495,456	\$1,498,082	\$1,522,752	\$1,548,685	\$1,575,941	\$1,604,596	\$1,634,712	\$1,666,373	\$454,846	\$0
Downtown Retail Priority Area (DRPA)	\$2,038,322	\$2,038,322	\$2,038,322	\$1,861,192	\$1,769,892	\$1,648,198	\$1,290,061	\$877,361	\$587,363	\$293,681
US Department of Transportation PILOT	\$10,552,735	\$10,547,557	\$10,553,543	\$10,549,690	\$10,550,662	\$10,550,699	\$10,552,960	\$10,549,724	\$10,552,301	\$10,120,919
Arena Stage	\$0	\$12,590,114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Great Streets (Georgia Ave & Howard Theatre)	\$396,430	\$570,575	\$650,896	\$734,402	\$802,043	\$839,249	\$858,345	\$898,299	\$1,107,880	\$136,430
Rhode Island Place PILOT	\$305,975	\$611,949	\$611,949	\$611,949	\$611,949	\$611,949	\$611,949	\$611,949	\$611,949	\$611,949
Capper Carrollsborg PILOT	\$580,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O Street Market (Phase I)	\$1,877,131	\$1,877,131	\$1,877,131	\$2,097,131	\$2,170,531	\$2,211,531	\$2,301,031	\$2,386,406	\$2,442,156	\$2,517,156
Ford Lincoln Retail Priority Area TIF	\$1,298,140	\$1,298,140	\$1,298,140	\$1,298,140	\$1,298,140	\$1,298,140	\$1,298,140	\$1,298,140	\$1,298,140	\$1,298,140
Southeast Fed Center PILOT - Foundry Lofts Note	\$397,849	\$397,849	\$397,849	\$397,849	\$397,849	\$397,849	\$397,849	\$397,849	\$397,849	\$397,849
<b>Subtotal TIF/PILOT Bonds (Issued)<sup>3</sup></b>	<b>\$29,499,748</b>	<b>\$41,512,849</b>	<b>\$28,493,843</b>	<b>\$28,594,499</b>	<b>\$28,631,918</b>	<b>\$28,581,554</b>	<b>\$28,319,611</b>	<b>\$28,013,366</b>	<b>\$24,322,948</b>	<b>\$20,490,862</b>
Downtown Retail Priority Area TIF (DRPA)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Southeast Federal Center PILOT	\$373,977	\$2,278,823	\$2,278,823	\$6,814,106	\$6,814,106	\$6,814,106	\$6,814,106	\$6,814,106	\$6,814,106	\$6,814,106
Great Streets Retail Priority Areas TIF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Southwest Waterfront	\$0	\$0	\$3,577,163	\$10,813,013	\$14,471,701	\$14,471,701	\$14,471,701	\$14,471,701	\$14,471,701	\$14,471,701
O Street Market (Phase II)	\$0	\$0	\$0	\$216,798	\$216,798	\$216,798	\$216,798	\$216,798	\$216,798	\$216,798
Skyland Retail Priority Area TIF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal TIF/PILOT Bonds (Authorized)<sup>3</sup></b>	<b>\$373,977</b>	<b>\$2,278,823</b>	<b>\$5,855,986</b>	<b>\$17,843,917</b>	<b>\$21,502,604</b>	<b>\$21,502,604</b>	<b>\$21,502,604</b>	<b>\$21,502,604</b>	<b>\$21,502,604</b>	<b>\$21,502,604</b>
<b>Total TIF/PILOT Bonds Issued &amp; Authorized<sup>3</sup></b>	<b>\$29,873,725</b>	<b>\$43,791,672</b>	<b>\$34,349,828</b>	<b>\$46,438,416</b>	<b>\$50,134,523</b>	<b>\$50,084,158</b>	<b>\$49,822,215</b>	<b>\$49,515,970</b>	<b>\$45,825,552</b>	<b>\$41,993,467</b>
<b>Baseball Bonds<sup>4</sup></b>	<b>\$32,579,589</b>	<b>\$33,509,654</b>	<b>\$32,798,587</b>	<b>\$24,556,220</b>	<b>\$23,519,562</b>	<b>\$22,621,357</b>	<b>\$21,543,497</b>	<b>\$20,548,758</b>	<b>\$21,464,758</b>	<b>\$20,464,492</b>
<b>Verizon Center Revenue Bonds</b>	<b>\$3,411,038</b>	<b>\$3,447,417</b>	<b>\$3,481,162</b>	<b>\$3,517,274</b>	<b>\$3,550,423</b>	<b>\$3,585,609</b>	<b>\$3,622,503</b>	<b>\$3,660,775</b>	<b>\$3,695,098</b>	<b>\$3,730,470</b>
<b>WCSA Hotel Financing</b>	<b>\$11,984,580</b>	<b>\$11,984,580</b>	<b>\$13,055,435</b>	<b>\$14,903,314</b>	<b>\$14,909,276</b>	<b>\$14,909,239</b>	<b>\$14,898,539</b>	<b>\$15,680,234</b>	<b>\$15,677,617</b>	<b>\$15,677,954</b>
<b>Convention Center Bonds</b>	<b>\$33,088,325</b>	<b>\$33,079,475</b>	<b>\$32,987,475</b>	<b>\$32,957,675</b>	<b>\$32,907,975</b>	<b>\$32,857,225</b>	<b>\$32,810,475</b>	<b>\$32,760,475</b>	<b>\$32,709,725</b>	<b>\$32,772,400</b>
<b>Total Debt Service on All Tax-Supported Debt</b>	<b>\$677,543,883</b>	<b>\$738,381,471</b>	<b>\$782,171,388</b>	<b>\$838,546,795</b>	<b>\$867,969,467</b>	<b>\$920,665,712</b>	<b>\$943,459,396</b>	<b>\$987,909,466</b>	<b>\$1,004,231,249</b>	<b>\$1,030,190,831</b>
<b>Revised Total Expenditures as of February 22, 2013<sup>5</sup> (Incl. UDC Total Exp)</b>	<b>\$6,990,551,604</b>	<b>\$7,012,113,684</b>	<b>\$7,149,258,205</b>	<b>\$7,356,761,940</b>	<b>\$7,495,454,112</b>	<b>\$7,681,411,116</b>	<b>\$7,872,017,046</b>	<b>\$8,067,388,123</b>	<b>\$8,267,643,478</b>	<b>\$8,472,905,216</b>
<b>Revised Ratio of Total Debt Service to Total Expenditures (Incl. UDC Total Exp)</b>	<b>9.69%</b>	<b>10.53%</b>	<b>10.94%</b>	<b>11.40%</b>	<b>11.58%</b>	<b>11.99%</b>	<b>11.98%</b>	<b>12.25%</b>	<b>12.15%</b>	<b>12.16%</b>
<b>Annual Maximum Debt Service Capacity Up to 12% Cap</b>	<b>\$838,866,192</b>	<b>\$841,453,642</b>	<b>\$857,910,985</b>	<b>\$882,811,433</b>	<b>\$899,454,493</b>	<b>\$921,769,334</b>	<b>\$944,642,045</b>	<b>\$968,086,575</b>	<b>\$992,117,217</b>	<b>\$1,016,748,626</b>
<b>Balance of Debt Service Capacity</b>	<b>\$161,322,309</b>	<b>\$103,072,171</b>	<b>\$75,739,597</b>	<b>\$44,264,638</b>	<b>\$31,485,027</b>	<b>\$1,103,621</b>	<b>\$1,182,650</b>	<b>(\$19,822,891)</b>	<b>(\$12,114,932)</b>	<b>(\$13,443,288)</b>

- Includes annual Judiciary Square property tax payment to the District.
- Does not include Judiciary Square COP which is also classified as a capital lease.
- Actual Debt Service and new issuance projections based on 1.16.13 economic development analysis.
- Assumes annual cash defeasances beginning in FY 2015 in accordance with the Ballpark Debt Repayment.
- Assumes 2.5% GF Expenditure Growth beginning after 2017 based upon Congressional Budget Office annual projected GDP growth rates.
- Assumes \$800,000 of additional project revenues will defuse 2022 Maturity of Mandarin Hotel Project Bonds.