

INSTRUCTION SHEET

To move through this Electronic Transcript click on the Bookmark tab on the left side of the screen.

1. Click on the Bookmark entitled Table of Contents.
2. Click on the document number to move to the document.
3. The document is searchable.

TRANSCRIPT OF PROCEEDINGS

RELATING TO

**\$7,105,000
CITY OF GRAND PRAIRIE, TEXAS
COMBINATION TAX AND REVENUE NOTES
TAXABLE SERIES 2019**

Delivery: August 29, 2019



**TRANSCRIPT OF PROCEEDINGS
RELATING TO

\$7,105,000
CITY OF GRAND PRAIRIE, TEXAS
COMBINATION TAX AND REVENUE NOTES, TAXABLE SERIES 2019
Dated August 15, 2019**

Index of Documents

<u>Tab No.</u>	<u>Description of Document</u>
1	Certified Note Ordinance
2	Paying Agent/Registrar Agreement
3	Purchase Agreement
4	Preliminary Official Statement
5	Final Official Statement
6	General Certificate
7	Signature and No-Litigation Certificate
8	Closing Certificate
9	Attorney General's Opinion and Comptroller's Registration Certificate
10	Opinion of Bond Counsel
11	Supplemental Opinion of Bond Counsel
12	Closing Instruction Letter
13	Opinion of Underwriter's Counsel
14	Receipt and Disbursement of Funds
15	Rating Letters
16	DTC Blanket Issuer Letter of Representations

2. That the attached ordinance is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council on the date of the aforesaid meeting are those persons shown above and, according to the records of my office, advance notice of the time, place and purpose of the meeting was given to each member of the Council; and that said meeting and the deliberation of the aforesaid public business was open to the public and written notice of said meeting, including the subject of the above entitled ordinance, was posted and given in advance thereof in compliance with the provisions of Chapter 551, Texas Government Code, as amended.

IN WITNESS WHEREOF, I have hereunto signed my name officially and affixed the seal of said City, this the 6th day of August, 2019.



Catherine E. DiMaggio

City Secretary
City of Grand Prairie, Texas

ORDINANCE NO. 10680-2019

AN ORDINANCE authorizing the issuance of "CITY OF GRAND PRAIRIE, TEXAS, COMBINATION TAX AND REVENUE NOTES, TAXABLE SERIES 2019"; specifying the terms and features of said notes; levying a continuing direct annual ad valorem tax for the payment of said notes; and resolving other matters incident and related to the issuance, sale, payment and delivery of said notes, including the approval and execution of a Paying Agent/Registrar Agreement and a Purchase Contract and the approval and distribution of an Official Statement; and providing an effective date

WHEREAS, Chapter 351, Texas Tax Code, as amended ("Chapter 351") authorizes a municipality with a population of 173,000 or more that is located within two or more counties to receive all funds from a project described in Section 351.102(b) of the Texas Tax Code that an owner of the project may receive under Section 151.429(h) of the Texas Tax Code, as emended, and to pledge those funds for obligations issued under Chapter 351;

WHEREAS, the City is a municipality with a population of 173,000 or more that is located in two or more counties;

WHEREAS, City's convention center facility being financed with the issuance of the Notes, as hereinafter defined, is within the definition of a "hotel project" described in Chapter 351 which is defined as "the hotel and any facilities ancillary to the hotel, including convention center entertainment-related facilities, meeting spaces, restaurants, shops, street and water and sewer infrastructure necessary for the operation of the hotel or ancillary facilities, and parking facilities within 1,000 feet of the hotel convention center facility";

WHEREAS, the City's convention center facility is within the definition of a "hotel project";

WHEREAS, the Texas Comptroller of Public Accounts (the "Comptroller") has provided the City with Private Letter Ruling #20180402084739 (the "PLR") dated April 11, 2019 for the purposes of allowing the City to detrimentally rely on the PLR and verifying that the planned convention center facility, assuming proper documentation is provided to the Comptroller upon initial occupancy of a hotel project will qualify as a "hotel project" under Chapter 351 and that the City would be entitled to pledge the State Hotel Occupancy Tax, as hereinafter defined, to the payment of bonds or other obligations issued to acquire, lease, construct and equip the hotel and any facilities ancillary to the hotel, including convention center entertainment-related facilities, meeting spaces, restaurants, shops, street and water and sewer infrastructure necessary for the operation of the hotel and ancillary facilities and parking facilities within 1,000 feet of the hotel or convention center facility;

WHEREAS, pursuant to Texas Government Code, Chapter 1431, as amended (hereinafter called the "Act"), the City Council is authorized and empowered to issue anticipation notes to pay contractual obligations to be incurred (i) for the construction of any public work and (ii) for the purchase of materials, supplies, equipment, machinery, buildings, lands and rights-of-way for the City's authorized needs and purposes; and

WHEREAS, in accordance with the provisions of the Act, the City Council hereby finds and determines that anticipation notes should be issued and sold at this time to finance the costs of paying contractual obligations to be incurred for (i) the construction and equipping of a convention center facility and (ii) professional services rendered in connection therewith; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS:

SECTION 1. Authorization - Designation - Principal Amount - Purpose. Notes of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \$7,105,000, to be designated and bear the title "CITY OF GRAND PRAIRIE, TEXAS, COMBINATION TAX AND REVENUE NOTES, TAXABLE SERIES 2019" (hereinafter referred to as the "Notes"), paying contractual obligations to be incurred for (i) the construction and equipping of a convention center facility and (ii) professional services rendered in connection therewith, in conformity with the Constitution and laws of the State of Texas, including the Act.

SECTION 2. Fully Registered Obligations - Note Date - Authorized Denominations - Stated Maturities - Interest Rates. The Notes shall be issued as fully registered obligations only, shall be dated August 15, 2019 (the "Note Date"), shall be in denominations of \$5,000 or any integral multiple thereof, and shall become due and payable on February 15 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the per annum rate(s) in accordance with the following schedule:

<u>Year of Stated Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2022	460,000	1.864
2023	465,000	1.896
2024	475,000	1.996
2025	485,000	2.080
2026	5,220,000	2.230

The Notes shall bear interest on the unpaid principal amounts from the date of their delivery to the initial purchaser (the "Delivery Date") at the rate(s) per annum shown above in this Section (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Notes shall be payable on February 15 and August 15 in each year, commencing February 15, 2020, until maturity or prior redemption.

SECTION 3. Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Notes, due and payable by reason of maturity or otherwise, shall be payable only to the registered owners or holders of the Notes (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas to serve as Paying Agent/Registrar for the Notes is hereby approved and confirmed. Books and records relating to the registration, payment, transfer and exchange of the Notes (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a "Paying Agent/ Registrar Agreement", substantially in the form attached hereto as **Exhibit A**, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor or Mayor Pro Tem and City Secretary are authorized to execute and deliver such Agreement in connection with the delivery of the Notes. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Notes are paid and discharged, and any

successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Notes, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Notes shall be payable at the Stated Maturities only upon presentation and surrender of the Notes to the Paying Agent/Registrar at its designated offices, initially in East Syracuse, New York, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Notes shall be paid to the Holder whose name appears in the Security Register at the close of business on the Record Date (the last business day of the month next preceding the interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Notes shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/ Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4. Redemption.

(a) Optional Redemption. The Notes having a Stated Maturity on February 15, 2026, shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 15, 2025 or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption.

(b) Exercise of Redemption Option. At least forty-five (45) days prior to a redemption date for the Notes (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Notes, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor.

(c) Selection of Notes for Redemption. If less than all Outstanding Notes of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Notes as representing the number of Notes Outstanding which is obtained by dividing the principal amount of such Notes by \$5,000 and shall select the Notes to be redeemed within such Stated Maturity by lot.

(d) Extraordinary Optional Redemption. The City will have the right to extraordinarily optionally redeem the Notes prior to maturity, from and to the extent there remains on deposit in the Tax Increment Fund (as defined herein) unexpended Note proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

(e) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Notes, a notice of redemption shall be sent by United States mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Note to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether or not received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Notes, (ii) identify the Notes to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Notes, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Notes, or the principal amount thereof to be redeemed, shall be made at the principal offices of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Note is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Note (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Note (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

(f) Conditional Notice of Redemption. With respect to any optional redemption of the Notes, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Notes to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Notes and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Notes have not been redeemed.

SECTION 5. Registration - Transfer - Exchange of Notes - Predecessor Notes. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Notes issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Note may be transferred or exchanged for Notes of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Note to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Note (other than the Initial Note(s) authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying

Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Notes of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Note or Notes surrendered for transfer.

At the option of the Holder, Notes (other than the Initial Note(s) authorized in Section 8 hereof) may be exchanged for other Notes of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Notes surrendered for exchange, upon surrender of the Notes to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Notes are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Notes to the Holder requesting the exchange.

All Notes issued in any transfer or exchange of Notes shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Notes surrendered in such transfer or exchange.

All transfers or exchanges of Notes pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Notes canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Notes," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Note or Notes registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Notes" shall include any mutilated, lost, destroyed, or stolen Note for which a replacement Note has been issued, registered, and delivered in lieu thereof pursuant to the provisions of Section 11 hereof and such new replacement Note shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Note.

SECTION 6. Book-Entry Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3 and 5 hereof relating to the payment, and transfer/exchange of the Notes, the City hereby approves and authorizes the use of "Book Entry Only" securities clearance, settlement and transfer system provided by The Depository Trust Company (DTC), a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the Blanket Issuer Letter of Representations, by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Notes shall be deposited with DTC who shall hold said Notes for its participants (the "DTC Participants"). While the Notes are held by DTC under the Depository Agreement, the Holder of the Notes on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Note (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Notes or otherwise ceases to provide book entry clearance and settlement of securities transactions in

general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Notes, the City covenants and agrees with the Holders of the Notes to cause Notes to be printed in definitive form and provide for the Notes to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Notes in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Notes shall be made in accordance with the provisions of Sections 3 and 5 hereof.

SECTION 7. Execution - Registration. The Notes shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers on the Notes may be manual or facsimile. Notes bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the date of adoption of this Ordinance shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Notes to the initial purchaser(s) and with respect to Notes delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Note shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Note either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly certified, registered, and delivered.

SECTION 8. Initial Note(s). The Notes herein authorized shall be initially issued either (i) as a single fully registered note in the total principal amount stated in Section 1 hereof with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered Notes, being one note for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Note(s)") and, in either case, the Initial Note(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Note(s) shall be the Notes submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Note(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Note(s) delivered hereunder and exchange therefor definitive Notes of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9. Forms.

(a) Forms Generally. The Notes, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Notes, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations

as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Notes, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Notes as evidenced by their execution. Any portion of the text of any Notes may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

The definitive Notes and the Initial Note(s) shall be printed, lithographed, or engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Notes as evidenced by their execution thereof.

(b) Form of Definitive Note.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF GRAND PRAIRIE, TEXAS
COMBINATION TAX AND REVENUE NOTE
TAXABLE SERIES 2019

Note Date: August 15, 2019 Interest Rate: _____% Stated Maturity: February 1, 20____ CUSIP NO: _____ Delivery Date: _____, 2019

Registered Owner:

Principal Amount:

DOLLARS

The City of Grand Prairie (hereinafter referred to as the "City"), a body corporate and political subdivision in the Counties of Dallas, Ellis and Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount stated above (or so much thereof as shall not have been paid by prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Note appearing below (unless this Note bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Note is prior to the initial interest payment date in which case it shall bear interest from the Delivery Date) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year, commencing February 15, 2020, until maturity or prior redemption. Principal of this Note is payable at its Stated Maturity to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest is payable to the registered owner of this Note (or one or more Predecessor Notes, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date",

which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Notes shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Note shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Note is one of the series specified in its title issued in the aggregate principal amount of \$7,105,000 (herein referred to as the "Notes") paying contractual obligations to be incurred for (i) the construction and equipping of a convention center facility and (ii) professional services rendered in connection therewith, under and in strict conformity with the Constitution and laws of the State of Texas and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Notes maturing on February 15, 2026, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 15, 2025, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption, upon 30 days' prior written notice being sent by United States mail, first class postage prepaid, to the registered owners of the Notes to be redeemed, and subject to the terms and provisions relating thereto contained in the Ordinance. Additionally, the City will have the right to extraordinarily optionally redeem the Notes prior to maturity, from and to the extent there remains on deposit in the Tax Increment Fund (as defined in the Ordinance) unexpended Note proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date. If this Note (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Note (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor, provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event of a partial redemption of the principal amount of this Note, payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of this Note to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and there shall be issued to the registered owner hereof, without charge, a new Note or Notes of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum hereof. If this Note is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer this Note to an assignee of the registered owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance hereof in the event of its redemption in part.

The Notes are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City and are additionally payable from and secured by a lien on and pledge of the Pledged Revenues, as defined in the Ordinance. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Note by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Notes; the pledge of the Pledged Revenues; the terms and conditions relating to the transfer or exchange of this Note; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Note may be discharged at or prior to its maturity, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Note, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Notes of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Note as the owner entitled to payment of principal hereof at its Stated Maturity, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Notes is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Notes to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Notes do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Notes by the levy of a tax as aforesated. In case any provision in this Note shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

The terms and provisions of this Note and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Note to be duly executed under the official seal of the City.

CITY OF GRAND PRAIRIE, TEXAS

Mayor

COUNTERSIGNED:

City Secretary

(Seal)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Note only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

(
(REGISTER NO. _____
(

I HEREBY CERTIFY that this Note has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Registration Certificate of Paying Agent/Registrar.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Note has been duly issued and registered under the provisions of the within-mentioned Ordinance; the note or notes of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated office of the Paying Agent/Registrar in East Syracuse, New York, is the Designated Payment/Transfer Office for this Note.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Dallas, Texas,
as Paying Agent/Registrar

Registration Date:

_____ By _____
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee:) _____

(Social Security or other identifying number: _____)
_____) the within Note and all rights thereunder, and hereby
irrevocably constitutes and appoints _____

_____ attorney to transfer the within Note on the books kept for registration thereof, with full power of
substitution in the premises.

DATED: _____

Signature guaranteed:

NOTICE: The signature on this assignment
must correspond with the name of the
registered owner as it appears on the face of
the within Note in every particular.

(f) The Initial Note(s) shall be in the form set forth in paragraph (b) of this Section,
except that the heading and first paragraph shall be amended to read as follows:

REGISTERED
NO. T-1

REGISTERED
\$7,105,000

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF GRAND PRAIRIE, TEXAS
COMBINATION TAX AND REVENUE NOTE
TAXABLE SERIES 2019

Note Date:
August 15, 2019

Delivery Date:
_____, 2019

Registered Owner: BofA Securities, Inc.

Principal Amount: SEVEN MILLION ONE HUNDRED FIVE THOUSAND DOLLARS

The City of Grand Prairie (hereinafter referred to as the "City"), a body corporate and municipal corporation in the Counties of Dallas, Ellis and Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) on February 15 in each of the years and in principal installments in accordance with the following schedule:

<u>YEAR</u>	<u>PRINCIPAL INSTALLMENTS (\$)</u>	<u>INTEREST RATES (%)</u>
-------------	--	-------------------------------

(Information to be inserted from schedule in Section 2 hereof).

and to pay interest on the unpaid principal amounts hereof from the Delivery Date at the per annum rate(s) of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 of each year, commencing February 15, 2020, until maturity or prior redemption. Principal installments of this Note are payable at its Stated Maturity to the registered owner hereof, upon presentation and surrender, by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"), upon presentation and surrender to its designated offices in East Syracuse, New York (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Note whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date hereof and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/ Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Notes shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Note shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10. Definitions. For purposes of this Ordinance and for clarity with respect to the issuance of the Notes herein authorized, and the levy of taxes and appropriation of Pledged Revenues therefor, the following words or terms, whenever the same appear herein without qualifying language, are defined to mean as follows:

(a) The term "Additional Notes" shall mean combination tax and revenue notes hereafter issued under and pursuant to the provisions of Chapter 1431 of the Texas Government Code or any similar law hereafter enacted, and payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Pledged Revenues as provided in Section 13 hereof.

(b) The term "Captured Appraised Value" shall mean the total appraised value of the real property taxable by the City and located in the Zone for that year less the Tax Increment Base for the City.

(c) The term "Notes" shall mean the "City of Grand Prairie, Texas, Combination Tax and Revenue Notes, Taxable Series 2019" authorized by this Ordinance.

(d) The term "Note Fund" shall mean the special account created and established under the provisions of Section 11 of this Ordinance.

(e) The term "Collection Date" shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

(f) The term "Issuance Date" shall mean the date the Notes are delivered to the initial purchaser thereof.

(g) The term "Fiscal Year" shall mean the twelve month operating period ending on September 30th of each year unless otherwise designated by the City.

(h) The term "Outstanding" when used in this Ordinance with respect to Notes means, as of the date of determination, all Notes theretofore issued and delivered under this Ordinance, except:

(1) those Notes theretofore canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Notes for which payment has been duly provided by the City in accordance with the provisions of Section 17 hereof by the irrevocable deposit with the Paying Agent/Registrar, or an authorized escrow agent, of money or Government Securities, or both, in the amount necessary to fully pay the principal of, premium, if any, and interest thereon to maturity or redemption, as the case may be, provided that, if such Notes are to be redeemed, notice of redemption thereof shall have been duly given pursuant to this Ordinance or irrevocably provided to be given to the satisfaction of the Paying Agent/Registrar, or waived; and

(3) those Notes that have been mutilated, destroyed, lost, or stolen and for which (i) replacement Notes have been registered and delivered in lieu thereof or (ii) have been paid, all as provided in Section 16 hereof.

(i) The term "Pledged Revenues" during the entire period the Notes or interest thereon remain unpaid, shall mean the Tax Increment in an amount not to exceed \$2,500 plus the State Hotel Occupancy Tax.

(j) The term "State Hotel Occupancy Tax" shall mean a refund of 100 percent of any State hotel occupancy taxes imposed under Chapter 156 of the Texas Tax Code, as amended, that are paid by the hotel operator and all businesses within a hotel that is located within 1,000

feet of the City's convention center facility for the use or possession of or the right to the use or possession of a room or space at the hotel project which are available to the City pursuant to the provisions of Section 351.102(c), Texas Tax Code, as amended, during the first 10 years after such hotel project is open for initial occupancy.

(k) The term "Tax Increment" shall mean the amount of property taxes levied and collected by the City for a year on the Captured Appraised Value of real property taxable by the City and located in the Zone and in an amount not to exceed \$2,500.

(l) The term "Tax Increment Fund" shall mean the account by that name within the Note Fund so designated in Section 11 of this Ordinance.

(m) The term "Tax Increment Base" shall mean, with respect to the City, the total appraised value of all real property taxable by the Taxing Unit and located in the Zone for 2019, the year in which the boundaries of the Zone were extended.

(n) The term "Zone" shall mean the Reinvestment Zone Number One, City of Grand Prairie, Texas established by the City of Grand Prairie, Texas by Ordinance No. 6095, passed by the City Council of the City on July 13, 1999, as amended by Ordinance No. 6122, passed by the City Council of the City on August 17, 1999 and as further amended by Ordinance 10598-2019, passed by the City Council of the City on February 19, 2019.

SECTION 11. Tax Increment Fund. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption and retirement of the Notes, there shall be and is hereby created a special fund or account to be designated "SPECIAL 2019 TAX, TAX INCREMENT AND STATE HOTEL OCCUPANCY TAX FUND" (the "Tax Increment Fund"), which fund or account shall be maintained on the records of the City at an official depository of the City's funds, and moneys deposited in said fund or account shall be used as provided in this Ordinance. Authorized officials of the City are hereby authorized and directed to make withdrawals from said fund or account sufficient to pay the principal of and interest on the Notes as the same become due and payable, and, shall cause to be transferred to the Paying Agent/Registrar from moneys on deposit in the Tax Increment Fund (on or prior to a principal and/or interest payment date) an amount sufficient to pay the amount of principal and/or interest falling due on the Notes. All Pledged Revenues collected are and shall be credited to the Tax Increment Fund immediately upon receipt. Money on deposit in the Tax Increment Fund shall be used for any lawful purpose for which the Tax Increment may be used, following the payment of the then due debt service on the Notes.

Pending the transfer of funds for use in connection with the authorized purpose or purposes of said fund or account, money in the Tax Increment Fund may, at the option of the City, be invested in investments authorized by the Public Funds Investment Act, V.T.C.A., Government Code, Chapter 2256, as amended, and the City's investment policy; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from said fund or account will be available at the proper time or times. All interest and income derived from deposits and investments in the Tax Increment Fund shall be credited to, and any losses debited to, such fund or account. All investments in the Tax Increment Fund shall be sold promptly when necessary to prevent any default in connection with the Notes.

SECTION 12. Tax Levy. To provide for the payment of the "Debt Service Requirements" on the Notes being (i) the interest on said Notes and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there

is hereby levied for the current year and each succeeding year thereafter while said Notes or any interest thereon shall remain Outstanding, a sufficient tax on each one hundred dollars' valuation of taxable property in said City, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Tax Increment Fund. The City Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the said Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Notes shall be determined and accomplished in the following manner:

(a) Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the Council shall determine:

(1) The amount on deposit in the Tax Increment Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Notes prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Pledged Revenues and other lawfully available revenues allocated to pay such Debt Service Requirements prior to the Collection Date for the ad valorem taxes to be levied.

(2) The amount of Pledged Revenues and other lawfully available revenues appropriated and to be set aside during such fiscal year for the payment of the Debt Service Requirements on the Notes between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding fiscal year.

(3) The amount of Debt Service Requirements to become due and payable on the Notes between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(b) The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Notes shall be the amount established in paragraph (3) above less the sum total of the amounts established in paragraphs (1) and (2), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 13. Pledge of Revenues. The City hereby covenants and agrees that the Pledged Revenues, with the exception of those in excess of the amounts required for the then due payments of principal and interest on the Notes, are hereby irrevocably pledged to the payment of the principal of and interest on the Notes, and the pledge of Pledged Revenues herein made for the payment of the Notes, shall constitute a lien on the Pledged Revenues in accordance with the terms and provisions hereof and be valid and binding without any physical delivery thereof or further act by the City.

SECTION 14. Deposits to Tax Increment Fund; Proceeds. The City agrees to cause to be deposited in the Tax Increment Fund prior to a principal and interest payment date for the Notes from the Pledged Revenues or other lawfully available funds any amounts budgeted to be paid therefrom in such Fiscal Year.

SECTION 15. Security of Funds. All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and moneys on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 16. Mutilated - Destroyed - Lost and Stolen Notes. In case any Note shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Note of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Note, or in lieu of and in substitution for such destroyed, lost or stolen Note, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Note, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Note shall be borne by the Holder of the Note mutilated, or destroyed, lost or stolen.

Every replacement Note issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Notes; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Notes.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Notes.

SECTION 17. Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Notes, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Notes or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Notes or the principal amount(s) thereof at maturity therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Notes, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof.

The term "Government Securities", as used herein, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or

purchase by the City are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Notes.

Any moneys so deposited with the Paying Agent/ Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Notes, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Notes and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Notes such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 18. Ordinance a Contract - Amendments - Outstanding Notes. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Note remains Outstanding except as permitted in this Section and in Section 33. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders holding a majority in aggregate principal amount of the Notes then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Notes, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Notes, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Notes, (2) give any preference to any Note over any other Note, or (3) reduce the aggregate principal amount of Notes required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 19. Sale of the Notes – Purchase Contract Approval - Official Statement Approval – Proceeds of Sale. The Notes authorized by this Ordinance have been and are hereby sold to BofA Securities, Inc. (herein referred to as the "Purchasers") in accordance with the Note Purchase Agreement dated August 6, 2019 (the "Purchase Contract"), attached hereto as **Exhibit B** and incorporated herein by reference as a part of this Ordinance for all purposes. The Mayor or Mayor Pro Tem is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City and as the act and deed of this City Council, and in regard to the approval and execution of the Purchase Contract, the City Council hereby finds, determines and declares that the representations, warranties and agreements of the City contained therein are true and correct in all material respects and shall be honored and performed by the City. The Initial Note shall be registered in the name of BofA Securities, Inc. or its designee.

Furthermore, the Preliminary Official Statement prepared in connection with the public offering and sale of the Notes is hereby ratified, confirmed and approved in all respects. The final Official Statement reflecting the terms of the sale (together with changes approved by the Mayor,

Chief Financial Officer or the City Manager, any one or more of said officials), shall be and is hereby approved as to form and content, and the Purchasers are hereby authorized to use and distribute said final Official Statement dated August 6, 2019, in the reoffering, sale and delivery of the Notes to the public. The Mayor and City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of said Official Statement in final form as may be required by the Purchasers, and such Official Statement in the final form and content manually executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Purchasers.

The proceeds of sale of the Notes, excluding the accrued interest and premium, if any, received from the Purchasers, shall be deposited in the Tax Increment Fund. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Tax Increment Fund as shall be determined by the City Council. Accrued interest and premium, if any, received from the Purchasers as well as all surplus proceeds of sale of the Notes, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Tax Increment Fund. The premium, if any, received will be deposited to the Tax Increment Fund and used to pay principal on the Notes.

SECTION 20. Control and Custody of Notes. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Notes, and shall take and have charge and control of the Initial Note(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the initial purchasers.

SECTION 21. Notices to Holders - Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Notes. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 22. Cancellation. All Notes surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Notes previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Notes held by the Paying Agent/Registrar shall be returned to the City.

SECTION 23. Legal Opinion. The Purchasers' obligation to accept delivery of the Notes is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel to the City, approving the Notes as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Notes. An executed counterpart of said opinion shall accompany the global notes deposited with The Depository Trust Company or a reproduction thereof shall be printed on the definitive Notes in the event the book-entry-only system shall be discontinued.

SECTION 24. CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Notes. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Notes shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Notes as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Notes.

SECTION 25. Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 26. Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 27. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 28. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 29. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 30. Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 31. Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Manager and Chief Financial Officer are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, notes or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance, sale and delivery of the Notes. In addition, prior to the initial delivery of the Notes, the Mayor, Mayor Pro Tem, City Manager and Chief Financial Officer or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents

authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Notes by the Attorney General. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 32. Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2 12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year of the City beginning in or after 2019, financial information and operating data with respect to the City of the general type included in the final Official Statement under Tables 1 through 5 and 7 through 14, and (2) within twelve months after the end of each fiscal year of the City beginning in or after 2019, and if not provided as part of such financial information and operating data, the audited financial statements of the City. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the City shall file unaudited financial statements by the required time and audited financial statements for the applicable fiscal year, when and if the audit report becomes available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in Appendix B to the Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state, law or regulation.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to, provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Notes to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
7. Modifications to rights of holders of the Notes, if material;
8. Note calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Notes, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City and (b) the City intends the words used in the immediately preceding paragraphs 15 and 16 and the definition of Financial Obligation in this Section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section

shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section while, but only while, the City remains an "obligated person" with respect to the Notes within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) hereof of any Note calls and defeasance that cause the City to be no longer such an "obligated person."

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Notes, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Notes at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY NOTE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Notwithstanding anything to the contrary in this Ordinance, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Notes in the primary offering of the Notes in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Notes consent to such amendment or (b) a Person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Notes. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Notes from lawfully purchasing or selling Notes in

such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) hereof an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided

SECTION 33. Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 34. Effective Date. This Ordinance shall take effect and be in full force from and after its adoption on the date shown below in accordance with Texas Government Code, Section 1201.028, as amended.

[remainder of page intentionally left blank]

PASSED AND APPROVED, this the 6th day of August, 2019.

CITY OF GRAND PRAIRIE, TEXAS

Mayor

ATTEST:

Catherine E. DiMaggio

City Secretary

APPROVED:

Megan Mahan

City Attorney



EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT

[See Tab 2 of Transcript of Proceedings]

EXHIBIT B
PURCHASE CONTRACT

[See Tab 3 of Transcript of Proceedings]

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of August 6, 2019 (this "Agreement"), by and between The Bank of New York Mellon Trust Company, N.A., a banking association duly organized and existing under the laws of the United States of America (the "Bank") and the City of Grand Prairie, Texas (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "City of Grand Prairie, Texas, Combination Tax and Revenue Notes, Taxable Series 2019" (the "Securities"), dated August 15, 2019, such Securities scheduled to be delivered to the initial purchasers thereof on or about November 19, 2019; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Acceleration Date” on any Security means the date, if any, on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

“Authorizing Document” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

“Bank Office” means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Financial Advisor” means Hilltop Securities Inc.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

“Redemption Date”, when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

“Responsible Officer”, when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

“Stated Maturity” means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

<u>First Class/Registered/Certified</u>	<u>Express Delivery/Courier</u>	<u>By Hand Only</u>
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P.O. Box 396 East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 111 Sanders Creek Pkwy. East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street, 1st Floor East New York, NY 10286

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other

information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Securities. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

Section 4.07 Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality

of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, the Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law, agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses, and attorney fees suffered or incurred by the Bank as a result. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in the City of Dallas, Texas.

Section 5.08 DTC Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

Section 5.09 Tax Reporting. The Bank shall timely obtain and retain all documents it is required to obtain and retain in connection with the requirements of the Internal Revenue Code of 1986, as amended, and the performance of its duties hereunder, including, without limitation, the obtaining and retaining, to the extent applicable, Forms W-8, W-9, furnished to the Holders. The Bank agrees that it will comply with withholding and information reporting requirements imposed on the Issuer and the Paying Agent in connection with payments on the Securities, including withholding and backup withholding requirements of the Internal Revenue Code of 1986, as amended, and the issuance of Form 1042-S and 1099 requirements. The Bank agrees to furnish the Issuer within a timely manner following written request therefore, a statement or statements showing amounts withheld, the dates of remittance to the Internal Revenue Service, the reasons for withholding and such other information or documents as the Issuer may reasonably request concerning such withholding. The Bank shall also, within a timely manner following receipt of a written request from the Issuer, furnish the Issuer with originals or copies

(as specified by the Issuer in such written request) of all Internal Revenue Service forms or other documents, including, but not limited to Forms W-8, W-9, 1099, and 1042S in the possession of the Bank which relate to the Securities.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

Section 6.04 Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Merger, Conversion, Consolidation, or Succession. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 Entire Agreement. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier

terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 Iran, Sudan or Foreign Terrorist Organizations. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.13 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: Kayshelley Lewis

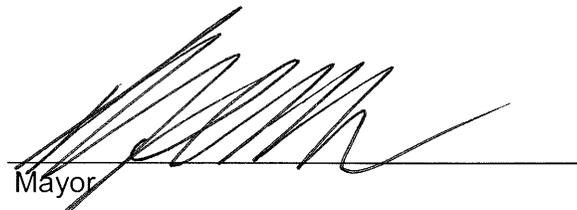
Title: Associate

Attest:

Address: 2001 Bryan Street, 10th Floor
Dallas, Texas 75201

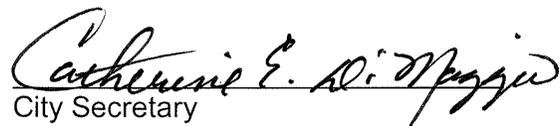
Steph Jan
Title: Vice President

CITY OF GRAND PRAIRIE, TEXAS

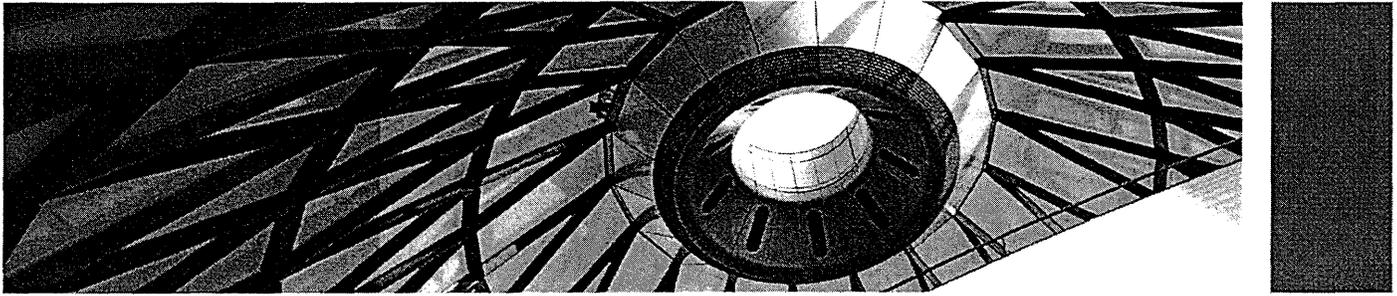
By: 
Mayor

Address: 317 College St.
Grand Prairie, Texas 75050

Attest:


City Secretary

ANNEX A



City of Grand Prairie, Texas Combination Tax and Revenue Tax Notes, Series 2019

June 14, 2019

Presented By:

BNY Mellon Corporate Trust

Fee Schedule for the following:

- Paying Agency
- Registrar



BNY MELLON

Fee Schedule

Subject to the Terms and Disclosures below, upon appointment of The Bank of New York Mellon Trust Company, N.A. (“BNYM” or “us” or “affiliates” or “subsidiaries”) in the roles as outlined within this Fee Schedule (this “Fee Schedule”), City of Grand Prairie, Texas (“Client”) shall be responsible for the payment of the fees, expenses and charges as set forth herein. Fees are payable or accrue at the time of the execution of the governing documents (the “Transaction Documents”) in connection with the closing of the transaction (the “Transaction”) which is the subject of this Fee Schedule.

General Fees

Acceptance Fee

\$0

The Transaction Acceptance Fee is payable at the time of the execution of the governing documents in connection with the closing of the transaction which is the subject of this Agreement (the “Transaction”), and compensates BNYM for the following: review of all supporting documents, initial establishment of the required accounts and Know Your Client checks.

Annual Paying Agent Fee

\$750

An annual charge covering the normal paying agent duties related to account administration and bondholder services. Our pricing is based on the assumption that the bonds are DTC-eligible/book-entry only. This fee is payable annually, in advance.

Extraordinary Services/Miscellaneous Fees

The charges may be hourly or fixed for performing extraordinary or other services not contemplated at the time of the execution of the Transaction Documents or not specifically covered elsewhere in this schedule will be commensurate with the service to be provided and may be charged in BNY Mellon’s sole discretion. If it is contemplated that BNY Mellon hold/and or value collateral, additional acceptance, administration and counsel review fees will be applicable to the agreement governing such services. If the bonds are converted to certificated form, additional annual fees will be charged for any applicable tender agent and/or registrar/paying agent services. Additional information will be provided at such time. If all outstanding bonds of a series are defeased or redeemed, or BNY Mellon is removed as paying agent prior to the maturity of the bonds, a termination fee may be assessed at that time.

Miscellaneous fees and expenses may include, but are not necessarily limited to supplemental agreements, tender processing, the preparation and distribution of sinking fund redemption notices, optional redemptions, failed remarketing processing, preparation of special or interim reports, UCC filing fees, auditor confirmation fees, wire transfer fees, Letter of Credit drawdown fees, transaction fees to settle third-party trades, and reconciliation fees to balance trust account balances to third-party investment provider statements. Counsel, accountants, special agents and others will be charged at the actual amount of fees and expenses billed. FDIC or other governmental charges will be passed along as incurred. Reimbursement will be required for any out-of-pocket expenses and will be invoiced to the Client at cost.

Negative Interest Rates – Charges

With respect to any funds invested by BNYM in connection with the Transaction, if: (i) any recognized overnight benchmark rate or any official overnight interest rate set by a central bank or other monetary authority is negative or zero; or (ii) any market counterparty or other institution applies a negative interest rate or any related charge to any account or balance of BNYM or any account or balance opened for You by BNYM, BNYM may apply a charge to any of Your accounts or balances. BNYM will give You prompt written notice of the application of any such charges. You acknowledge and agree that the application of such a charge by BNYM may cause the effective interest rate applicable to Your account or balance to be negative, notwithstanding that one or more of the rates set by third parties specified in clauses (i) and (ii) above may be positive.

PRIVATE AND CONFIDENTIAL

The information contained within this Fee Schedule is the proprietary information of The Bank of New York Mellon and is confidential. This document, either in whole or in part, must not be reproduced or disclosed to others or used for purposes other than that for which it has been supplied without the prior written permission of The Bank of New York Mellon. Client shall not use BNY Mellon’s name or trademarks without its prior written permission.

Terms and Disclosures

General

BNYM's final acceptance of its appointment pursuant to the Transaction Documents is subject to the full review and approval of all related documentation and standard Know Your Client procedures. In the event that this Transaction does not proceed with BNYM in the roles contemplated by this Fee Schedule and the Transaction Documents, Client will be responsible for payment of any external counsel fees and expenses and out-of-pocket expenses which BNYM may have incurred up to and including the termination date.

Client shall be responsible for filing any applicable information returns with the U.S. Department of Treasury, Internal Revenue Service in connection with payments made by BNYM to vendors who have not performed services for BNYM's benefit under the various bond or note issuances or other undertakings contemplated by this Fee Schedule.

The Bank of New York Mellon Corporation is a global financial organization that operates in and provides services and products to clients through its affiliates and subsidiaries located in multiple jurisdictions (the "BNY Mellon Group"). The BNY Mellon Group may (i) centralize in one or more affiliates and subsidiaries certain activities (the "Centralized Functions"), including audit, accounting, administration, risk management, legal, compliance, sales, product communication, relationship management, and the compilation and analysis of information and data regarding Client (which, for purposes of this provision, includes the name and business contact information for Client employees and representatives) and the accounts established pursuant to the Transaction Documents ("Client Information") and (ii) use third party service providers to store, maintain and process Client Information ("Outsourced Functions"). Notwithstanding anything to the contrary contained elsewhere in this Fee Schedule or the Transaction Documents and solely in connection with the Centralized Functions and/or Outsourced Functions, Client consents to the disclosure of, and authorizes BNY Mellon to disclose, Client Information to (i) other members of the BNY Mellon Group (and their respective officers, directors and employees) and to (ii) third-party service providers (but solely in connection with Outsourced Functions) who are required to maintain the confidentiality of Client Information. In addition, the BNY Mellon Group may aggregate Client Information with other data collected and/or calculated by the BNY Mellon Group, and the BNY Mellon Group will own all such aggregated data, provided that the BNY Mellon Group shall not distribute the aggregated data in a format that identifies Client Information with Client specifically. Client represents that it is authorized to consent to the foregoing and that the disclosure of Client Information in connection with the Centralized Functions and/or Outsourced Functions does not violate any relevant data protection legislation. Client also consents to the disclosure of Client Information to governmental and regulatory authorities in jurisdictions where the BNY Mellon Group operates and otherwise as required by law.

Client agrees that BNYM shall have no obligation to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties as paying agent or registrar in connection with the Transaction, or in the exercise of any of its rights or powers in connection therewith, if it shall have reasonable grounds for believing that repayment of such funds is not assured to it. Client agrees to reimburse BNYM for extraordinary expenses incurred by it in connection with the Transaction to the extent permitted by law.

Please note the fees quoted in this Fee Schedule are based upon the information available at the present time. Further quotes may be provided once the structure of the deal has been finalized. Annual Fees cover a period of one year and any portion thereof and are not subject to pro-rata. Fees may be subject to adjustment during the life of the engagement.

Advance Fees

BNYM requires that Client agree to the fees quoted in this Fee Schedule prior to the commencement of any work or the provision of any services by BNYM in relation to the Transaction. In the event that BNYM provides any services to Client prior to your agreement to the fees quoted herein, the commencement of such work or the provision of such services shall not be deemed to constitute a waiver of the fees listed in this Fee Schedule. BNYM reserves the right to cease providing services until such time as Client agrees to the fees quoted herein. BNYM reserves the right to request that any and all fees due and payable pursuant to this Fee Schedule and related in any way to the Transaction are paid in advance (either in whole or in part) prior to the provision of any services.

PRIVATE AND CONFIDENTIAL

The information contained within this Fee Schedule is the proprietary information of The Bank of New York Mellon and is confidential. This document, either in whole or in part, must not be reproduced or disclosed to others or used for purposes other than that for which it has been supplied without the prior written permission of The Bank of New York Mellon. Client shall not use BNY Mellon's name or trademarks without its prior written permission.

Acceptance/Revocation of Offer

You may agree to the fees quoted herein by (i) executing this Fee Schedule and returning it to us, (ii) closing the Transaction, or (iii) instructing us or continuing to instruct us after receipt of this Fee Schedule. Upon the earlier to occur of (i), (ii) and (iii), the fees quoted herein shall be deemed accepted by you. If you agree to the fees quoted herein, the terms of this Fee Schedule shall supersede any prior fees quoted with respect to the Transaction. BNYM may revoke the terms of this Fee Schedule if the Transaction does not close within three months from the date of this Fee Schedule. Should the Transaction fail to close for any reason, a termination fee equal to BNYM's Acceptance Fee, any external counsel fees, expenses and disbursements and all out-of-pocket expenses will apply.

Confidential Information

Except as otherwise provided by law, all information provided to Client by BNYM must remain confidential and may not be intentionally disclosed, reproduced, copied, published, or displayed in any form to any third party without BNYM's prior written approval.

Client Notice Required By the USA Patriot Act

To help the U.S. government fight the funding of terrorism and money laundering activities, US Federal law requires all financial institutions to obtain, verify and record information that identifies each person (whether an individual or organization) for which a relationship is established. When Client establishes a relationship with BNYM, we will ask Client to provide certain information (and documents) that will help us to identify Client. We will ask for your organization's name, physical address, tax identification or other government registration number and other information that will help us identify Client. We may also ask for a Certificate of Incorporation or similar document or other pertinent identifying documentation for your type of organization.

PRIVATE AND CONFIDENTIAL

The information contained within this Fee Schedule is the proprietary information of The Bank of New York Mellon and is confidential. This document, either in whole or in part, must not be reproduced or disclosed to others or used for purposes other than that for which it has been supplied without the prior written permission of The Bank of New York Mellon. Client shall not use BNY Mellon's name or trademarks without its prior written permission.

CITY OF GRAND PRAIRIE, TEXAS

**\$7,105,000
COMBINATION TAX AND REVENUE NOTES,
TAXABLE SERIES 2019**

NOTE PURCHASE AGREEMENT

August 6, 2019

City of Grand Prairie, Texas
317 College Street
Grand Prairie, Texas 75050

Ladies and Gentlemen:

BofA Securities, Inc. (the “Underwriter”), hereby offers to enter into this Note Purchase Agreement (this “Purchase Agreement”) with the City of Grand Prairie, Texas, a political subdivision and home rule municipal corporation of the State of Texas (the “Issuer”), whereby the Underwriter will purchase and the Issuer will sell the Notes (as defined and described below). The Underwriter is making this offer subject to the acceptance by the Issuer at or before 5:00 P.M., Central Time, on the date hereof. If the Issuer accepts this Purchase Agreement, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind both the Issuer and the Underwriter. The Underwriter may withdraw this Purchase Agreement upon written notice delivered by the Underwriter to the Chief Financial Officer of the Issuer at any time before the Issuer accepts this Purchase Agreement. Terms used but not defined in this Purchase Agreement are defined in the Authorizing Ordinance (as defined below).

1. PURCHASE AND SALE.

Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the following notes: Combination Tax and Revenue Notes, Taxable Series 2019 (the “Notes”), at the purchase price of \$7,074,345.21, representing the aggregate principal amount of the Notes less an Underwriter’s discount of \$30,654.79. The Underwriter intends to make an initial bona fide public offering of the Notes at a price or prices described in Schedule I hereto; provided, however, the Underwriter reserves the right to change such initial public offering prices as the Underwriter deems necessary or desirable, in its sole discretion, in connection with the marketing of the Notes, and may offer and sell the Notes to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriter at prices lower than the public offering prices or yields greater than the yields set forth therein; provided that, if any of the Notes are sold to the public at a price of other than the par amount thereof, on or before the Closing, the Underwriter shall execute and deliver to Bond Counsel an Issue Price Certificate for the Notes prepared by Bond Counsel and reasonably acceptable to the Underwriter. The Issuer acknowledges and agrees that: (i) the Underwriter is not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act, as amended, (ii) the primary role of the Underwriter, as underwriter, is to purchase securities, for resale to investors, in an arm’s length commercial

transaction between the Issuer and the Underwriter and the Underwriter has financial and other interests that differ from those of the Issuer; (iii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (v) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

The Underwriter represents that it is exempt from the requirements of Section 2252.908 of the Texas Government Code, as amended, pursuant to Subsection (c)(4) thereof. Accordingly, the Underwriter is not required to file a Form 1295.

The Underwriter hereby verifies that it and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Purchase Agreement is a contract for goods or services, will not boycott Israel during the term of this Purchase Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Underwriter understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Underwriter and exists to make a profit.

The Underwriter represents that neither it nor any of its parent company, wholly or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/ftolist.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Underwriter and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Underwriter understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Underwriter and exists to make a profit.

2. GOOD FAITH CHECK.

Delivered to the Issuer herewith is a corporate check or checks payable to its order in the amount of \$71,350 for the Notes (the “Good Faith Check”). If the Issuer does not accept this offer,

the Issuer shall promptly return the Good Faith Check to the Underwriter. If it accepts this offer, the Issuer agrees to hold the Good Faith Check uncashed until the Closing. At the Closing and upon the delivery of the Notes, the Issuer shall return the Good Faith Check to the Underwriter and the Underwriter shall pay the Issuer the entire purchase price of the Notes. If the Issuer fails to deliver the Notes at the Closing, or if the Issuer shall be unable to satisfy the conditions of the obligations of the Underwriter set forth in this Purchase Agreement (unless waived by the Underwriter), or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, the Issuer shall promptly return the Good Faith Check to the Underwriter and such return shall constitute a full release and discharge of all claims and rights hereunder of the Underwriter against the Issuer. If the Underwriter fails (other than for a reason permitted herein) to accept delivery of and to pay for the Notes at the Closing as herein provided, the Issuer shall cash the Good Faith Check and retain the amount thereof as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriter and, except as set forth in this Section and Section 9 hereof, neither party shall have any further rights against the other hereunder. No interest shall be paid by the Issuer upon the principal amount of the Good Faith Check.

3. DESCRIPTION AND PURPOSE OF THE NOTES.

The Notes have been authorized pursuant to Chapter 1431, Texas Government Code, as amended (the “Act”) and an Ordinance, adopted by the City Council of the Issuer on August 6, 2019 (the “Authorizing Ordinance”). The Notes shall be dated August 15, 2019. The Notes shall be issued and secured under and pursuant to the Authorizing Ordinance.

The proceeds of the sale of the Notes will be to (i) construct and equip a convention center facility for the City and (ii) pay the costs of issuance associated with the Notes.

The Notes will be secured under the provisions of the Act and the Authorizing Ordinance. The Notes shall mature in the years, bear interest, be purchased at the prices and be subject to optional and mandatory redemption at the times and in the amounts, all as set forth in Schedule I attached hereto. The Authorized Denominations, Record Dates, Interest Payment Dates, Sinking Fund Payment Dates, and other details and particulars of the Notes shall be as described in the Authorizing Ordinance and the Official Statement.

4. DELIVERY OF THE OFFICIAL STATEMENT AND OTHER DOCUMENTS.

(a) The Issuer has approved and delivered or caused to be delivered to the Underwriter copies of the Preliminary Official Statement dated July 31, 2019, which, including the cover page and all appendices thereto, is herein referred to as the “Preliminary Official Statement.” It is acknowledged by the Issuer that the Underwriter may deliver the Preliminary Official Statement and a final Official Statement (as hereinafter defined) electronically over the internet and in printed paper form. The Issuer deems the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12.

(b) Within seven (7) business days from the date hereof, and in any event not later than two (2) business days before the Closing Date, the Issuer shall deliver to the Underwriter a final Official Statement relating to the Notes dated the date hereof (such Official Statement, including the cover page, and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Issuer, Bond Counsel, and the Underwriter, is referred to herein as the “Official Statement”) and such additional conformed copies thereof as the Underwriter may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the Municipal Securities Rulemaking Board (“MSRB”) and to meet potential customer requests for copies of the Official Statement. The Underwriter agrees to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the Issuer, with the MSRB on its Electronic Municipal Markets Access (“EMMA”) system. The Official Statement shall be executed by and on behalf of the Issuer by an authorized officer of the Issuer. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Issuer shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Underwriter. The Issuer hereby agrees to deliver to the Underwriter an electronic copy of the Official Statement in a form that permits the Underwriter to satisfy its obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission (“SEC”) including in a word-searchable pdf format including any amendments thereto. The Issuer hereby ratifies, confirms and consents to and approves the use and distribution by the Underwriter before the date hereof of the Preliminary Official Statement and hereby authorizes and consents to the use by the Underwriter of the Official Statement and the Authorizing Ordinance in connection with the public offering and sale of the Notes.

(c) In order to assist the Underwriter in complying with Rule 15c2-12, the Issuer has undertaken in the Authorizing Ordinance to provide annual financial information and notices of the occurrence of specified events. A description of this undertaking is set forth in the Preliminary Official Statement and the Official Statement.

5. [RESERVED].

6. REPRESENTATIONS, WARRANTIES AND COVENANTS. The Issuer represents and warrants, as of the date hereof and as of the Closing Date, to and covenants and agrees with the Underwriter that:

(a) The Issuer is duly organized and validly existing, with full legal right, power and authority to issue, sell and deliver the Notes to the Underwriter pursuant to the Authorizing Ordinance, and execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Authorizing Ordinance, and the Notes (collectively, the “Legal Documents”) and to perform and consummate all obligations and transactions required or contemplated by each of the Legal Documents and the Official Statement.

(b) The Authorizing Ordinance approving and authorizing the execution and delivery by the Issuer of the Legal Documents and the offering, issuance and sale of the Notes upon the terms set forth herein and in the Official Statement, was duly adopted at a meeting of the City

Council of the Issuer called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed.

(c) The Authorizing Ordinance and the Notes conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement and the Notes, when duly issued and authenticated in accordance with the Authorizing Ordinance and delivered to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Issuer, entitled to the benefits of the Authorizing Ordinance and payable from the sources therein specified.

(d) The Issuer has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Legal Documents. Each of the Legal Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Each of the Legal Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(e) The Issuer is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State of Texas or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any Material Judgment or Agreement; and the adoption of the Authorizing Ordinance, the issuance, delivery and sale of the Notes and the execution and delivery of the Legal Documents and compliance with and performance of the Issuer's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer (except as described in or contemplated by the Legal Documents and the Official Statement) or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used herein, the term "Material Judgment or Agreement" means any judgment or decree or any loan agreement, indenture, bond, note or ordinance or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Act, the Authorizing Ordinance and the Legal Documents).

(f) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the Legal Documents have been obtained; provided, that the Issuer makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Notes for offer and sale under Blue Sky or other state securities laws or regulations.

(g) Any certificates executed by any officer of the Issuer and delivered to the Underwriter pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements therein made.

(h) Between the date hereof and the time of the Closing, the Issuer shall not, without the prior written consent of the Underwriter, offer or issue in any material amount any bonds, certificates, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Issuer or except for such borrowings as may be described in or contemplated by the Official Statement.

(i) The financial statements of the Issuer as of September 30, 2018 fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the Issuer or in its operations since September 30, 2018 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(j) Except for information which is permitted to be omitted pursuant to Rule 15c2-12(b)(1), the Preliminary Official Statement (excluding therefrom the information under the captions “THE OBLIGATIONS – Book-Entry-Only System” and “OTHER INFORMATION – Underwriters of the Obligations”, as to which no representations or warranties are made), as of its date and as of the date hereof did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The Official Statement (excluding therefrom the information under the captions “THE OBLIGATIONS – Book-Entry-Only System” and “OTHER INFORMATION – Underwriters of the Obligations”, as to which no representations or warranties are made), as of its date and at all times after the date of the Official Statement up to and including the Closing Date, will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including that date that is 25 days from the “end of the underwriting period” (as defined in Rule 15c2-12), the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(m) If between the date hereof and the end of the underwriting period, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter thereof, and if, in the opinion of the

Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall promptly (and in any event before the Closing) prepare and furnish (at the expense of the Issuer) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Underwriter.

(n) Except as described in the Preliminary Official Statement and Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Issuer or against any other party of which the Issuer has notice or, to the knowledge of the Issuer, threatened against the Issuer: (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Notes, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Notes, (ii) in any way contesting or affecting any authority for the issuance of the Notes or the validity or binding effect of any of the Legal Documents, (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Issuer or the validity or effect of the Authorizing Ordinance or the Act or any provision thereof or the application of the proceeds of the Notes, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or (v) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Preliminary Official Statement and Official Statement or any of the Legal Documents. The Issuer shall advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Notes.

(o) During the last five years, the Issuer has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

(p) The Issuer, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

(q) The Issuer will take such actions between the date of this Agreement and the Closing as are reasonably necessary to cause the representations and warranties contained in this Purchase Agreement to be true as of the Closing.

(r) The Issuer shall promptly notify the Underwriter of any fact that might, in the reasonable judgment of the Issuer, cast doubt upon or question the ability of the Issuer to issue, sell and deliver the Notes as provided in this Purchase Agreement.

All representations, warranties, covenants and agreements of the Issuer shall remain operative and in full force and effect, regardless of any investigations made by any Underwriter or on the Underwriter's behalf, and shall survive the delivery of the Notes.

7. CLOSING.

At 10:00 A.M., Central Time, on August 29, 2019, or at such other time or date as the Underwriter and the Issuer may mutually agree upon as the date and time of the Closing (the

“Closing Date”), the Issuer will deliver or cause to be delivered to the Underwriter, at the offices of Norton Rose Fulbright US LLP (“Bond Counsel”), 2200 Ross Avenue, Suite 3600, Dallas, TX 75201, or at such other place as the Underwriter and the Issuer may mutually agree upon, the Notes, through the facilities of The Depository Trust Company, New York, New York (“DTC”), duly executed and authenticated, and the other documents specified in Section 8. At the Closing, (a) upon satisfaction of the conditions herein specified, the Underwriter shall accept the delivery of the Notes, and pay the purchase price therefor in federal funds payable to the order of the Issuer and (b) the Issuer shall deliver or cause to be delivered the Notes to the Underwriter through the facilities of DTC in definitive or temporary form, duly executed by the Issuer and in the authorized denominations as specified by the Underwriter at the Closing and the Issuer shall deliver the other documents hereinafter mentioned. The Notes shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection. CUSIP identification numbers will be placed on the Notes, but the Issuer will have no responsibility for the accuracy of such numbers.

8. CONDITIONS PRECEDENT.

The Underwriter has entered into this Purchase Agreement in reliance upon the representations and agreements of the Issuer contained herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter’s obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(a) The representations of the Issuer contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(b) At the time of the Closing, the Official Statement, the Authorizing Ordinance and the Legal Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter.

(c) The Issuer shall perform or have performed all of its obligations required under or specified in the Authorizing Ordinance, the Legal Documents, and the Official Statement to be performed at or prior to the Closing.

(d) The Issuer shall have delivered to the Underwriter final Official Statements by the time, and in the numbers, required by Section 4 of this Purchase Agreement.

(e) As of the date hereof and at the time of Closing, all necessary official action of the Issuer relating to the Legal Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(f) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the Issuer, the Act, the Authorizing Ordinance, the Legal Documents as the foregoing matters are described in the Preliminary Official Statement and the Official Statement, which in the reasonable professional judgment of the Underwriter materially impairs the investment quality of the Notes.

(g) At or prior to the Closing, the Underwriter shall receive the following documents (in each case with only such changes as the Underwriter shall approve):

- (i) The approving opinion of the State Attorney General and registration certificate of the State Comptroller of Public Accounts with respect to the Notes;
- (ii) The approving opinion of Bond Counsel relating to the Notes, dated the Closing Date, substantially in the form attached as Appendix C to the Official Statement, and, if not otherwise directly addressed to the Underwriter, a reliance letter with respect thereto addressed to the Underwriter;
- (iii) The supplemental opinion of Bond Counsel, addressed to the Underwriter, dated the Closing Date, to the effect that:
 - (A) this Purchase Agreement has been duly executed and delivered by the Issuer and is a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally, to the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State of Texas;
 - (B) the Authorizing Ordinance has been duly adopted by the Issuer and is in full force and effect;
 - (C) the information contained in the Preliminary Official Statement and the Official Statement under the captions and subcaptions "PLAN OF FINANCING", "THE OBLIGATIONS" (except for the information under the subcaptions "Book-Entry-Only System," "Obligationholders' Remedies" and the last sentence under "Tax Rate Limitations"), "TAX MATTERS – THE OBLIGATIONS" and "CONTINUING DISCLOSURE OF INFORMATION" (except for the information under the subcaption "Compliance with Prior Undertakings"), and the subcaptions "Registration and Qualification of Obligations for Sale," "Legal Investments and Eligibility to Secure Public Funds in Texas" and "Legal Opinions" (except for the last sentence of the first paragraph thereof) under the caption "OTHER INFORMATION" in the Official Statement is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Notes, such information conforms to the provisions of the Authorizing Ordinance; and
 - (D) the Notes are not subject to the registration requirements of the Securities Act of 1933, as amended (the "1933 Act") and the

Authorizing Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”);

- (iv) The letter of Locke Lord LLP, counsel to the Underwriter (“Underwriter’s Counsel”), dated the Closing Date and addressed to the Underwriter, substantially in the form attached hereto as Exhibit A;
- (v) A certificate, dated the Closing Date, signed by an authorized representative of the Issuer to the effect that: (A) the representations and agreements of the Issuer contained herein are true and correct in all material respects as of the date of the Closing; (B) the Legal Documents have been duly authorized and executed and are in full force and effect; (C) except as described in the Preliminary Official Statement as of its date and as of the date hereof and the Official Statement, no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Notes, (ii) in any way contesting or affecting any authority for the issuance of the Notes or the validity of the Notes, the Authorizing Ordinance or any Legal Document, (iii) in any way contesting the creation, existence or powers of the Issuer or the validity or effect of the Act or any provision thereof or the application of the proceeds of the Notes, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Preliminary Official Statement as of its date and as of the date hereof and the Official Statement as of its date and as of the Closing Date or any Legal Document; and (D) the Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of information in the Official Statement under the captions “THE OBLIGATIONS – Book-Entry-Only System” and “OTHER INFORMATION – Underwriters of the Obligations”;
- (vi) A certificate, dated the Closing Date, signed by the Chief Financial Officer of the Issuer, in form and substance satisfactory to the Underwriter, to the effect that (A) the financial statements of the Issuer as of September 30, 2018 fairly represents the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth and (B) except as disclosed in the Preliminary Official Statement and the Official Statement, since September 30, 2018, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the Issuer and the Issuer has not incurred since September 30, 2018, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement;

- (vii) An executed or certified copy of the Authorizing Ordinance;
- (viii) Executed or certified copies of each other Legal Document;
- (ix) Evidence satisfactory to the Underwriter of the assignment of ratings assigned to the Notes by S&P Global Ratings, a division of S&P Global Inc. and Fitch Ratings, Inc. of “AAA” with a stable outlook and “AA+” with a positive outlook, respectively;
- (x) A copy of the Issuer’s executed Blanket Letter of Representation to The Depository Trust Company; and
- (xi) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, Underwriter’s Counsel or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and all conditions precedent to the issuance of additional Notes pursuant to the Authorizing Ordinance shall have been fulfilled.

9. TERMINATION.

If the Issuer shall be unable to satisfy the conditions of the Underwriter’s obligations contained in this Purchase Agreement or if the Underwriter’s obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Underwriter to the Issuer in writing, or by telephone confirmed in writing. The performance by the Issuer of any and all conditions contained in this Purchase Agreement for the benefit of the Underwriter may be waived by the Underwriter.

(a) The Underwriter shall also have the right, before the time of Closing, to cancel its obligations to purchase the Notes, by written notice by the Underwriter to the Issuer, if between the date hereof and the time of Closing:

- (i) Any event or circumstance occurs or information becomes known, which, in the professional judgment of the Underwriter, makes untrue any statement of a material fact set forth in the Preliminary Official Statement or the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or
- (ii) The market for the Notes or the market prices of the Notes or the ability of the Underwriter to enforce contracts for the sale of the Notes shall have been materially and adversely affected, in the professional judgment of the Underwriter, by:

- (A) An amendment to the Constitution of the United States or the State of Texas shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation (whether or not then introduced) shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed (whether or not then introduced) for consideration by either such Committee by any member thereof or presented as an option for consideration (whether or not then introduced) by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of Texas or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of Texas authority, with respect to federal or State of Texas taxation upon revenues or other income of the general character to be derived by the Issuer which, in the judgment of the Underwriter, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the Issuer, its property or income, its securities (including the Notes) or the interest thereon; or
- (B) The declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States; or
- (C) The declaration of a general banking moratorium by federal, New York or Texas authorities; or
- (D) The occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services,

or a material disruption or deterioration in the fixed income or municipal securities market; or

- (E) Additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or
 - (F) The general suspension of trading on any national securities exchange; or
- (iii) Legislation enacted, introduced in the Congress or recommended for passage (whether or not then introduced) by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that the Notes, other securities of the Issuer or obligations of the general character of the Notes are not exempt from registration under the 1933 Act, or that the Authorizing Ordinance are not exempt from qualification under the Trust Indenture Act; or
 - (iv) Any change in or particularly affecting the Issuer, the Act, the Authorizing Ordinance, the Legal Documents or the revenues of the Issuer pledged to the Notes as the foregoing matters are described in the Preliminary Official Statement or the Official Statement, which in the professional judgment of the Underwriter materially impairs the investment quality of the Notes; or
 - (v) An order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Notes, or the issuance, offering or sale of the Notes, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or
 - (vi) A stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Notes, or the execution and delivery of any Legal Documents, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the 1933 Act, the

Securities Exchange Act of 1934 or the Trust Indenture Act, each as amended and as then in effect; or

- (vii) Any change or any development involving a prospective change in or affecting the business, properties or financial condition of the Issuer, except for changes which the Preliminary Official Statement and Official Statement discloses are expected to occur; or
- (viii) Any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Notes, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Act, the Authorizing Ordinance, the Legal Documents or the existence or powers of the Issuer with respect to its obligations under the Legal Documents; or
- (ix) A reduction or withdrawal in any of the following assigned ratings, or, as of the Closing Date, the failure by any of the following rating agencies to assign the following ratings, to the Notes: the ratings assigned by S&P Global Ratings, a division of S&P Global Inc. and Fitch Ratings, Inc. of “AAA” with a stable outlook and “AA+” with a positive outlook, respectively.

10. AMENDMENTS TO OFFICIAL STATEMENT.

During the period commencing on the Closing Date and ending twenty-five (25) days from the end of the underwriting period, the Issuer shall advise the Underwriter if any event relating to or affecting the Official Statement shall occur as a result of which it may be necessary or appropriate to amend or supplement the Official Statement in order to make the information contained in the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser or “potential customer” (as defined for purposes of Rule 15c2-12). If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including that date that is 25 days from the end of the “underwriting period” (as defined in Rule 15c2-12), the Official Statement as supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and shall amend or supplement the Official Statement (in form and substance satisfactory to Underwriter’s Counsel) so that the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

11. EXPENSES.

All expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, issuance and sale of the Notes to the Underwriter, including the costs of printing or reproduction of the Notes, the Legal Documents and the Official Statement in reasonable quantities, fees of consultants, fees of rating agencies, advertising expenses, fees and

expenses of the Paying Agent/Registrar, fees and expenses of counsel to the Issuer and Bond Counsel, shall be paid by the Issuer from the proceeds of the Notes or other revenues of the Issuer. The Issuer shall be solely responsible for and shall pay for any expenses incurred by the Underwriter on behalf of the Issuer's employees and representatives which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees and representatives. All other expenses and costs of the Underwriter incurred under or pursuant to this Purchase Agreement, including, without limitation, the cost of preparing this Purchase Agreement and other Underwriter documents, travel expenses and the fees and expenses of Underwriter's Counsel, shall be paid by the Underwriter (which may be included as an expense component of the Underwriter's discount).

The Issuer acknowledges that the Underwriter will pay from the underwriter's expense allocation of the underwriting discount certain fees, including the applicable per bond assessment charged by the Municipal Advisory Council of Texas. The Municipal Advisory Council of Texas is a non-profit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

12. USE OF DOCUMENTS.

The Issuer hereby authorizes the Underwriter to use, in connection with the public offering and sale of the Notes, this Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Legal Documents, and the information contained herein and therein.

13. QUALIFICATION OF SECURITIES.

The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to provide for the continuance of such qualification; *provided, however*, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

14. NOTICES.

Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing to City of Grand Prairie, Texas, 317 College Street, Grand Prairie, Texas 75050, Attention: Chief Financial Officer and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to BofA Securities, Inc., 901 Main Street, 11th Floor, Dallas, TX 75202, Attention: Ron Davis.

15. BENEFIT.

This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Issuer contained in this Purchase

Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the Notes hereunder; or (iii) any termination of this Purchase Agreement, other than pursuant to Section 9 (and in all events the agreements of the Issuer pursuant to Sections 10 and 12 hereof shall remain in full force and effect notwithstanding the termination of this Purchase Agreement under Section 9 hereof).

16. GOVERNING LAW. THIS PURCHASE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER THAN NEW YORK GENERAL OBLIGATIONS LAWS SECTION 5-1401 AND 5-1402); PROVIDED, HOWEVER, THAT THE OBLIGATIONS OF THE ISSUER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

17. WAIVER OF JURY TRIAL. THE ISSUER HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

18. MISCELLANEOUS.

(a) This Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

(b) This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof. Delivery of an executed counterpart of a signature page of this Purchase Agreement by telecopy, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Purchase Agreement.

[Signature page follows]

Very truly yours,

BOFA SECURITIES, INC.,

By:  _____

Approved and Agreed to: August 6, 2019

CITY OF GRAND PRAIRIE, TEXAS

By: _____

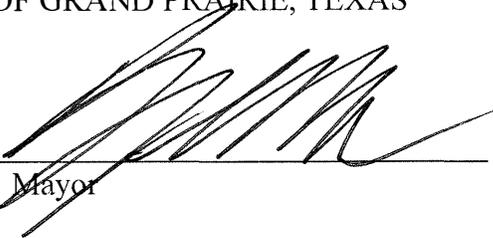
Very truly yours,

BOFA SECURITIES, INC.,

By: _____

Approved and Agreed to: August 6, 2019

CITY OF GRAND PRAIRIE, TEXAS

By:  _____
Mayor

SCHEDULE I

Principal Amounts, Interest Rates and Prices

<u>Amount (\$)</u>	<u>Maturity (February 15)</u>	<u>Rate (%)</u>	<u>Price</u>
460,000	2022	1.864	100.000
465,000	2023	1.896	100.000
475,000	2024	1.996	100.000
485,000	2025	2.080	100.000
5,220,000	2026	2.230	100.000

(Interest Accrues from Date of Initial Delivery)

Optional Redemption

The Issuer reserves the right, at its option, to redeem Notes having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

Extraordinary Optional Redemption

If the Issuer elects not to proceed with the development of a convention center facility for the Issuer, the Issuer will have the right to extraordinarily optionally redeem the Notes prior to maturity, from and to the extent there remains on deposit in the Tax Increment Fund (as defined in the Authorizing Ordinance) unexpended Note proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

EXHIBIT A

FORM OF LETTER OF UNDERWRITER'S COUNSEL

_____, 2019

BofA Securities, Inc.,
901 Main Street, 11th Floor
Dallas, TX 75202

Re: City of Grand Prairie, Texas Combination Tax and Revenue Notes, Taxable Series 2019

Ladies and Gentlemen:

We have acted as counsel for you as the Underwriter of the Notes identified above (the "Notes"), issued under and pursuant to an ordinance adopted by the City Council of the City of Grand Prairie, Texas (the "Issuer") on August 6, 2019 (the "Ordinance") authorizing the issuance of the Notes, which Notes you are purchasing pursuant to a Note Purchase Agreement (the "Note Purchase Agreement") dated August 6, 2019 (such purchase being referred to herein as the "Transaction"). All capitalized undefined terms used herein shall have the meaning set forth in the Note Purchase Agreement.

In connection with this opinion letter, we have considered such matters of law and of fact, and have relied upon such certifications and other information furnished to us, as we have deemed appropriate as a basis for our opinion set forth below. We are not expressing any opinion or views herein on the authorization, issuance, delivery or validity of the Notes and we have assumed, but not independently verified, that the signatures on all documents and certificates that we have examined are genuine.

Based on and subject to the foregoing, we are of the opinion that, under existing laws, the Notes are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Ordinance is not required to be qualified under the Trust Indenture Act of 1939, as amended.

Because the primary purpose of our professional engagement as your counsel was not to establish factual matters, and because of the wholly or partially non-legal character of many of the determinations involved in the preparation of the Preliminary Official Statement dated July 31, 2019 (the "Preliminary Official Statement") and the Official Statement dated August 6, 2019 (the "Official Statement") and because the information in the Preliminary Official Statement and the Official Statement included under the captions and subcaptions "THE OBLIGATIONS - Book-Entry-Only System" and "TAX MATTERS-THE OBLIGATIONS" and Appendices A and C thereto were prepared by others who have been engaged to review or provide such information, we are not passing on and do not assume any responsibility for the information contained under such captions and subcaptions and appendices, and, except as set forth in the last sentence of this

paragraph, we are not passing on and do not assume any responsibility for the accuracy, completeness or fairness of other statements contained in the Preliminary Official Statement and the Official Statement (including any appendices, schedules and exhibits thereto) and we make no representation that we have independently verified the accuracy, completeness or fairness of such statements. In the course of our participation in the preparation of the Preliminary Official Statement and the Official Statement as your counsel, we had discussions with representatives of the Issuer, including its Financial Advisor and Bond Counsel, and you regarding the contents of the Preliminary Official Statement and the Official Statement. On the basis of the foregoing and in reliance thereon and on the certificates, opinions and other documents herein mentioned (relying as to materiality to a large extent upon the officials and other representatives of the Issuer) we advise you that no facts came to our attention which would lead us to believe that the Preliminary Official Statement, as of its date and as of the date of the Note Purchase Agreement, and the Official Statement, as of its date and as of the date of Settlement (in each case, except for the financial statements and other financial, forecast, technical and statistical statements and data contained therein, the information set forth under the captions and subcaptions “THE OBLIGATIONS - Book-Entry-Only System” and “TAX MATTERS” and Appendices A and C thereto, as to which we express no opinion), contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

In addition, based upon (i) our understanding of Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”) and interpretive guidance published by the United States Securities and Exchange Commission relating thereto; (ii) our review of the continuing disclosure undertaking of the Issuer contained in the Ordinance; and (iii) the inclusion in the Official Statement of a description of the specifics of such undertaking, and in reliance on the opinion of Bond Counsel that the Ordinance has been duly adopted by the Issuer and is in full force and effect and constitutes a valid and legally binding obligation of the Issuer enforceable in accordance with its terms, we have no reason to believe that such undertaking does not meet the requirements of paragraph (b)(5)(i) of the Rule and, accordingly, we advise you that such undertaking provides a suitable basis for you, as the underwriter of the Notes, and any other broker, dealer or municipal securities dealer acting as a Participating Underwriter (as defined in the Rule) in connection with the offering of the Notes, to make a reasonable determination that the Issuer has met the qualifications of paragraph (b)(5)(i) of the Rule.

In addition to the limitations set forth in the preceding paragraphs, we have not been requested to review, nor have we reviewed, any records or contracts of the Issuer or the basis for any representations made by representatives of the Issuer, and the foregoing is subject to the material, statements, and other data contained in the records or contracts of the Issuer and any such representations, to the extent they are reflected in the Official Statement, not containing any untrue statement of a material fact or omitting to state a material fact necessary to make the statements contained in the Official Statement, in the light of the circumstances under which they were made, not misleading.

You are reminded that this opinion expresses our professional judgment as to the legal issues explicitly addressed herein. In rendering this opinion we do not become an insurer or guarantor of the expression of professional judgment, of the Transaction, or of the future

performance of the parties to the Transaction. Nor does this opinion guarantee the outcome of any legal dispute that may arise out of or relate to the Transaction.

This opinion is issued to you and for your sole benefit and is issued for the sole purpose of the Transaction. No person other than you may rely upon this opinion without our express written consent. This opinion may not be utilized by you for any other purpose whatsoever and may not be quoted by you without our express prior written consent. We assume no obligation to review or supplement this opinion subsequent to its date, whether by reason of a change in the current laws, by legislative or regulatory action (including, without limitation, publication by the Securities and Exchange Commission of further interpretive guidance relating to the Rule), by judicial decision, or by any other action. The opinions expressed herein are limited to the matters specifically set forth herein, and no other opinions should be inferred beyond the matters expressly stated.

Our opinions herein are limited in all respects to the federal laws of the United States of America and the laws of the State of Texas, and we do not express any opinion as to the applicability of or the effect thereon of the laws of any other state or other jurisdiction.

Respectfully submitted,

This Preliminary Official Statement and the information contained herein may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.



PRELIMINARY OFFICIAL STATEMENT

Dated July 31, 2019

Ratings:
S&P: “AAA” (stable outlook)
Fitch: “AA+” (positive outlook)
(see “OTHER INFORMATION - Ratings” herein)

NEW ISSUE - Book-Entry-Only

Interest on the Notes will be included in gross income for federal income tax purposes. See “TAX MATTERS – THE OBLIGATIONS” herein.

\$7,135,000*

**CITY OF GRAND PRAIRIE, TEXAS
(Dallas, Tarrant and Ellis Counties)**

COMBINATION TAX AND REVENUE NOTES, TAXABLE SERIES 2019

Dated Date: August 15, 2019

Due: February 15, as shown on page 2 hereof

Interest to accrue from Delivery Date

PAYMENT TERMS. . . Interest on the \$7,135,000* City of Grand Prairie, Texas Combination Tax and Revenue Notes, Taxable Series 2019 (the “Notes”, and together with the City of Grand Prairie, Texas Combination Tax and Revenue Certificates of Obligation, Taxable Series 2019B [the “Certificates”] being offered herein, collectively, the “Obligations”) will accrue from the “Delivery Date”, estimated to be August 29, 2019, will be payable February 15 and August 15 of each year commencing February 15, 2020 until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Notes will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York (“DTC”) pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Notes may be acquired in denominations of \$5,000 or integral multiples thereof within a stated maturity. **No physical delivery of the Notes will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Notes will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Notes. See “THE OBLIGATIONS - Book-Entry-Only System” herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see “THE OBLIGATIONS - Paying Agent/Registrar”).

AUTHORITY FOR ISSUANCE. . . The Notes are issued pursuant to the Constitution and general laws of the State of Texas (the “State”), including particularly Texas Government Code, Chapter 1431, as amended, and are direct obligations of the City of Grand Prairie, Texas (the “City”), payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax levied on all taxable property located within the City, within the limits prescribed by law, as provided in the ordinance authorizing the Notes (the “Note Ordinance”) and (ii) a pledge of (a) the Pledged Revenues consisting of a limited pledge (\$2,500) of the tax increment received by the City from property located within the Tax Increment Financing Reinvestment Zone Number One, City of Grand Prairie, Texas (the “Zone”) and (b) a pledge of the State Hotel Occupancy Tax (as hereinafter defined), as provided in the Note Ordinance (see “THE OBLIGATIONS - Authority for Issuance of the Notes” and “-Security and Source of Payment for the Notes”).

PURPOSE . . . Proceeds from the sale of the Notes will be used to (i) construct and equip a convention center facility for the City and (ii) pay the costs of issuance associated with the sale of the Notes.

CUSIP PREFIX: 386138

MATURITY SCHEDULE & 9 DIGIT CUSIP

See Schedule on Page 2

SEPARATE ISSUES. . . The Notes are being offered by the City concurrently with the Certificates under a common Official Statement. The Notes and the Certificates are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY . . . The Notes are offered for delivery when, as and if issued and received by the Underwriter (the “Note Underwriter”) of the Notes and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Dallas, Texas (see Appendix C, “Forms of Bond Counsel’s Opinions”). Certain legal matters will be passed upon for the Note Underwriter by its counsel, Locke Lord LLP, Dallas, Texas.

DELIVERY. . . . It is expected that the Notes will be available for delivery through DTC on August 29, 2019.

BOFA MERRILL LYNCH

*Preliminary, subject to change.

MATURITY SCHEDULE*

CUSIP Prefix: 386138 ⁽¹⁾

	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Initial Yield</u>	<u>CUSIP Suffix⁽¹⁾</u>
\$	450,000	2/15/2022			
	465,000	2/15/2023			
	480,000	2/15/2024			
	490,000	2/15/2025			
	5,250,000	2/15/2026			

(Interest to accrue from delivery date.)

- (1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein provided by CUSIP Global Services (“CGS”), managed by S&P Global Market Intelligence, on behalf of the American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for services provided by CGS. CUSIP numbers have been assigned by an independent company not affiliated with the City, the Financial Advisor or the Note Underwriter and are included solely for the convenience of the registered and beneficial owners of the Notes. None of the City, the Financial Advisor or the Note Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Notes or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Notes.

OPTIONAL REDEMPTION. . . The City reserves the right, at its option, to redeem Notes having stated maturities on February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE OBLIGATIONS - Optional Redemption of the Notes”).

EXTRAORDINARY OPTIONAL REDEMPTION. . . In addition to the optional redemption provisions specified above under “Optional Redemption,” if the City elects not to proceed with the development of a convention center facility for the City, the City will have the right to extraordinarily optionally redeem the Notes prior to maturity, from and to the extent there remains on deposit in the Tax Increment Fund (as defined in the Note Ordinance) unexpended Note proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

(THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY)

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The securities referenced herein may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.



PRELIMINARY OFFICIAL STATEMENT

Dated July 31, 2019

Ratings:
S&P: "AAA" (stable outlook)
Fitch: "AA+" (positive outlook)
(see "OTHER INFORMATION - Ratings" herein)

NEW ISSUE - Book-Entry-Only

Interest on the Certificates will be included in gross income for federal income tax purposes. See "TAX MATTERS – THE OBLIGATIONS" herein.

\$34,460,000*

CITY OF GRAND PRAIRIE, TEXAS
(Dallas, Tarrant and Ellis Counties)

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, TAXABLE SERIES 2019B

Dated Date: August 15, 2019

Due: February 15, as shown on page 4 hereof

Interest to accrue from Delivery Date

PAYMENT TERMS. . . Interest on the \$34,460,000* City of Grand Prairie, Texas Combination Tax and Revenue Certificates of Obligation, Taxable Series 2019B (the "Certificates", and together with the City of Grand Prairie, Texas Combination Tax and Revenue Notes, Taxable Series 2019 [the "Notes"]) being offered herein, collectively the "Obligations") will accrue from the "Delivery Date", estimated to be August 29, 2019, will be payable February 15 and August 15 of each year commencing February 15, 2020 until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of \$5,000 or integral multiples thereof within a stated maturity. **No physical delivery of the Certificates will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "THE OBLIGATIONS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE. . . The Certificates are issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City of Grand Prairie, Texas (the "City"), and (ii) a limited pledge of \$2,500 of the net revenues of the City's water and wastewater system, as provided in the ordinance authorizing the Certificates (the "Certificate Ordinance") (see "THE OBLIGATIONS - Authority for Issuance of the Certificates" and "- Security and Source of Payment for the Certificates").

PURPOSE. . . Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for (i) constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, entryways, pedestrian pathways, signage, traffic signalization and street noise abatement incidental thereto and the acquisition of land and rights-of-way therefor, (ii) improving and extending the City's water and wastewater system and the acquisition of land and rights-of-way therefor, (iii) acquiring, constructing and equipping park facilities and the acquisition of land therefor and related infrastructure, (iv) constructing and improving parking facilities and the acquisition of land and rights-of-way therefor and (v) professional services rendered in connection therewith.

CUSIP PREFIX: 386138

MATURITY SCHEDULE & 9 DIGIT CUSIP

See Schedule on Page 4

SEPARATE ISSUES. . . The Certificates are being offered by the City concurrently with the Notes under a common Official Statement. The Certificates and the Notes are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY. . . The Certificates are offered for delivery when, as and if issued and received by the Underwriters (the "Certificate Underwriters") of the Certificates and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel (see Appendix C, "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Certificate Underwriters by their counsel, Locke Lord LLP, Dallas, Texas.

DELIVERY. . . It is expected that the Certificates will be available for delivery through DTC on August 29, 2019.

BOFA MERRILL LYNCH

BOK Financial Securities, Inc.

Raymond James

*Preliminary, subject to change.

MATURITY SCHEDULE*

CUSIP Prefix: 386138⁽¹⁾

<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Initial Yield</u>	<u>CUSIP Suffix⁽¹⁾</u>
\$ 2,220,000	2/15/2022			
2,275,000	2/15/2023			
2,335,000	2/15/2024			
2,400,000	2/15/2025			
2,470,000	2/15/2026			
2,545,000	2/15/2027			
2,620,000	2/15/2028			
2,700,000	2/15/2029			
2,785,000	2/15/2030			
2,880,000	2/15/2031			
2,975,000	2/15/2032			
3,075,000	2/15/2033			
3,180,000	2/15/2034			

(Interest to accrue from delivery date.)

- (1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein provided by CUSIP Global Services (“CGS”), managed by S&P Global Market Intelligence, on behalf of the American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for services provided by CGS. CUSIP numbers have been assigned by an independent company not affiliated with the City, the Financial Advisor or the Certificate Underwriters and are included solely for the convenience of the registered and beneficial owners of the Certificates. None of the City, the Financial Advisor or the Certificate Underwriters is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Certificates or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Certificates as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Certificates.

OPTIONAL REDEMPTION. . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after [February 15, 20__], in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on [February 15, 20__], or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE OBLIGATIONS - Optional Redemption of the Certificates”).

EXTRAORDINARY OPTIONAL REDEMPTION. . . In addition to the optional redemption provisions specified above under “Optional Redemption,” if the City elects not to proceed with any of the projects for which the Certificates were issued, the City will have the right to extraordinarily optionally redeem the Certificates prior to maturity, from and to the extent there remains on deposit in the project fund established in the Certificate Ordinance unexpended Certificate proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

(THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY)

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the "Rule") and in effect on the date of this Preliminary Official Statement, this document constitutes a Preliminary Official Statement of the City that has been deemed "final" by the City as of its date except for the omission of no more than the information permitted by the Rule.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the Note Underwriter or the Certificate Underwriters (collectively the "Underwriters").

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor or the Underwriters. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The Obligations are exempt from registration with the United States Securities and Exchange Commission and consequently have not been registered therewith. The registration, qualification, or exemption of the Obligations in accordance with applicable securities law provisions of the jurisdiction in which the Obligations have been registered, qualified, or exempted should not be regarded as a recommendation thereof.

Neither the City, its Financial Advisor, nor the Underwriters make any representation or warranty with respect to the information contained in this Official Statement regarding DTC or its Book-Entry-Only System.

In connection with the offering of the Obligations, the Underwriters may over-allot or effect transactions which stabilize or maintain the market prices of the Obligations at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described herein. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the City's undertaking to provide certain information on a continuing basis.

The cover pages contain certain information for general reference only and are not intended as a summary of this offering. Investors should read the entire Official Statement, including the Schedule and all Appendices attached hereto, to obtain information essential to making an informed investment decision.

This Official Statement contains "Forward-Looking" Statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from future results, performance, and achievements expressed or implied by such Forward-Looking Statements. Investors are cautioned that the actual results could differ materially from those set forth in the Forward-Looking Statements.

TABLE OF CONTENTS

OFFICIAL STATEMENT SUMMARY	6	LEGAL OPINIONS	43
CITY OFFICIALS, STAFF AND CONSULTANTS	10	FINANCIAL ADVISOR	44
ELECTED OFFICIALS	10	UNDERWRITERS OF THE OBLIGATIONS	44
SELECTED ADMINISTRATIVE STAFF	10	FORWARD-LOOKING STATEMENTS DISCLAIMER	45
CONSULTANTS AND ADVISORS	10	MISCELLANEOUS	ERROR! BOOKMARK NOT DEFINED.
INTRODUCTION	11		
PLAN OF FINANCING	12	APPENDICES	
THE OBLIGATIONS	12	GENERAL INFORMATION REGARDING THE CITY	A
TAX INFORMATION	17	EXCERPTS FROM THE ANNUAL FINANCIAL REPORT	B
TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT	22	FORMS OF BOND COUNSEL'S OPINIONS	C
TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY	24		
TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY	25	The cover pages hereof, this page, the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.	
TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY	25		
TABLE 5 - TEN LARGEST TAXPAYERS	26		
TABLE 6 - ESTIMATED OVERLAPPING DEBT	26		
DEBT INFORMATION	27		
TABLE 7 - PRO-FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS	27		
TABLE 8 - INTEREST AND SINKING FUND BUDGET PROJECTION	28		
TABLE 9 - COMPUTATION OF SELF-SUPPORTING DEBT	28		
TABLE 10 - OTHER OBLIGATIONS	25		
TABLE 11 - CHANGE IN NET POSITION	30		
TABLE 12 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY	31		
TABLE 13 - MUNICIPAL SALES TAX HISTORY	32		
TABLE 14 - CURRENT INVESTMENTS	30		
TAX MATTERS- THE OBLIGATIONS	39		
CONTINUING DISCLOSURE OF INFORMATION	41		
OTHER INFORMATION	41		
RATINGS	43		
LITIGATION	43		
REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE	43		
LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS	43		

OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Obligations to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE CITY..... The City of Grand Prairie, Texas (the “City”) is a political subdivision and home rule municipal corporation of the State of Texas, located in Dallas, Tarrant and Ellis Counties, Texas. The City covers approximately 80 square miles (see “INTRODUCTION - Description of the City”).

THE NOTES The Notes are issued as \$7,135,000* Combination Tax and Revenue Notes, Taxable Series 2019. The Notes are issued as serial notes maturing on February 15 in each of the years 2022 through 2026, unless redeemed in accordance with the provisions described herein (see “THE OBLIGATIONS – Description of the Obligations”, “THE OBLIGATIONS – Optional Redemption of the Notes”, and “THE OBLIGATIONS – Extraordinary Optional Redemption of the Notes”).

THE CERTIFICATES..... The Certificates are issued as \$34,460,000* Combination Tax and Revenue Certificates of Obligation, Taxable Series 2019B. The Certificates are issued as serial certificates maturing on February 15 in each of the years 2022 through 2034, unless redeemed in accordance with the provisions described herein (see “THE OBLIGATIONS – Description of the Obligations”, “THE OBLIGATIONS – Optional Redemption of the Certificates”, and “THE OBLIGATIONS – Extraordinary Optional Redemption of the Certificates”).

PAYMENT OF INTEREST

ON THE NOTES Interest on the Notes accrues from the Delivery Date, estimated to be August 29, 2019, and is payable February 15, 2020, and each August 15 and February 15 thereafter until maturity or prior redemption (see “THE OBLIGATIONS - Description of the Obligations”, “THE OBLIGATIONS - Optional Redemption of the Notes”, and “THE OBLIGATIONS – Extraordinary Optional Redemption of the Notes”).

PAYMENT OF INTEREST ON THE CERTIFICATES

..... Interest on the Certificates accrues from the Delivery Date, estimated to be August 29, 2019, and is payable February 15, 2020, and each August 15 and February 15 thereafter until maturity or prior redemption (see “THE OBLIGATIONS - Description of the Obligations” and “THE OBLIGATIONS - Optional Redemption of the Certificates”, and “THE OBLIGATIONS – Extraordinary Optional Redemption of the Certificates”).

AUTHORITY FOR ISSUANCE

OF THE NOTES..... The Notes are issued pursuant to the Constitution and general laws of the State, including particularly Texas Government Code, Chapter 1431, as amended, and the Note Ordinance to be passed by the City Council of the City (see “THE OBLIGATIONS - Authority for Issuance of the Notes”).

AUTHORITY FOR ISSUANCE

OF THE CERTIFICATES..... The Certificates are authorized and issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and the Certificate Ordinance to be passed by the City Council of the City (see “THE OBLIGATIONS – Authority for Issuance of the Certificates”).

SECURITY FOR THE NOTES

..... The Notes constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City, as provided in the Note Ordinance, and (ii) a pledge of the Pledged Revenues consisting of (a) a limited pledge (\$2,500) of the tax increment received by the City from property located within the Tax Increment Financing Reinvestment Zone Number One, City of Grand Prairie, Texas (the “Zone”) and (b) a pledge of the State Hotel Occupancy Tax (as hereinafter defined), as provided in the Note Ordinance (see “THE OBLIGATIONS - Security and Source of Payment for the Notes”).

SECURITY FOR THE

CERTIFICATES The Certificates constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City and (ii) a limited pledge of \$2,500 of the net revenues of the City’s water and wastewater system, as provided in the Certificate Ordinance (see “THE OBLIGATIONS – Security and Source of Payment for the Certificates”).

*Preliminary, subject to change.

OPTIONAL REDEMPTION OF THE NOTES..... The City reserves the right, at its option, to redeem Notes having stated maturities on and after [February 15, 20__], in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on [February 15, 20__] or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE OBLIGATIONS - Optional Redemption of the Notes”).

OPTIONAL REDEMPTION OF THE CERTIFICATES..... The City reserves the right, at its option, to redeem Certificates having stated maturities on and after [February 15, 20__], in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on [February 15, 20__] or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE OBLIGATIONS - Optional Redemption of the Certificates”).

EXTRAORDINARY REDEMPTION OF THE NOTES..... In addition to the optional redemption provisions specified above under “- Optional Redemption of the Notes,” if the City elects not to proceed with the development of a convention center facility for the City, the City will have the right to extraordinarily optionally redeem the Notes prior to maturity, from and to the extent there remains on deposit in the Tax Increment Fund (as defined in the Note Ordinance) unexpended Note proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

EXTRAORDINARY REDEMPTION OF THE CERTIFICATES..... In addition to the optional redemption provisions specified above under “- Optional Redemption of the Certificates,” if the City elects not to proceed with any of the projects for which the Certificates were issued, the City will have the right to extraordinarily optionally redeem the Certificates prior to maturity, from and to the extent there remains on deposit in the project fund established in the Certificate Ordinance unexpended Certificate proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

TAXABLE OBLIGATIONS Interest on the Obligations will be included in gross income for federal income tax purposes (see “TAX MATTERS – THE OBLIGATIONS”).

USE OF PROCEEDS FOR THE NOTES Proceeds from the sale of the Notes will be used to (i) construct and equip a convention center facility for the City and (ii) pay the costs of issuance associated with the sale of the Notes.

USE OF PROCEEDS FOR THE CERTIFICATES Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for (i) constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, entryways, pedestrian pathways, signage, traffic signalization and street noise abatement incidental thereto and the acquisition of land and rights-of-way therefor, (ii) improving and extending the City’s water and wastewater system and the acquisition of land and rights-of-way therefor, (iii) acquiring, constructing and equipping park facilities and the acquisition of land therefor and related infrastructure, (iv) constructing and improving parking facilities and the acquisition of land and rights-of-way therefor and (v) professional services rendered in connection therewith.

RATINGS The Obligations have been rated “AAA” with a stable outlook by S&P Global Ratings, a division of S&P Global Inc. (“S&P”) and “AA+” with a positive outlook by Fitch Ratings, Inc. (“Fitch”) (see “OTHER INFORMATION – Ratings”).

BOOK-ENTRY-ONLY SYSTEM The definitive Obligations will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Obligations may be acquired in denominations of \$5,000 or integral multiples thereof for each series and maturity. No physical delivery of the Obligations will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations (see “THE OBLIGATIONS - Book-Entry-Only System”).

PAYMENT RECORD The City has not defaulted on its general obligation bonds since 1939 when defaults were corrected without refunding and has never defaulted on its revenue bonds.

(THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY)

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	Net G.O. Tax Debt Outstanding at End of Year ⁽³⁾	Ratio of Net G.O. Tax Debt to Taxable Assessed Valuation	Net G.O. Tax Debt Per Capita
2014	181,230	\$ 9,842,362,530 ⁽⁴⁾	\$ 54,309	\$ 148,553,000	1.51%	\$ 820
2015	181,230	10,558,457,782 ⁽⁵⁾	58,260	161,857,000	1.53%	893
2016	182,610	11,095,610,000 ⁽⁶⁾	60,761	175,810,000	1.58%	963
2017	184,620	12,317,890,808 ⁽⁷⁾	66,720	191,200,000	1.55%	1,036
2018	187,000	13,521,607,208 ⁽⁸⁾	72,308	211,985,000	1.57%	1,134
2019	194,000	14,755,015,593 ⁽⁹⁾	76,057	309,370,000 ⁽¹⁰⁾	2.10%	1,595

(1) Source: City Staff.

(2) As reported by the Dallas Central Appraisal District, Tarrant Appraisal District, and Ellis Central Appraisal District on the City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Projected excludes revenue-supported general obligation debt. See "TABLE 9 - Computation of Self-Supporting Debt"

(4) Includes taxable incremental value of approximately \$487,063,500 that is not available for the City's general use.

(5) Includes taxable incremental value of approximately \$528,935,423 that is not available for the City's general use.

(6) Includes taxable incremental value of approximately \$147,301,648 that is not available for the City's general use.

(7) Includes taxable incremental value of approximately \$214,042,756 that is not available for the City's general use.

(8) Includes taxable incremental value of approximately \$281,406,819 that is not available for the City's general use.

(9) Includes taxable incremental value of approximately \$381,547,594 that is not available for the City's general use.

(10) Includes the Obligations, as well as the Series 2019A Certificates and the Series 2019 Bonds being offered concurrently under a separate Official Statement. Excludes the Refunded Obligations relating to the Series 2019 Bonds. Preliminary, subject to change.

GENERAL FUND CONSOLIDATED STATEMENT SUMMARY

	For Fiscal Year Ended September 30,				
	2018	2017	2016	2015	2014
Beginning Balance	\$ 31,346,705	\$ 31,011,895	\$ 27,748,646	\$ 24,752,419 ⁽¹⁾	\$ 28,816,808
Total Revenue	134,912,713	126,720,322	122,517,676	114,115,413	106,220,153
Total Expenditures	123,411,609	116,161,238	108,081,822	103,001,474	98,120,819
Net Transfers	(10,106,151)	(11,110,985)	(11,794,063)	(8,674,408)	(13,413,933)
Sale of Capital Assets	1,003,393	886,711	621,458	556,696	613,163
Net Funds Available	2,398,346	334,810	3,263,249	2,996,227	(4,701,436)
Ending Balance	<u>\$ 33,745,051</u>	<u>\$ 31,346,705</u>	<u>\$ 31,011,895</u>	<u>\$ 27,748,646</u>	<u>\$ 24,115,372</u>

(1) Includes \$637,047 prior period adjustment.

For additional information regarding the City, please contact:

Becky Brooks
bbrooks@GPTX.org
 Chief Financial Officer
 City of Grand Prairie
 317 College Street
 Grand Prairie, Texas 75050
 (972) 237-8090

Brady Olsen
bolsen@GPTX.org
 Treasury and Debt Manager
 City of Grand Prairie
 317 College Street
 Grand Prairie, Texas 75050
 (972) 237-8099

Jim S. Sabonis
 Managing Director
jim.sabonis@hilltopsecurities.com
 Hilltop Securities Inc.
 1201 Elm Street, Suite 3500
 Dallas, Texas 75270
 (214) 953-4195

Andre Ayala
 Director
andre.ayala@hilltopsecurities.com
 Hilltop Securities Inc.
 1201 Elm Street, Suite 3500
 Dallas, Texas 75270
 (214) 953-4184

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

\$7,135,000*

**CITY OF GRAND PRAIRIE, TEXAS
COMBINATION TAX AND REVENUE NOTES, TAXABLE SERIES 2019**

AND

\$34,460,000*

**CITY OF GRAND PRAIRIE, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, TAXABLE SERIES 2019B**

INTRODUCTION

This Official Statement which includes the Appendices hereto, provides certain information regarding the issuance of \$7,135,000* City of Grand Prairie, Texas, Combination Tax and Revenue Notes, Taxable Series 2019 (the “Notes”) and the \$34,460,000* City of Grand Prairie, Texas, Combination Tax and Revenue Certificates of Obligation, Taxable Series 2019B (the “Certificates”). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the respective ordinances to be adopted on the date of sale of the Obligations which will authorize the issuance of the respective Obligations, except as otherwise indicated herein (the ordinance authorizing the issuance of the Notes (the “Note Ordinance”) and the ordinance authorizing the issuance of the Certificates (the “Certificate Ordinance”) are sometimes herein referred to jointly as the “Ordinances”).

There follows in this Official Statement descriptions of the Obligations and certain information regarding the City of Grand Prairie, Texas (the “City”) and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the City’s Financial Advisor, Hilltop Securities Inc. (“HilltopSecurities”), Dallas, Texas.

SEPARATE ISSUES. . . The Notes and the Certificates are being offered concurrently by the City under a common Official Statement, and such Notes and Certificates are hereinafter sometimes referred to collectively as the “Obligations”. The Notes and the Certificates are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of holders, and other features.

DESCRIPTION OF THE CITY. . . The City is a political subdivision and home rule municipal corporation of the State of Texas (the “State”), duly organized and existing under the laws of the State, including the City’s Home Rule Charter. The City first adopted its Home Rule Charter in 1948. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and eight Council members who are elected for staggered three-year terms. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), streets, water and sanitary sewer utilities, environmental health services, parks and recreation, public transportation, public facilities, planning and zoning, and general administrative services. The 1970 Census population for the City was 71,462 while the 2010 population was 175,396. The estimated population for 2019 is 194,000. The City covers approximately 80 square miles.

PLAN OF FINANCING

PURPOSE . . . The Notes are being issued for the purpose of (i) constructing and equipping a convention center facility for the City, and (ii) paying the costs of issuance of the Notes.

The Certificates are being issued for the purpose of paying contractual obligations to be incurred for (i) constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, entryways, pedestrian pathways, signage, traffic signalization and street noise abatement incidental thereto and the acquisition of land and rights-of-way therefor, (ii) improving and extending the City’s water and wastewater system and the acquisition of land and rights-of-way therefor, (iii) acquiring, constructing and equipping park facilities and the acquisition of land therefor and related infrastructure, (iv) constructing and improving parking facilities and the acquisition of land and rights-of-way therefor and (v) professional services rendered in connection therewith.

*Preliminary, subject to change.

USE OF NOTE PROCEEDS . . . Proceeds from the sale of the Notes, are expected to be expended as follows:

SOURCES OF FUNDS:	
Par Amount of Notes	\$ -
TOTAL SOURCES:	<u><u>\$ -</u></u>
USES OF FUNDS:	
Deposit to Project Fund	
Costs of Issuance	
Underwriter's Discount	
TOTAL USES:	<u><u>\$ -</u></u>

USE OF CERTIFICATE PROCEEDS . . . Proceeds from the sale of the Certificates are expected to be expended as follows:

SOURCES OF FUNDS:	
Par Amount of Certificates	\$ -
TOTAL SOURCES:	<u><u>\$ -</u></u>
USES OF FUNDS:	
Deposit to Project Fund	\$ -
Costs of Issuance	-
Underwriters' Discount	-
TOTAL USES:	<u><u>\$ -</u></u>

THE OBLIGATIONS

DESCRIPTION OF THE OBLIGATIONS. . . . The Obligations are dated August 15, 2019, and are scheduled to mature, with respect to the Notes, on February 15 in each of the years and in the amounts shown on page 2 and, with respect to the Certificates, on February 15 in each of the years and in the amounts shown on page 4 hereof. Interest on the Obligations will accrue from the Delivery Date, estimated to be August 29, 2019, and will be computed on the basis of a 360-day year of twelve 30-day months, to be payable on each August 15 and February 15 until maturity or prior redemption, commencing February 15, 2020. The definitive Obligations will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York (“DTC”) pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Obligations will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations. See “THE OBLIGATIONS - Book-Entry-Only System” herein.

Interest on the Obligations shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest shall be paid (i) by check sent United States Mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Obligations will be paid to the registered owner at their stated maturity or upon earlier redemption upon presentation to designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Obligations, all payments will be made as described under “THE OBLIGATIONS - Book-Entry-Only System” herein. If the date for any payment on the Obligations shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

AUTHORITY FOR ISSUANCE OF THE NOTES. . . . The Bonds are being authorized and issued pursuant to the Constitution and general laws of the State, particularly Texas Government Code, Chapter 1431, as amended, and the Note Ordinance.

AUTHORITY FOR ISSUANCE OF THE CERTIFICATES. . . The Certificates are being issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and the Certificate Ordinance.

SECURITY AND SOURCE OF PAYMENT FOR THE NOTES. . . The Notes are payable from a combination of (i) a continuing direct annual ad valorem tax levied by the City, within the limits prescribed by law, on all taxable property within the City sufficient to provide for the payment of principal of and interest on the Notes and (ii) a pledge of the Pledged Revenues consisting of (a) a limited pledge (\$2,500) of the tax increment received by the City from property located within the Tax Increment Financing Reinvestment Zone Number One, City of Grand Prairie, Texas (the "Zone") and (b) a pledge of 100 percent of the hotel occupancy taxes paid by persons for the use or possession of or the right to use possession of a room or space at the hotel project which are available to the City pursuant to the provisions of Section 351.102(c) Texas Tax Code, as amended, during the first 10 years after such hotel project is open for initial occupancy (the "State Hotel Occupancy Tax"), as provided in the Note Ordinance. No information is provided in this Official Statement about the State Hotel Occupancy Tax, including its collection or the related hotel projects. Accordingly, potential investors in the Notes should not rely to any extent on the pledge of the State Hotel Occupancy Tax securing the Notes.

SECURITY AND SOURCE OF PAYMENT FOR THE CERTIFICATES. . . The Certificates are payable from a combination of (i) a continuing direct annual ad valorem tax levied by the City, within the limits prescribed by law, upon all taxable property located within the City and (ii) a limited pledge of \$2,500 of the net revenues of the City's water and wastewater system, as provided in the Certificate Ordinance.

OPTIONAL REDEMPTION OF THE NOTES. . . The City reserves the right, at its option, to redeem Notes having stated maturities on and after [February 15, 20__], in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on [February 15, 20__], or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Notes are to be redeemed, the City may select the maturities of the Notes to be redeemed. If less than all of the Notes of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Notes are in Book-Entry-Only form) shall determine by lot the Notes, or portions thereof, within such maturity to be redeemed. If a Note (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Note (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

EXTRAORDINARY OPTIONAL REDEMPTION OF THE NOTES . . . In addition to the optional redemption provisions specified above under "- Optional Redemption of the Notes," if the City elects not to proceed with the development of a convention center facility for the City, the City will have the right to extraordinarily optionally redeem the Notes prior to maturity, from and to the extent there remains on deposit in the Tax Increment Fund (as defined in the Note Ordinance) unexpended Note proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

OPTIONAL REDEMPTION OF THE CERTIFICATES. . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after [February 15, 20__], in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on [February 15, 20__], or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Certificates are to be redeemed, the City may select the maturities of the Certificates to be redeemed. If less than all of the Certificates of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Certificates are in Book-Entry-Only form) shall determine by lot the Certificates, or portions thereof, within such maturity to be redeemed. If a Certificate (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Certificate (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

EXTRAORDINARY OPTIONAL REDEMPTION OF THE CERTIFICATES . . . In addition to the optional redemption provisions specified above under "- Optional Redemption of the Certificates," if the City elects not to proceed with any of the projects for which the Certificates were issued, the City will have the right to extraordinarily optionally redeem the Certificates prior to maturity, from and to the extent there remains on deposit in the project fund established in the Certificate Ordinance unexpended Certificate proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

NOTICE OF REDEMPTION. . . Not less than 30 days prior to a redemption date for the Obligations, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Obligations to be redeemed, in whole or in part, at the address of each registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE OBLIGATIONS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY OBLIGATION OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH OBLIGATION OR PORTION THEREOF SHALL CEASE TO ACCRUE.

With respect to any optional redemption, including the extraordinary optional redemption, of the Obligations, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Obligations to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Obligations and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Obligations have not been redeemed.

DEFEASANCE. . . The Ordinances provide for the defeasance of the Notes or the Certificates, as the case may be, when the payment of the principal of and premium, if any, on the Notes or the Certificates, as the case may be, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar, or other authorized escrow agent, in trust (1) money sufficient to make such payment or (2) Government Securities to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Notes or the Certificates, as the case may be. The Ordinances provide that “Government Securities” means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, and (d) any other then authorized securities or obligations that may be used to defease obligations such as the Obligations under applicable laws of the State of Texas. The City has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Obligations. Because the Ordinances do not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Government Securities or that for any other Government Security will be maintained at any particular rating category.

Upon such deposit as described above, the applicable Obligations shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment of the Obligations have been made as described above, all rights of the City to initiate proceedings to call the Obligations for redemption or take any other action amending the terms of the Obligations are extinguished; provided, however, that the right to call the Obligations for redemption is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Obligations for redemption; (ii) gives notice of the reservation of that right to the owners of the Obligations immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

AMENDMENTS. . . The City may, without the consent of or notice to any Holders of the Notes or the Certificates, from time to time and at any time, amend the Bond Ordinance or the Certificate Ordinance in any manner not detrimental to the interests of the Holders of the Notes or the Certificates, as applicable, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the City may, with the written consent of Holders of a majority in aggregate principal amount of the Notes or Certificates, as applicable, then Outstanding, amend, add to, or rescind any of the provisions of the Bond Ordinance or Certificate Ordinance; provided that, without the consent of all Holders of Outstanding Notes or Certificates, as applicable, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Obligations, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Obligations, (2) give any preference to any Bond or Certificate over any other Bond or Certificate, respectively, or (3) reduce the aggregate principal amount of Notes or Certificates, as applicable, required to be held by Holders for consent to any such amendment, addition, or rescission.

BOOK-ENTRY-ONLY SYSTEM. . . This section describes how ownership of the Obligations is to be transferred and how the principal of, premium, if any, and interest and redemption payments on the Obligations are to be paid to and credited by DTC while the Obligations are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City, the Financial Advisor and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The City, the Financial Advisor and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Obligations, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Obligations), or redemption or other notices, to

the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered certificate will be issued for each stated maturity of the Obligations in the aggregate principal amount of each such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Obligations under the DTC system must be made by or through DTC Participants, which will receive a credit for such purchases on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Direct or Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Obligations are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. **Beneficial Owners will not receive certificates representing their ownership interests in the Obligations, except in the event that use of the book-entry system described herein is discontinued.**

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Obligations, unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the Record Date (hereinafter defined). The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Obligations are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

All payments on the Obligations will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be

the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent/Registrar, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to one or both series of the Obligations at any time by giving reasonable notice to the City or Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Obligations are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered.

Effect of Termination of Book-Entry-Only System. . . In the event that the Book-Entry-Only System is discontinued, printed Obligation certificates will be issued to the holders and the Obligations will be subject to transfer, exchange and registration provisions as set forth in the Ordinances and summarized under "THE OBLIGATIONS - Transfer, Exchange and Registration" herein.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement it should be understood that while the Obligations are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Obligations, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinances will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City, the Financial Advisor or the Underwriters.

PAYING AGENT/REGISTRAR. . . The initial Paying Agent/Registrar for the Obligations is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. In the Ordinances, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Obligations are duly paid and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Obligations, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of such Obligations by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of the Obligations will be payable to the registered owner at maturity or prior redemption upon presentation at the principal office of the Paying Agent/Registrar. Interest on the Obligations shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (see "THE OBLIGATIONS – Record Date for Interest Payment" herein), and such interest shall be paid (i) by check sent by United States Mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Obligations shall be a Saturday, Sunday, legal holiday or day when banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. So long as Cede & Co. is the registered owner of the Obligations, payments of principal and interest on the Obligations will be made as described in "THE OBLIGATIONS - Book-Entry-Only System" herein.

TRANSFER, EXCHANGE AND REGISTRATION. . . In the event the Book-Entry-Only System should be discontinued with respect to the Notes or the Certificates, printed Notes or Certificates, as the case may be, will be delivered to the registered owners thereof, and thereafter the Notes or Certificates, as the case may be, may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar, and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Obligations may be assigned by the execution of an assignment form on the respective Obligations or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Obligations will be delivered by the Paying Agent/Registrar, in lieu of the Obligations being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Obligations issued in an exchange or transfer of Obligations will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Obligations to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Obligations registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Obligations surrendered for exchange or transfer. See "THE OBLIGATIONS - Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Obligations. Neither the City nor the Paying Agent/Registrar

shall be required to transfer or exchange any Obligation called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation on transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of an Obligation.

RECORD DATE FOR INTEREST PAYMENT. . . The record date (“Record Date”) for the interest payable on the Obligations on any interest payment date means the close of business on the last business day of the preceding month.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of an Obligation appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

OBLIGATIONHOLDERS’ REMEDIES. . . If the City defaults in the payment of principal, interest or redemption price, as applicable, on the Obligations when due, or if it fails to make payments into any fund or funds created in the Ordinances, or defaults in the observation or performance of any other covenants, conditions or obligations set forth in the Ordinances, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Obligations if there is no other available remedy at law to compel performance of the Obligations or the Ordinances and the City’s obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Obligations in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinances do not provide for the appointment of a trustee to represent the interest of the holders of the Obligations upon any failure of the City to perform in accordance with the terms of the Ordinances, or upon any other condition and, accordingly, all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners.

On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W. 3d 427 (Tex. 2016) (“Wasson”) that sovereign immunity does not imbue a city with derivative immunity when it performs proprietary, as opposed to governmental, functions in respect to contracts executed by a city. The Texas Supreme Court reviewed *Wasson* again in June 2018 and clarified that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore in regard to municipal contract cases (as in tort claims) it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under the authority or for the benefit of the state. If sovereign immunity is determined by a court to exist, then the Texas Supreme Court has ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in “clear and unambiguous” language. Because it is unclear whether the Texas legislature has effectively waived the City’s sovereign immunity from a suit for money damages, holders of the Obligations may not be able to bring such a suit against the City for breach of the Obligations or the covenants in the Ordinances. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City’s property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Obligations.

Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code (“Chapter 9”). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or holders of the Obligations of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce remedies would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinions of Bond Counsel will note that all opinions relative to the enforceability of the Ordinances and the Obligations are qualified with respect to the customary rights of debtors relative to their creditors.

TAX INFORMATION

AD VALOREM TAX LAW. . . The appraisal of property within the City is the responsibility of the Dallas Central Appraisal District, the Tarrant Appraisal District and the Ellis Appraisal District (collectively the “Appraisal District”). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under V.T.C.A., Title 1, Tax Code, as amended (the “Property Tax Code”), to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. State law requires the appraised value of a

residence homestead to be based solely on the property's value as a residence homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a residence homestead for a tax year to an amount not to exceed the lesser of (1) the property's market value for the most recent tax year in which the market value was determined by the appraisal office or (2) the sum of (a) 10% of the property's appraised value for the preceding tax year, plus (b) the property's appraised value for the preceding tax year, plus (c) the market value of all new improvements to the property. The value placed upon property within the Appraisal District is subject to review by an Appraisal Review Board within each Appraisal District, consisting of members appointed by the Board of Directors of each respective Appraisal District. Each respective Appraisal District is required to review the value of property within each respective Appraisal District at least every three years. The City may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the City by petition filed with the appropriate Appraisal Review Board.

Reference is made to the Property Tax Code for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Under Section 1-b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant an exemption of not less than \$3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision. Once authorized, such exemption may be repealed or decreased or increased in amount (i) by the governing body of the political subdivision or (ii) by a favorable vote of a majority of the qualified voters at an election called by the governing body of the political subdivision, which election must be called upon receipt of a petition signed by at least 20% of the number of qualified voters who voted in the preceding election of the political subdivision. In the case of a decrease, the amount of the exemption may not be reduced to less than \$3,000 of the market value.

The surviving spouse of an individual who qualifies for the foregoing exemption for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

In addition to any other exemptions provided by the Property Tax Code, the governing body of a political subdivision, at its option, may grant an exemption of up to 20% of the market value of residence homesteads, with a minimum exemption of \$5,000.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces. The exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from \$5,000 a maximum of \$12,000; provided, however, that a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. Furthermore, and subject to certain conditions, surviving spouses of a deceased veteran who had received a disability rating of 100% will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries.

A partially disabled veteran or the surviving spouse of a partially disabled veteran is entitled to an exemption equal to the percentage of the veteran's disability, if the residence was donated at no cost to the veteran by a charitable organization.

The surviving spouse of a member of the armed forces who is killed in action is entitled to a property tax exemption for all or part of the market value of such surviving spouse's residence homestead, if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption is transferable to a different property of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received. Additionally, following the approval by the voters at a November 7, 2017 statewide election (with an effective date of January 1, 2018), the surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to a property tax exemption for all or part of the market value of such surviving spouse's residence homestead, if the surviving spouse has not remarried since the first responder's death and said property was the first responder's residence homestead at the time of death. Such exemption is transferable to a different property of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

Under Article VIII and State law, the governing body of a county, municipality, or junior college district may freeze the total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older to the amount of taxes

imposed in the year such residence qualified for such exemption. Also, upon receipt of a petition signed by five percent of the registered voters of the county, municipality, or junior college district, an election must be held to determine by majority vote whether to establish such a limitation on taxes paid on residence homesteads of persons 65 years of age or who are disabled. Upon providing for such exemption, such freeze on ad valorem taxes is transferable to a different residence homestead. Also, a surviving spouse of a taxpayer who qualifies for the freeze on ad valorem taxes is entitled to the same exemption so long as the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse and the spouse was at least 55 years of age at the time of the death of the individual's spouse. If improvements (other than repairs or improvements required to comply with governmental requirements) are made to the property, the value of the improvements is taxed at the then current tax rate, and the total amount of taxes imposed is increased to reflect the new improvements with the new amount of taxes then serving as the ceiling on taxes for the following years. Once established, the tax rate limitation may not be repealed or rescinded.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Sections 1-d and 1-d-1.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

Article VIII, Section 1-j, provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

Effective for tax years 2008 and thereafter, Article VIII, Section 1-n of the Texas Constitution provides for an exemption from taxation for "goods-in-transit," which are defined as personal property acquired or imported into the State and transported to another location inside or outside the State within 175 days of the date the property was acquired or imported into the State. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy equipment and manufactured housing inventory. After holding a public hearing, a taxing unit may take action by January 1 of the year preceding a tax year to tax goods-in-transit during the following year. A taxpayer may obtain only a freeport exemption or a goods-in-transit exemption, but not both, for items of personal property.

A city or a county may utilize tax increment financing, pursuant to the Tax Increment Financing Act, Texas Tax Code, Chapter 311, to encourage development and redevelopment within a designated tax increment reinvestment zone ("TIRZ"). Taxes collected from increases in valuation above the base value (the "captured appraised value") by each taxing unit that levies ad valorem taxes on real property in the TIRZ may be used to pay costs of infrastructure or other public improvements in the TIRZ and to supplement or act as a catalyst for private development in the defined area of the TIRZ. The tax increment base value for a taxing unit is the total appraised value of all real property taxable by the taxing unit and located in the TIRZ as of January 1 of the year in which the city created the TIRZ. Each taxing unit can choose to dedicate all, any portion or none of its taxes collected from the captured appraised value to the costs of improvements in the TIRZ. The amount of a taxing unit's tax increment for a year is the amount of property taxes levied by the taxing unit for that year on the captured appraised value of real property taxable by the taxing unit and located in the TIRZ, multiplied by the taxing unit's percentage level of participation.

The City also may enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The City in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

The City is also authorized, pursuant to Chapter 380, Texas Local Government Code, as amended ("Chapter 380"), to establish programs to promote state or local economic development and to stimulate business and commercial activity in the City. In accordance with a program established pursuant to Chapter 380, the City may make loans or grants of public funds for economic development purposes, however no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the City. The City may contract with the federal government, the State, another political subdivision, a nonprofit organization or any other entity, including private entities, for the administration of such a program.

TAX RATE LIMITATION. . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$2.50 per each \$100 of Taxable Assessed Valuation for all City purposes. The Home Rule Charter of the City adopts the constitutionally authorized maximum tax rate of \$2.50 per each \$100 of Taxable Assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all general obligation debt, based on a 90% tax collection rate as calculated at the time of issuance.

Public Hearing and Maintenance and Operation Tax Rate Limitations

The following terms as used in this section have the meanings provided below:

“adjusted” means lost values are not included in the calculation of the prior year’s taxes and new values are not included in the current year’s taxable values.

“de minimis rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted), plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year’s taxable value, plus the debt service tax rate.

“effective tax rate” means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year’s total tax levy (adjusted) from the current year’s total taxable values (adjusted).

“no-new-revenue tax rate” means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year’s total tax levy (adjusted) from the current year’s total taxable values (adjusted).

“rollback tax rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted) multiplied by 1.08, plus the debt service tax rate.

“special taxing unit” means a city for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value.

“unused increment rate” means the cumulative difference between a city’s voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a city’s tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

“voter-approval tax rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the “unused increment rate”.

The City’s tax rate consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the “maintenance and operations tax rate”), and (2) a rate for funding debt service in the current year (the “debt service tax rate”). Under State law, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the City to the City Council by August 1 or as soon as practicable thereafter.

For the 2019 tax year, the procedures in this paragraph apply. After the assessor submits the appraisal roll, a designated officer or employee of the City is required to calculate its “rollback tax rate” and “effective tax rate”. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, and may not adopt a tax rate that exceeds the lower of its “rollback tax rate” or “effective tax rate” (as such terms are defined below) until it has held two public hearings on the proposed increase following notice to the taxpayers and otherwise complied with the Property Tax Code. The Property Tax Code provides that if the adopted tax rate exceeds the rollback tax rate, qualified voters of the city, by petition, may require that an election be held to determine whether or not to reduce the adopted tax rate to the rollback tax rate. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-effective tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

Effective January 1, 2020, the terms rollback tax rate and effective tax rate will be replaced, respectively, with the terms “voter-approval tax rate” and “no-new-revenue tax rate”. Beginning with the 2020 tax year, the procedures in this paragraph and the following paragraphs apply. A city must annually calculate its “voter-approval tax rate” and “no-new-revenue tax rate” (as such terms are defined above) in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

As described below, the Property Tax Code provides that if a city adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its “de minimis rate”, an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A city may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until each appraisal district in which such city participates has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase.

For cities with a population of 30,000 or more as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the voter-approval tax rate, that city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its “voter-approval tax rate” using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city’s total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City’s ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City’s tax-supported debt obligations, including the Obligations.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

City and Taxpayer Remedies

Under certain circumstances, the City and its taxpayers may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the City may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value of at least \$50 million and situated in a county with a population of one million or more as of the most recent federal decennial census may additionally protest the determinations of appraisal district directly to a three-member special panel of the appraisal review board, selected by a State district judge, consisting of highly qualified professionals in the field of property tax appraisal.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the City and provides for taxpayer referenda that could result in the repeal of certain tax increases (See “– Public Hearing and Maintenance and Operation Tax Rate Limitations”). The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Reference is made to the Property Tax Code and Tex. S.B. 2, 86th Leg. RS (2019) for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

2019 LEGISLATIVE SESSION . . . The 86th Regular Legislative Session convened on January 8, 2019 and adjourned on May 27, 2019. Legislation that changes current laws affecting ad valorem tax matters, including calculation of the rollback tax rate and rollback election process for maintenance tax increases, was adopted on May 27, 2019 and signed by the Texas Governor on June 12, 2019. This legislation will impact the City’s future budgeting and the levy and collection of ad valorem taxes for maintenance and operations purposes. The City does not anticipate that this legislation will impact its ability to levy and collect ad valorem taxes for debt service purposes.

PROPERTY ASSESSMENT AND TAX PAYMENT. . . Property within the City is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Oil and gas reserves are assessed on the basis of a valuation process which uses either the most recently published edition of the Annual Energy Outlook or the Short-Term Energy Outlook report, both published by the United States Energy Information Administration, as well as appraisal formulas developed by the State Comptroller of Public Accounts. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1.

PENALTIES AND INTEREST. . . Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Cumulative Penalty	Cumulative Interest ⁽¹⁾	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	32 ⁽²⁾	6	38

(1) Interest continues to accrue after July 1 at the rate of 1% per month until paid.

(2) Includes an amount of up to 20% which may be assessed after July 1 to defray attorney expenses. Since 1987, the City has employed an outside attorney to collect its delinquent ad valorem taxes.

After July, the penalty remains at 12%, and interest accrues at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. A delinquent tax continues to accrue interest as long as the tax remains unpaid, regardless of whether a judgment for the delinquent tax has been rendered. The purpose of imposing such interest penalty is to compensate the taxing unit for revenue lost because of the delinquency. In addition, if an account is delinquent in July, an attorney’s collection fee of up to 20% may be added to the total tax, penalty and interest charge. Under certain circumstances, taxes which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the City’s lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

CITY APPLICATION OF TAX CODE . . . The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of \$45,000; the disabled are also granted an exemption of \$30,000.

The City has granted an additional exemption of 7.5% of the market value of residence homesteads; minimum exemption of \$5,000.

See Table 1 for a listing of the amounts of the exemptions described above.

The City has adopted the tax freeze for citizens who are disabled or are 65 years of age or older, which became a local option and subject to local referendum on January 1, 2004.

Ad valorem taxes are not levied by the City against the exempt value of residence homesteads for the payment of debt.

The City does not tax nonbusiness personal property.

Dallas County collects taxes for the City by contract.

The City does permit split payments, and discounts are not allowed.

The City does not tax freeport property.

The City does not collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The City has adopted partial tax abatement guidelines. See “DEBT INFORMATION – TAX ABATEMENT” herein. The City granted partial tax abatements to seven companies. See “TAX ABATEMENTS” below.

The City has created three tax increment financing zones, but at this time only two are active.

TAX ABATEMENTS..... As of the 2017 certified roll (used for 2018 fiscal year) the City’s abatement agreements with seven companies resulted in \$54,157,220 in appraised values being exempt from taxation, totaling \$232,425 in taxes abated on the 2017 certified tax roll (used for the 2018 fiscal year).

TAX INCREMENT FINANCING ZONES..... Three TIRZs have been created within the City, with two being currently active, TIRZ No. 1 and TIRZ No. 3. TIRZ No. 1 was recently expanded to include more land mass within the City. Both active TIRZs are expected to have combined property tax increments of approximately \$2,556,361 for Fiscal Year 2019. For the Fiscal Year 2020, the City anticipates property tax revenue increments of \$3,399,770. Both active TIRZs are still being developed.

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

Tax Year 2019 (FY 19-20) Market Valuation Established by Dallas Central Appraisal District, Tarrant Appraisal District, and Ellis Appraisal District		\$ 20,325,673,616
Less Exemptions/Reductions		
Homestead	\$ 459,022,839	
Over 65 & Disabled	373,156,804	
Disabled Veterans	138,427,888	
Agricultural Use Reductions	34,372,699	
Non-Taxable/Totally Exempt	1,436,365,414	
Tax Abatements	38,649,813	
Freeport Property	965,572,510	
Pollution Control	2,676,177	
Under \$500	550,935	
Com HSE DEV	12,303,303	
Capped Value Loss	<u>539,452,126</u>	
Total Exemptions/Reductions		\$ 4,000,550,508
2019/2020 Taxable Assessed Valuation		\$ 16,325,123,108
Outstanding General Obligation Debt as of 8/30/2019 ⁽¹⁾		\$ 236,570,000
The Series 2019 Bonds ⁽²⁾		20,050,000
The Series 2019A Certificates ⁽²⁾		35,800,000
The Taxable Series 2019B Certificates ⁽³⁾		34,460,000
The Taxable Series 2019 Notes ⁽³⁾		<u>7,135,000</u>
Total Outstanding General Obligation Debt as of 8/30/2019		\$ 334,015,000
Less Self-Supporting General Obligation Debt		
Airport	\$ 885,000	
Tax Increment Financing District No. 1	7,430,000	
Public Improvement Districts	450,000	
Crime Control Prevention District	15,880,000	
Total General Obligation Self-Supporting Debt		\$ 24,645,000
Net General Obligation Debt Payable from Ad Valorem Taxes as of 8/30/2019		\$ 309,370,000
Interest and Sinking Fund balance as of June 1, 2019		\$ 9,090,910
Ratio General Obligation Tax Debt to Taxable Assessed Valuation		1.90%
2019 Estimated Population -	194,000	
Per Capita Taxable Assessed Valuation -	\$ 84,150	
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes -	\$ 1,595	

(1) Excludes the Refunded Obligations relating to the Series 2019 Bonds. Preliminary, subject to change.

(2) Preliminary, subject to change. Being issued concurrently under a separate Official Statement.

(3) Preliminary, subject to change.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Taxable Appraised Value for Fiscal Year Ended September 30, ⁽¹⁾						
	2020		2019		2018	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 8,702,702,995	42.82%	\$ 8,170,636,070	44.14%	\$ 7,205,616,896	42.51%
Real, Residential, Multi-Family	588,113,327	2.89%	1,445,719,187	7.81%	1,195,400,186	7.05%
Real, Vacant Platted Lots/Tracts	295,614,469	1.45%	292,948,871	1.58%	254,817,282	1.50%
Real, Acreage (Land Only)	74,627,276	0.37%	80,528,897	0.44%	41,567,047	0.25%
Real, Farm and Ranch Improvements	785,322	0.00%	6,500,357	0.04%	5,527,965	0.03%
Real, Commercial and Industrial	5,352,103,009	26.33%	3,474,724,125	18.77%	3,179,117,750	18.75%
Oil, Gas Mineral Reserves	37,733,271	0.19%	18,860,928	0.10%	17,500,902	0.10%
Real and Tangible Personal, Utilities	217,058,489	1.07%	197,390,503	1.07%	180,239,772	1.06%
Tangible Personal, Business	3,475,124,423	17.10%	3,223,646,846	17.41%	3,194,539,962	18.85%
Tangible Personal, Other	2,657,940	0.01%	10,116,667	0.05%	10,620,787	0.06%
Special Inventory	56,371,520	0.28%	65,354,817	0.35%	27,949,740	0.16%
Certified values in dispute	411,654,898	2.03%	200,811,716	1.08%	451,951,792	2.67%
Non-Taxable Property	1,111,126,677	5.47%	1,324,853,428	7.16%	1,186,206,863	7.00%
Total Appraised Value Before Exemptions	\$ 20,325,673,616	100.00%	\$ 18,512,092,412	100.00%	\$ 16,951,056,944	100.00%
Less Exemptions:						
Homestead	\$ 459,022,839		\$ 309,413,678		\$ 303,360,667	
Over 65 & Disabled	373,156,804		363,401,064		348,917,131	
Disabled Veterans	138,427,888		116,731,369		89,178,560	
Agricultural/Open Spaces	34,372,699		77,724,519		58,841,508	
Non-Taxable	1,436,365,414		1,324,853,428		1,188,530,014	
Tax Abatements	38,649,813		30,822,819		33,750,575	
Freeport Property	965,572,510		1,001,108,814		977,034,125	
Pollution Control	2,676,177		2,593,394		2,796,427	
Under \$500	550,935		380,851		331,081	
Com HSE DEV	12,303,303 ⁽²⁾		91,880 ⁽²⁾		11,800,000 ⁽²⁾	
Foreign Trade Zone	0		85,674,719		83,934,151	
Capped Value Loss	539,452,126		444,280,284		330,975,497	
Total Exemptions	\$ 4,000,550,508		\$ 3,757,076,819		\$ 3,429,449,736	
Taxable Assessed Value	\$ 16,325,123,108		\$ 14,755,015,593		\$ 13,521,607,208	

Taxable Appraised Value for Fiscal Year Ended September 30, ⁽¹⁾				
	2017		2016	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 6,438,258,351	41.71%	\$ 5,598,320,712	41.35%
Real, Residential, Multi-Family	1,040,598,212	6.74%	956,544,517	7.06%
Real, Vacant Platted Lots/Tracts	257,414,968	1.67%	298,300,767	2.20%
Real, Acreage (Land Only)	39,674,804	0.26%	66,809,237	0.49%
Real, Farm and Ranch Improvements	5,933,552	0.04%	-	0.00%
Real, Commercial and Industrial	2,666,907,843	17.28%	2,309,898,408	17.06%
Oil, Gas Mineral Reserves	19,990,442	0.13%	69,596,184	0.51%
Real and Tangible Personal, Utilities	155,867,326	1.01%	106,212,689	0.78%
Tangible Personal, Business	2,963,382,157	19.20%	2,638,575,290	19.49%
Tangible Personal, Other	12,778,481	0.08%	11,105,760	0.08%
Special Inventory	33,571,160	0.22%	27,974,640	0.21%
Certified values in dispute	641,814,478	4.16%	617,099,036	4.56%
Non-Taxable Property	1,158,856,652	7.51%	839,031,138	6.20%
Total Appraised Value Before Exemptions	\$ 15,435,048,426	100.00%	\$ 13,539,468,378	100.00%
Less Exemptions:				
Homestead	\$ 153,810,211		\$ 152,148,129	
Over 65 & Disabled	339,969,033		322,141,545	
Disabled Veterans	67,853,915		50,856,893	
Agricultural/Open Spaces	58,399,630		45,634,536	
Non-Taxable	1,160,499,872		837,424,401	
Tax Abatements	39,794,679		42,528,834	
Freeport Property	987,345,764		895,937,112	
Pollution Control	3,356,858		3,012,520	
Under \$500	368,758		401,420	
Com HSE DEV	11,100,000		-	
Foreign Trade Zone	79,997,426		78,504,679	
Capped Value Loss	214,661,472		15,268,309	
Total Exemptions	\$ 3,117,157,618		\$ 2,443,858,378	
Taxable Assessed Value	\$ 12,317,890,808		\$ 11,095,610,000	

(1) Valuations shown are certified taxable assessed values reported by the three Appraisal Districts to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal Districts updates records. Regarding variances between the three districts require some estimates or adjustments to these categories' details.

(2) Under review by City staff.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	Net G.O. Tax Debt Outstanding at End of Year ⁽³⁾	Ratio of Net G.O. Tax Debt to Taxable Assessed Valuation	Net G.O. Tax Debt Per Capita
2014	181,230	\$ 9,842,362,530 ⁽⁴⁾	\$ 54,309	\$ 148,553,000	1.51%	\$ 820
2015	181,230	10,558,457,782 ⁽⁵⁾	58,260	161,857,000	1.53%	893
2016	182,610	11,095,610,000 ⁽⁶⁾	60,761	175,810,000	1.58%	963
2017	184,620	12,317,890,808 ⁽⁷⁾	66,720	191,200,000	1.55%	1,036
2018	187,000	13,521,607,208 ⁽⁸⁾	72,308	211,985,000	1.57%	1,134
2019	194,000	14,755,015,593 ⁽⁹⁾	76,057	309,370,000 ⁽¹⁰⁾	2.10%	1,595

(1) Source: City Staff.

(2) As reported by the Dallas Central Appraisal District, Tarrant Appraisal District, and Ellis Central Appraisal District on the City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Projected excludes revenue-supported general obligation debt. See "TABLE 9 - Computation of Self-Supporting Debt"

(4) Includes taxable incremental value of approximately \$487,063,500 that is not available for the City's general use.

(5) Includes taxable incremental value of approximately \$528,935,423 that is not available for the City's general use.

(6) Includes taxable incremental value of approximately \$147,301,648 that is not available for the City's general use.

(7) Includes taxable incremental value of approximately \$214,042,756 that is not available for the City's general use.

(8) Includes taxable incremental value of approximately \$281,406,819 that is not available for the City's general use.

(9) Includes taxable incremental value of approximately \$381,547,594 that is not available for the City's general use.

(10) Includes the Obligations, as well as the Series 2019A Certificates and the Series 2019 Bonds being offered concurrently under a separate Official Statement. Excludes the Refunded Obligations relating to the Series 2019 Bonds. Preliminary, subject to change.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2015	\$ 0.669998	\$ 0.484892	\$ 0.185106	\$ 70,741,456	98.10%	98.81%
2016	0.669998	0.484892	0.185106	74,340,365	98.92%	100.23%
2017	0.669998	0.473549	0.196449	82,529,622	98.08%	98.85%
2018	0.669998	0.471196	0.198802	88,709,078	98.77%	98.77%
2019	0.669998	0.463696	0.206302	98,858,309	99.80% ⁽¹⁾	100.40% ⁽¹⁾

(1) Collections through February 28, 2019.

(THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY)

TABLE 5 - TEN LARGEST TAXPAYERS ⁽¹⁾

Name of Taxpayer	Nature of Property	Tax Year 2018	% of Total
		Taxable Assessed Valuation	Taxable Assessed Valuation
Lockheed Martin	Defense Industry	\$ 121,053,438	0.82%
Duke Realty LTD PS	Real Estate	117,894,403	0.80%
Poly America LP	Manufacturing	107,626,258	0.73%
Grand Prairie Outlets LLC	Outlet Mall	100,248,779	0.68%
Bell Helicopter-Textron Inc.	Defense Industry	96,810,273	0.66%
Oncor Electric Delivery	Utility	89,916,171	0.61%
CHI/Wildlife 5 LP	Real Estate	83,173,050	0.56%
2803 Riverside Apt Investors LLC	Real Estate	59,390,000	0.40%
Mars Partners LTD	Real Estate	53,345,234	0.36%
Haier US Appliance Solutions Inc.	Manufacturing	49,913,243	0.34%
		<u>\$ 879,370,849</u>	<u>5.96%</u>

(1) Source: The Appraisal District.

GENERAL OBLIGATION DEBT LIMITATION. . . No general obligation debt limitation is imposed on the City under current State law or the City’s Home Rule Charter (see “TAX INFORMATION – Tax Rate Limitation”).

TABLE 6 - ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt (“Tax Debt”) was developed from information contained in “Texas Municipal Reports” (the “MAC Reports”) published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued Tax Debt since the date of the MAC Reports, and such entities may have programs requiring the issuance of substantial amounts of Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Body	2018/2019		G.O. Debt as of 5/31/2019	Estimated % Overlapping	Overlapping G.O. Debt
	Taxable Assessed Valuation	2018/2019 Tax Rate			
Arlington Independent School District	\$ 27,332,963,659	\$ 1.3687	\$ 766,072,018	18.70%	\$ 143,255,467
Cedar Hill Independent School District	3,599,590,013	1.3760	108,705,013	4.82%	5,239,582
Dallas County	243,677,733,215	0.2431	166,685,000	2.81%	4,683,849
Dallas County Community College District	250,711,265,787	0.1242	182,800,000	2.81%	5,136,680
Dallas County Flood Control District #1	167,070,378	1.8000	23,355,000	0.79%	184,505
Parkland Hospital District	244,186,272,009	0.2794	687,775,000	2.83%	19,464,033
Dallas County Schools	207,228,323,960	0.0090	33,815,000	2.83%	956,965
Ellis County	15,355,774,687	0.3710	35,325,000	0.07%	24,728
Grand Prairie Independent School District	7,290,227,263	1.5950	478,515,000	90.96%	435,257,244
Irving Independent School District	13,439,011,068	1.4011	407,935,000	0.72%	2,937,132
Mansfield Independent School District	13,804,138,953	1.5400	773,725,000	13.49%	104,375,503
Midlothian Independent School District	4,499,126,313	1.5400	356,066,373	0.21%	747,739
Tarrant County	180,110,821,859	0.2340	294,500,000	4.07%	11,986,150
Tarrant County Hospital District	180,270,255,261	0.2244	17,735,000	4.07%	721,815
			<u>\$ 4,333,008,404</u>		<u>\$ 734,971,389</u>
City of Grand Prairie	\$ 14,755,015,593	\$ 0.6699	\$ 334,015,000 ⁽¹⁾	100.00%	\$ 334,015,000
Total Direct and Overlapping Debt.....					\$ 1,068,986,389
Total Direct and Overlapping Debt to City's Taxable Assessed Value.....					7.24%

(1) Includes the Obligations, as well as the Series 2019A Certificates, and the Series 2019 Bonds being offered concurrently under a separate Official Statement. Excludes the Refunded Obligations relating to the Series 2019 Bonds. Preliminary, subject to change.

DEBT INFORMATION

TABLE 7 - PRO-FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 9/30	Outstanding Debt Service ⁽¹⁾			The Series 2019 Bonds ⁽²⁾			The Series 2019A Certificates ⁽²⁾			The Taxable Series 2019B Certificates ⁽²⁾			The Taxable Series 2019 Notes ⁽²⁾			Less: Self- Supporting Debt Service	Net General Obligation Debt Service	% of Principal Retired
	Principal	Interest	Total D/S	Principal	Interest	Total D/S	Principal	Interest	Total D/S	Principal	Interest	Total D/S	Principal	Interest	Total D/S			
2019	\$ 27,195,000	\$ 13,345,313	\$ 40,540,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,201,969	\$ 28,338,343	
2020	28,960,000	11,299,110	40,259,110	-	713,730	713,730	1,790,000	1,455,748	3,245,748	-	1,005,624	1,005,624	-	193,003	193,003	11,651,563	33,765,651	
2021	25,105,000	9,488,041	34,593,041	3,835,000	870,075	4,705,075	1,815,000	1,434,925	3,249,925	-	1,046,315	1,046,315	-	200,812	200,812	10,468,582	33,326,585	
2022	23,225,000	7,704,281	30,929,281	4,055,000	672,825	4,727,825	1,905,000	1,341,925	3,246,925	2,220,000	1,017,788	3,237,788	450,000	195,030	645,030	8,084,885	34,701,963	
2023	16,520,000	6,110,971	22,630,971	2,910,000	498,700	3,408,700	2,005,000	1,244,175	3,249,175	2,275,000	959,458	3,234,458	465,000	183,156	648,156	282,325	32,889,135	40.07%
2024	17,180,000	5,455,134	22,635,134	2,420,000	365,450	2,785,450	2,100,000	1,141,550	3,241,550	2,335,000	898,483	3,233,483	480,000	170,656	650,656	285,475	32,260,798	
2025	12,200,000	4,865,368	17,065,368	1,310,000	272,200	1,582,200	1,350,000	1,055,300	2,405,300	2,400,000	834,071	3,234,071	490,000	157,462	647,462	82,000	24,852,401	
2026	12,115,000	4,349,709	16,464,709	915,000	216,575	1,131,575	1,420,000	986,050	2,406,050	2,470,000	765,387	3,235,387	5,250,000	75,338	5,325,338	-	28,563,058	
2027	11,885,000	3,832,590	15,717,590	950,000	169,950	1,119,950	1,395,000	915,675	2,310,675	2,545,000	692,785	3,237,785	-	-	-	-	22,386,000	
2028	9,765,000	3,362,265	13,127,265	1,000,000	126,200	1,126,200	1,460,000	851,600	2,311,600	2,620,000	616,066	3,236,066	-	-	-	-	19,801,131	66.66%
2029	10,170,000	2,942,640	13,112,640	850,000	89,200	939,200	1,520,000	792,000	2,312,000	2,700,000	535,059	3,235,059	-	-	-	-	19,598,899	
2030	9,055,000	2,555,887	11,610,887	885,000	54,500	939,500	1,580,000	730,000	2,310,000	2,785,000	449,472	3,234,472	-	-	-	-	18,094,859	
2031	9,015,000	2,216,380	11,231,380	920,000	18,400	938,400	1,645,000	665,500	2,310,500	2,880,000	358,242	3,238,242	-	-	-	-	17,718,522	
2032	9,360,000	1,880,479	11,240,479	-	-	-	1,710,000	598,400	2,308,400	2,975,000	261,769	3,236,769	-	-	-	-	16,785,647	
2033	9,720,000	1,514,528	11,234,528	-	-	-	1,780,000	528,600	2,308,600	3,075,000	160,570	3,235,570	-	-	-	-	16,778,698	86.77%
2034	9,280,000	1,125,369	10,405,369	-	-	-	1,855,000	455,900	2,310,900	3,180,000	54,378	3,234,378	-	-	-	-	15,950,647	
2035	7,700,000	772,906	8,472,906	-	-	-	1,930,000	380,200	2,310,200	-	-	-	-	-	-	-	10,783,106	
2036	6,095,000	490,700	6,585,700	-	-	-	2,010,000	301,400	2,311,400	-	-	-	-	-	-	-	8,897,100	
2037	3,995,000	288,900	4,283,900	-	-	-	2,090,000	219,400	2,309,400	-	-	-	-	-	-	-	6,593,300	
2038	2,560,000	157,800	2,717,800	-	-	-	2,175,000	134,100	2,309,100	-	-	-	-	-	-	-	5,026,900	98.64%
2039	2,665,000	53,300	2,718,300	-	-	-	2,265,000	45,300	2,310,300	-	-	-	-	-	-	-	5,028,600	100.00%
	<u>\$ 263,765,000</u>	<u>\$ 83,811,670</u>	<u>\$ 347,576,670</u>	<u>\$ 20,050,000</u>	<u>\$ 4,067,805</u>	<u>\$ 24,117,805</u>	<u>\$ 35,800,000</u>	<u>\$ 15,277,748</u>	<u>\$ 51,077,748</u>	<u>\$ 34,460,000</u>	<u>\$ 9,655,465</u>	<u>\$ 44,115,465</u>	<u>\$ 7,135,000</u>	<u>\$ 1,175,455</u>	<u>\$ 8,310,455</u>	<u>\$ 43,056,799</u>	<u>\$ 432,141,343</u>	

(1) Interest on the Combination Tax & Tax Increment Revenue Certificates of Obligation, Series 2001 and Tax & Revenue Certificates of Obligation, Series 2008 is calculated at the maximum rate of 15%. Excludes the Refunded Obligations relating to the Series 2019 Bonds. Preliminary, subject to change.

(2) Preliminary; Subject to Change.

TABLE 8 - INTEREST AND SINKING FUND BUDGET PROJECTION ⁽¹⁾

Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/2019		\$ 31,634,008
Interest and Sinking Fund 9/30/2018	\$ 5,535,816	
Budgeted 2019 Interest and Sinking Fund Tax Levy @ 98% Collection	29,779,463	
Prior year taxes and refunds	200,000	
TIFF Contribution	(579,138)	
Transfer from Section 8/Cemetery	50,000	
Total Available		<u>\$ 34,986,141</u>
Estimated Balance, Fiscal Year Ending 9/30/2019		\$ 3,352,133

(1) Data provided by the City.

TABLE 9 - COMPUTATION OF SELF-SUPPORTING DEBT

	Crime Control District ⁽¹⁾	Airport Fund	TIF #1	Westchester PID 1	Forum Estates PID 5
Resources Available for Debt Service Fiscal Year Ended 9/30/2018	\$ 16,185,875	\$ 453,389	\$ 12,192,267	\$ 520,570	\$ 330,201
Less: Revenue Bond Requirements, Fiscal Year Ended 9/30/2018	-	-	-	-	-
Balance Available for payment of Self-Supporting General Obligation Debt	\$ 16,185,875	\$ 453,389	\$ 12,192,267	\$ 520,570	\$ 330,201
General Obligation Bonds and Certificates of Obligation Debt Service Requirements, Fiscal Year Ended 9/30/2019	5,185,959	196,979	3,965,520	183,600	83,600
Balance	\$ 10,999,916	\$ 256,410	\$ 8,226,748	\$ 336,970	\$ 246,601
Percentage of System General Obligation Bonds and Certificates of Obligation Self-Supporting	100.00%	100.00%	100.00%	100.00%	100.00%

(1) Preliminary, subject to change.

TABLE 10 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Purpose	Date Authorized	Amount		
		Authorized Amount	Previously Issued	Unissued Balance
Solid Waste	12/08/90	\$ 180,000	\$ 75,000	\$ 105,000
Streets/Signal	11/06/01	56,000,000	55,959,773	40,227
Storm Drainage	11/06/01	8,200,000	6,576,573	1,623,427
Public Safety	11/06/01	11,800,000	11,800,000	-
		<u>\$ 76,180,000</u>	<u>\$ 74,411,346</u>	<u>\$ 1,768,654</u>

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT. . . The City is issuing concurrently, under a separate Official Statement, approximately \$20,050,000 General Obligation Refunding Bonds, Series 2019, which are estimated to close on November 19, 2019 and approximately \$35,800,000 in Combination Tax and Revenue Certificates of Obligation, Series 2019A, which are estimated to close on August 29, 2019.

OTHER OBLIGATIONS . . . The City has no other property tax-supported debt outstanding as of the date of this Official Statement except as described herein.

RETIREMENT PLAN . . . All eligible employees of the City are members of the Texas Municipal Retirement System ("TMRS"). Members can retire at ages 60 and above with 5 or more years of service or with 25 years of service regardless of age. The Plan also provides death and disability benefits. A member is vested after 5 years, but he must leave his accumulated contributions in the Plan.

If a member withdraws his own money, he is not entitled to the employer-financed monetary credits, even if he was vested. The Plan provisions are adopted by the governing body of the City, within the options available in the State statutes governing TMRS and within the actual constraints also in the statutes.

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
2012	\$ 323,972,818	\$ 385,345,197	84.10%	\$ 61,372,379	\$ 64,693,060	94.87%
2013	349,460,132	405,074,405	86.30%	55,614,273	66,435,664	83.70%
2014	376,082,419	450,523,220	83.50%	74,440,801	68,769,035	108.25%
2015	401,667,459	470,075,530	85.40%	68,408,071	77,244,326	88.56%
2016	426,404,111	496,727,015	85.80%	70,322,904	82,113,476	85.64%
2017	444,611,622	525,359,395	90.84%	80,747,733	88,720,932	91.01%

OTHER POST-EMPLOYMENT BENEFITS

In addition to providing pension benefits through the Texas Municipal Retirement System, the City has opted to provide eligible retired employees with the following post-employment benefits:

Eligible retirees may purchase health insurance from the City's healthcare provider. The cost of insurance varies based on date retired, plan selected, and years of Grand Prairie service. The cost of coverage is shared between the City and the retiree in varying increments based on the above factors.

Eligible retirees may purchase health insurance from the City's healthcare provider at the City's cost to cover current employees for dependents if the dependents were covered consecutively during the past two years prior to the retirement date. The cost of insurance varies based on date retired, plan selected, and years of Grand Prairie service. The cost of coverage is shared between the City and the retiree in varying increments based on the above factors.

The City recognizes its share of the costs of providing these benefits when paid, on a "pay-as-you-go" basis. These payments are budgeted annually. The appropriation for the fiscal year ending September 30, 2017 was \$3,091,028. The budgeted amount for such benefits in the fiscal year ending September 30, 2018 was \$3,833,909.

In fiscal 2007, the City implemented GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions." The City has performed an actuarial valuation of its post-retirement benefit liability. It has engaged an independent actuarial firm to prepare a valuation. The City reviewed the study and plans to comply with legal requirements to perform additional studies in the future at the required intervals. The actuarial liability is estimated at \$55,800,537 at September 30, 2018.

For more information concerning the City's post-employment benefits, see the financial statements of the City, and the notes thereto.

TABLE 11 - CHANGE IN NET POSITION

	Fiscal Year Ending, September 30,				
	2018	2017	2016	2015	2014
Revenues					
Fees, Fines and Charges for Services	\$ 47,831,146	\$ 50,349,054	\$ 45,025,523	\$ 34,849,122	\$ 37,100,501
Operating Grants and Contributions	36,511,876	35,572,942	37,024,064	33,329,097	34,980,362
Capital Grants and Contributions	3,971,782	8,305,146	8,807,012	1,232,805	4,020,110
General Revenues:					
Property Taxes	\$ 94,648,690	\$ 84,925,774	\$ 77,923,990	\$ 73,070,467	\$ 77,334,662
Sales Taxes	64,250,717	60,585,824	57,076,997	53,494,773	50,846,972
Other Taxes and Assessments	2,208,298	2,015,917	1,791,075	1,713,865	1,550,172
Franchise Fees	14,485,521	9,996,934	13,928,847	14,089,158	13,315,452
Investment Income	3,506,788	2,425,419	2,173,508	1,609,156	652,067
Other	-	-	-	-	-
Total Revenues	\$ 267,414,818	\$ 254,177,010	\$ 243,751,016	\$ 213,388,443	\$ 219,800,298
Expenses					
Support Services	\$ 27,614,430	\$ 26,731,588	\$ 23,045,026	\$ 22,102,591	\$ 20,400,867
Public Safety	101,033,502	100,253,923	91,860,495	80,359,190	80,333,290
Recreation and Leisure	33,942,742	32,962,890	29,709,690	26,746,861	25,255,982
Development and Other Services	97,241,362	90,088,069	88,963,122	77,263,159	75,473,057
Interest on Long-Term Debt	12,481,762	12,108,299	12,374,896	8,019,147	7,922,519
	\$ 272,313,798	\$ 262,144,769	\$ 245,953,229	\$ 214,490,948	\$ 209,385,715
Increase in net position before transfers	\$ (4,898,980)	\$ (7,967,759)	\$ (2,202,213)	\$ (1,102,505)	\$ 10,414,583
Transfers, net	6,272,419	5,271,645	5,346,108	2,403,135	4,286,373
Increase (decrease) in net assets	\$ 1,373,439	\$ (2,696,114)	\$ 3,143,895	\$ 1,300,630	\$ 14,700,956
Prior period adjustments	\$ (49,038,142)	\$ -	\$ -	\$ (37,358,089)	\$ -
Net position - beginning	405,407,435	408,103,549	404,959,654	441,017,113	426,316,157
Net position - ending	\$ 357,742,732	\$ 405,407,435	\$ 408,103,549	\$ 404,959,654	\$ 441,017,113

(THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY.)

TABLE 12 - GENERAL FUND REVENUES AND EXPENDITURES HISTORY

	Fiscal Year Ended September 30,				
	2018	2017	2016	2015	2014
Revenues:					
Property Taxes	\$ 61,122,847	\$ 56,275,511	\$ 53,681,627	\$ 50,336,919	\$ 45,315,907
Sales Taxes	31,532,937	29,804,519	27,922,103	26,407,761	25,162,422
Franchise Fees	14,485,521	13,805,938	13,928,847	14,089,158	13,315,452
Charges for Services	5,847,113	5,676,907	5,796,986	5,335,832	5,355,348
Fines and Forfeitures	7,337,547	7,633,756	7,740,514	7,279,318	7,312,495
Licenses and Permits	3,000,527	3,080,890	3,457,438	2,813,341	2,909,002
Interest	3,213,375	2,065,665	1,833,724	1,600,927	628,887
Other	8,372,846	8,377,136	8,156,437	6,252,157	6,220,640
Total Revenues	\$ 134,912,713	\$ 126,720,322	\$ 122,517,676	\$ 114,115,413	\$ 106,220,153
Expenditures:					
Administrative Services	\$ 22,333,632	\$ 20,899,884	\$ 18,145,433	\$ 16,574,203	\$ 14,690,989
Public Safety Services	84,283,161	78,678,246	73,478,242	70,907,083	68,546,747
Development Service and Other	12,947,245	12,686,050	12,391,453	12,273,830	12,102,508
Recreation and Leisure Services	2,760,622	2,591,734	2,398,214	1,958,463	1,931,941
Capital Outlays	1,086,949	1,305,324	1,668,480	1,287,895	848,634
Total Expenditures	\$ 123,411,609	\$ 116,161,238	\$ 108,081,822	\$ 103,001,474	\$ 98,120,819
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 11,501,104	\$ 10,559,084	\$ 14,435,854	\$ 11,113,939	\$ 8,099,334
Transfer in (Out) Net	(10,106,151)	(11,110,985)	(11,794,063)	(8,674,408)	(13,413,933)
Proceeds for sale of capital assets	1,003,393	886,711	621,458	556,696	613,163
Beginning Fund Balance	31,346,705	31,011,895	27,748,646	24,115,372	28,816,808
Prior period adjustments	-	-	-	637,047	-
Ending Fund Balance	\$ 33,745,051	\$ 31,346,705	\$ 31,011,895	\$ 27,748,646	\$ 24,115,372

(THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY.)

TABLE 13 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, V.T.C.A., Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Obligations. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly.

Fiscal Year Ended 9/30	City	Parks & Rec.	Streets	Baseball Stadium ⁽¹⁾	Senior Center ⁽¹⁾	Crime Control	Epic ⁽¹⁾	Total	Equivalent of Total Ad Valorem Tax Rate ⁽²⁾
2015	\$ 26,407,761	\$ 6,752,015	\$ 6,752,014	\$ 3,376,007	\$ 3,376,007	\$ 6,670,193	\$ -	\$ 53,333,997	\$0.2380
2016	27,922,103	7,268,076	7,268,076	-	-	7,189,890	7,268,076	56,916,221	0.2517
2017	29,804,519	7,667,736	7,667,736	-	-	7,717,930	7,667,736	60,525,657	0.2420
2018	31,532,937	8,207,902	8,207,902	-	-	8,094,074	8,207,902	64,250,717	0.2332
2019 ⁽³⁾	16,725,844	4,181,461	4,181,461	-	-	4,149,929	4,181,461	33,420,156	0.1110

(1) At an election held on May 10, 2014, voters abolished the City’s two additional 1/8% local sales and use taxes as authorized under Section 334.089, Local Government Code, effective September 30, 2015, and adopted a new additional ¼% City sales and use tax for the City’s Central Park project as permitted under the provisions of Chapter 334, Local Government Code, effective October 1, 2015. The additional sales tax receipts will be used to pay the cost associated with the project. The City began collecting the tax on October 1, 2015.

(2) City general fund only.

(3) Collections through May 2019 on a cash basis.

SALES TAX ELECTIONS

The voters approved a ¼% local sales and use tax rate at an election held on November 2, 1999 under Section 334.021 of Chapter 334, Local Government Code. The additional sales tax receipts are used exclusively for costs associated with the municipal parks and recreation system as defined in Section 334.001(4)(D). The City began collecting the tax in April 2000. The sales tax authorized by the November 2, 1999 election is not pledged to nor available for payment on the Obligations.

The voters approved a ¼% local sales and use tax rate at an election held on November 6, 2001 under Chapter 327 Subtitle C, Title 3, Tax Code. The additional sales tax receipts are used exclusively for street repair maintenance. The ¼ cent sales tax has a life of 4 years unless re-approved by the voters. The sales tax authorized by the November 6, 2001 election is not pledged to or available for payment of the Obligations. The sales tax was reauthorized in May 2009 and again in May 2017 for 8 years.

On May 12, 2007 voters approved a 1/2% sales tax to be utilized in a ¼% and two 1/8% increments for the following projects:

- A ¼% local sales and use tax under Section 363.054, Local Government Code for Crime Control and Prevention District to fund a new Police Center.
- A 1/8% local sales and use tax for a new Senior Center.
- A 1/8% local sales and use tax for a minor league baseball stadium.

The additional sales tax receipts were to be exclusively for costs associated with each of the projects. The City began collecting the tax on October 1, 2007. Such sales tax is not pledged to or available for payment of the Obligations.

At an election held on May 10, 2014, voters abolished the City’s two additional 1/8% local sales and use taxes for the Senior Center and the minor League Baseball Stadium as authorized in 2007 under Section 334.089, Local Government Code, effective September 30, 2015, and adopted a new additional ¼% city sales and use tax for the City’s Central Park project as permitted under the provisions of Chapter 334, Local Government Code, effective October 1, 2015. The additional sales tax receipts will be used to pay the costs associated with the City’s Central Park project. The City began collecting the tax on October 1, 2015. Such sales tax is not pledged to or available for payment of the Obligations.

At an election on May 12, 2012, the ¼% sales tax for the Crime Control and Prevention District was re-authorized for a period of ten years.

DEVELOPMENT FEES

The new impact fees will be used for water improvements and wastewater improvements and are not pledged to the payment of the debt service requirements of the Obligations. Impact fees for roadway improvements were eliminated in 2001. Each of the two types of fees are developed separately based upon excess capacity of existing infrastructure and projected construction of capital improvements over the next 10 years. Revenues generated by impact fees can only be used to finance the improvements identified in an adopted Capital Improvements Plan. The City must update land use assumptions and capital improvements plans every three years.

FYE	Impact Fee Revenues	
	Water	Wastewater
2015	\$ 1,409,396	\$ 380,484
2016	1,892,680	514,323
2017	1,403,218	404,663
2018	1,910,802	827,434
2019 ⁽¹⁾	1,075,784	427,744

(1) Through May 2019. Unaudited.

The City created a storm water utility under the Texas Municipal Drainage Utility Systems Act. Such Act provides for the creation of a storm water utility to provide storm water services including planning, operations, maintenance, and capital improvements for storm water runoff. Such Act also provides for collection of user fees based on storm water runoff volumes.

COMPENSATED ABSENCES

The City's accrued unfunded compensated absences liability is approximately \$18,549,050 as of September 30, 2018.

RISK MANAGEMENT

Property, liability, safety, workers' compensation and health and wellness insurance are accounted for in the Risk Management Fund, an internal service fund. Net expenses of these programs in property 2017-18 is \$4,715,378, liability and workers' compensation and \$16,192,378 for employee health and wellness insurance.

Beginning October 1, 1991, the City placed all of its property, liability and workers' compensation coverage with Texas Municipal League Intergovernmental Risk Pool. The limits of liability and retention vary according to type of coverage provided.

The operating funds are charged premiums for property, liability, workers' compensation and employee health coverage by the Risk Management Fund. Employees pay for dependent health coverage independently. The incurred but unreported claims for these programs as of September 30, 2018 were 3,971,327.

The City allows retired employees to continue participating in its group health insurance program after retirement with all premiums paid by the retirees.

FINANCIAL MANAGEMENT POLICIES

The City Council and staff make financial decisions throughout the year based upon financial guidelines. The Financial Management Policies (FMP) provides a framework, or master plan, within which to make operating and capital budget decisions, as well as other financial decisions. The primary objective of the FMP is to enable the City to achieve a long-term stable and positive financial condition.

The policies which were originally approved by City Council resolution on February 9, 1988 and are updated annually address the following subjects: accounting, auditing and financial reporting, internal controls, operating budget, capital budget and program, revenue management, expenditure control, asset management, financial condition and reserves, debt management, and staffing and training. Significant issues addressed by the policies include the following:

BASIS OF ACCOUNTING . . . The City policy is to adhere to the accounting principles established by the Governmental Accounting Standards Board, as amended.

GENERAL FUND BALANCE . . . The City's goal is to maintain between 50 and 60 days of expenditures of the General Fund expenditures budget in the General Fund resources balance.

DEBT SERVICE FUND BALANCE . . . The City policy is to maintain balances of no greater than one month of principal and interest requirements except that the City's revenue bond policy and bond ordinance requirement are to maintain revenue supported debt service reserves at the level of the average annual debt service plus an amount accrued for the debt service payment.

USE OF BOND PROCEEDS, GRANTS, ETC . . . The City policy is to use bond proceeds only for major assets with expected lives which equal or exceed the average life of the debt issue.

BUDGETARY PROCEDURES . . . The City policy is to pay for current expenditures with certain revenues and to utilize reserves only for emergencies. The annual operating budget shall provide for operation and maintenance of capital plant.

FUND INVESTMENTS . . . The City policy is to invest its cash with three objectives in mind listed in order of priority: safety, liquidity and yield. Unrestricted idle cash is pooled for short-term investment in government securities, money market mutual funds and local government investment pools. The mix and term of investments is determined based on the City's liquidity needs and the yield curve.

TAX ABATEMENT . . . The City policy is to grant tax abatement for the development of new facilities or the expansion of existing facilities for which the life of the facility exceeds the life of the abatement. For properties not in an enterprise zone, total investment must exceed \$5,000,000, total job creation must exceed 25 permanent positions, the abatement period may not exceed 10 years and the abatement percentage may not exceed 75%.

INVESTMENTS

The City invests its investable funds in investments authorized by State law in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change.

LEGAL INVESTMENTS. Available City funds are invested as authorized by Texas law and in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change. Under State law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025; or (ii) a depository institution with a main office or branch office in this State that the investing entity selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3); (9) certificates of deposit and share certificates (i) issued by a depository institution that has its main office or a branch office in the State of Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Insurance Fund or its successor, or are secured as to principal by obligations described in the clauses (1) through (8) or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a

primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (14) a no-load money market mutual fund registered with and regulated by the Securities and Exchange Commission that provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and complies with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAM or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pay no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bear no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES. . . Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the Public Funds Investment Act. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each funds' investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio; and (6) yield.

Under State law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest during the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

ADDITIONAL PROVISIONS. . . Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio and requires an interpretation of subjective investment standards) and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the City's designated Investment Officer; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds

held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

The City Manager designates the Chief Financial Officer as the City's chief investment officer. The Treasurer, Controller, and Treasury Analyst are designated as additional investment officers. The Chief Financial Officer is responsible for the City's comprehensive cash management program, including the administration of the Investment Policies. The Chief Financial Officer is responsible for considering the quality and capability of staff involved in investment management and procedures. The Chief Financial Officer shall be responsible for authorizing investments and the Treasurer shall account for investments and pledged collateral in order to maintain appropriate internal controls. The Controller shall be responsible for recording investments in the City's books of accounts. The Internal Audit staff shall audit records monthly and the external auditors will review for management controls on investments and adherence to policy as required by law.

INVESTMENT COMMITTEE

An Investment Committee consisting of the Deputy City Manager, Chief Financial Officer, Assistant CFO and Chief Accountant shall meet as frequently as necessary to review the City's investment portfolio. The Committee shall also meet as necessary to add or delete a financial institution or broker/dealer from the list of institutions with which the City may do business or to conduct other business. The committee shall also meet to review prospectuses, financial statements and other performance data on money market mutual funds and shall formulate recommendations on the advisability of investing in specific funds for the consideration of the City Council.

Any three of the five Investment Committee members constitute a quorum. The Treasurer shall serve as chairman of the committee, and written record of Investment Committee meetings shall be maintained.

A. Authorized Investments

The City may invest in:

1. Obligations of the United States or its agencies and instrumentalities (except for derivatives and mortgage pass-through securities).
2. Repurchase agreements whose underlying collateral consists of obligations of the United States or its agencies and instrumentalities, has a defined termination date, requires the securities being purchased by the entity or cash held by the entity to be pledged to the entity, held in the entity's name, and deposited at the time the investment is made with the entity or with a third party selected and approved by the entity, and is placed through a primary government securities dealer as defined by the Federal Reserve or a financial institution doing business in this state. Repurchase agreement means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date, obligations of the United States or its agencies and instrumentalities. The term may not exceed 90 days
3. Municipal Securities (State, City, County, school or road district general obligation or revenue bonds) (out-of-state bonds shall only be general obligation bonds) with a remaining maturity of three years or less which have received a rating by at least two nationally recognized credit rating agencies of at least A or its equivalent.
4. Commercial paper with a stated maturity of 90 days or less from the date of its issuance that is rated at least A-1, P-1, or the equivalent by at least one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof. The Sports Corp only allows this quality of commercial paper if managed through a local government investment pool.
5. Prime domestic bankers' acceptances meaning a bankers' acceptance with a stated maturity of 270 days or less from the date of its issuance that will be, in accordance with its terms, liquidated in full at maturity, that is eligible for collateral for borrowing from a Federal Reserve bank, and that is accepted by a bank organized and existing under the laws of the United States or any state the short-term obligations of which (or of a bank holding company of which the bank is the largest subsidiary) are rated at least A-1, P-1, or the equivalent by at least one nationally recognized credit rating agency. The Sports Corp only allows this investment as part of a local government investment pool.
6. Public Funds Investment Pool with a weighted average maturity of 90 days or less whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. An investment pool shall invest funds in authorized investments permitted by the Public Funds Investment Act. The pool must enter into a contract approved (by resolution) by the Grand Prairie City Council to provide investment services to the City or by the Sports Corporation Board to provide services to the Sports Corp.

The pool must be continuously rated no lower than AAA or AAAM or at an equivalent rating by at least one nationally recognized rating service. The pool must provide monthly reports that contain:

- the types and percentage breakdown of securities in which the pool is invested;
 - the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
 - the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
 - the book value versus the market value of the pool's portfolio, using amortized cost valuation;
 - the size of the pool;
 - the number of participants in the pool;
 - the custodian bank that is safekeeping the assets of the pool;
 - a listing of daily transaction activity of the entity participating in the pool;
 - the yield and expense ratio of the pool, including a statement regarding how yield is calculated;
 - the portfolio managers of the pool; and
 - any changes or addenda to the offering circular.
- a. To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool that uses amortize cost or fair value accounting must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a \$1.00 net asset value, when rounded and expressed to two decimal places. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, the governing body of the public funds investment pool shall take action as the body determines necessary to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing participants, including a sale of portfolio holdings to attempt to maintain the ratio between 0.995 and 1.005. In addition to the requirements of its investment policy and any other forms of reporting, a public funds investment pool that uses amortized cost shall report yield to its investors in accordance with regulations if the federal Securities and Exchange Commission applicable to reporting by money market funds.
- b. To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool must have an advisory board composed;
1. equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool created under Chapter 791 and managed by a state agency; or
 2. of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.
- c. To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must be continuously rated no lower than AAA or AAAM or at an equivalent rating by at least one nationally recognized rating service.
7. An SEC-registered, no-load money market mutual fund approved (by resolution) by the City Council with a dollar-weighted average portfolio maturity of 90 days or less whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. By state law the City is not authorized to invest in the aggregate more than 80 percent of its monthly average fund balance, excluding bond proceeds, in money market mutual funds described in this subsection or to invest its funds or funds under its control, excluding bond proceeds, in any one money market mutual fund in an amount that exceeds 10 percent of the total assets of the money market mutual fund.
8. Collateralized or insured certificates of deposit and other evidences of deposit at federally insured banks, fully guaranteed or insured by the FDIC (Federal Deposit Insurance Corporation)\ in the State of Texas.

B. Diversification

Investments shall be diversified to reduce the risk of loss resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities.

The asset mix of the City's portfolio is expressed in terms of maximum commitment so as to allow flexibility to take advantage of market conditions.

The asset mix requirements are as follows:

	<u>% Maximum</u>
1. U.S. Treasury Bills and Notes	100
2. U.S. Agency or Instrumentality Obligations (each type)	25 *
3. Repurchase Agreements	20
4. Municipal Securities (total)	40
5. Municipal Securities (out-of-state)	20
6. Certificates of Deposit (per institution)	20
7. Money Market Mutual Fund	50 **
8. Public Funds Investment Pool	50

* Total Agency investments limited to no more than 100% of the total portfolio.

** Limited by State law to 80% of monthly average fund balance, excluding bond proceeds.

C. Qualifying Institutions

Financial institutions (Federally insured banks) with and through which the City invests in certificates of deposit shall be located in the State of Texas. Broker/dealers through whom the City purchases U.S. Government securities may include only those dealers reporting to the Market Reports Division of the Federal Reserve Bank of New York, also known as the "primary government securities dealers" and First Southwest Company except that repurchase agreements shall not be executed through First Southwest Company. In addition, other regional brokers/dealers may be considered by the Investment Committee.

D. Collateral Securities for Certificates of Deposit and Demand Accounts

The City will accept as collateral for its certificates of deposit and demand accounts and other evidences of deposit the following securities:

- FDIC Coverage
- U.S. Treasury Bills
- U.S. Treasury Notes and Bonds
- State, city, county, school, or road district general obligation or revenue bonds*, except that out-of-state bonds shall be limited to general obligation bonds
- City of Grand Prairie revenue bonds or general obligation bonds, time warrants, and certificates of obligation
- U.S. Government Agency and Instrumentality obligations (except for mortgage pass-through securities).

*The securities must be rated at least "A" by one of the nationally recognized rating services. Collateral consisting of out-of-state bonds shall be limited to 10% of the total collateral pledged by a financial institution.

The securities shall be marked-to-market no less frequently than monthly, and the ratio of collateral market value to amount invested plus accrued interest shall be no less than 105%.

TABLE 14 - CURRENT INVESTMENTS

As of March 31, 2019, the City's investable funds were invested in the following categories:

Type of Investment	Percentage	Total Cost
Local Government Pools and Money Market Funds	35.70%	\$ 130,200,107
Federal Agency and Instrumentality Notes	64.30%	234,518,442
		<u>\$ 364,718,549</u>

TAX MATTERS – THE OBLIGATIONS

The following is a general summary of the United States federal income tax consequences of the purchase and ownership of the Obligations. The discussion is based upon laws, Treasury Regulations, rulings and decisions now in effect, all of which are subject to change or possibly differing interpretations. No assurances can be given that future changes in the law will not alter the conclusions reached herein. The discussion below does not purport to deal with United States federal income tax consequences applicable to all categories of investors. Further, this summary does not discuss all aspects of United States federal income taxation that may be relevant to a particular investor in the Obligations in light of the investor's particular personal investment circumstances or to certain types of investors subject to special treatment under United States federal income tax laws (including insurance companies, tax exempt organizations, financial institutions, brokers-dealers, and persons who have hedged the risk of owning the Obligations). The summary is therefore limited to certain issues relating to initial investors who will hold the Obligations as "capital assets" within the meaning of section 1221 of the Code, and acquire such Obligations for investment and not as a dealer or for resale. This summary addresses certain federal income tax consequences applicable to beneficial owners of the Obligations who are United States persons within the meaning of Section 7701(a)(30) of the Code ("U.S. persons") and, except as discussed below, does not address any consequences to persons other than U.S. persons. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE OBLIGATIONS.

Payments of Stated Interest on the Obligations. The stated interest paid on the Obligations will be included in the gross income, as defined in section 61 of the Code, of the beneficial owners thereof and be subject to U.S. federal income taxation when received or accrued, depending on the tax accounting method applicable to the beneficial owners thereof.

Original Issue Discount. If a substantial amount of the Obligations of any series and stated maturity is purchased at original issuance for a purchase price (the "Issue Price") that is less than their face amount by more than one quarter of one percent times the number of complete years to maturity, the Obligations of such maturity will be treated as being issued with "original issue discount." The amount of the original issue discount will equal the excess of the principal amount payable on such Obligations at maturity over its Issue Price, and the amount of the original issue discount on the Obligations will be amortized over the life of the Obligations using the "constant yield method" provided in the Treasury Regulations. As the original issue discount accrues under the constant yield method, the beneficial owners of the Obligations, regardless of their regular method of accounting, will be required to include such accrued amount in their gross income as interest. This can result in taxable income to the beneficial owners of the Obligations that exceeds actual cash distributions to the beneficial owners in a taxable year.

The amount of the original issue discount that accrues on the Obligations each taxable year will be reported annually to the IRS and to the beneficial owners. The portion of the original issue discount included in each beneficial owner's gross income while the beneficial owner holds the Obligations will increase the adjusted tax basis of the Obligations in the hands of such beneficial owner.

Premium. If a beneficial owner purchases an Obligation for an amount that is greater than its stated redemption price at maturity, such beneficial owner will be considered to have purchased the Obligation with "amortizable bond premium" equal in amount to such excess. A beneficial owner may elect to amortize such premium using a constant yield method over the remaining term of the Obligation and may offset interest otherwise required to be included in respect of the Obligation during any taxable year by the amortized amount of such excess for the taxable year. Obligation premium on a Obligation held by a beneficial owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of an Obligation. However, if the Obligation may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Obligation. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of "modified adjusted gross income" of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Holders of the Obligations should consult with their tax advisor concerning this additional tax, as it may apply to interest earned on the Obligations as well as gain on the sale of an Obligation.

Disposition of Obligations and Market Discount. A beneficial owner of Obligations will generally recognize gain or loss on the redemption, sale or exchange of an Obligation equal to the difference between the redemption or sales price (exclusive of the amount paid for accrued interest) and the beneficial owner's adjusted tax basis in the Obligations. Generally, the beneficial owner's

adjusted tax basis in the Obligations will be the beneficial owner's initial cost, increased by the original issue discount previously included in the beneficial owner's income to the date of disposition. Any gain or loss generally will be capital gain or loss and will be long-term or short-term, depending on the beneficial owner's holding period for the Obligations.

Under current law, a purchaser of an Obligation who did not purchase the Obligations in the initial public offering (a "subsequent purchaser") generally will be required, on the disposition of the Obligations, to recognize as ordinary income a portion of the gain, if any, to the extent of the accrued "market discount." Market discount is the amount by which the price paid for the Obligations by a subsequent purchaser is less than the sum of Issue Price and the amount of original issue discount previously accrued on the Obligations. The Code also limits the deductibility of interest incurred by a subsequent purchaser on funds borrowed to acquire Obligations with market discount. As an alternative to the inclusion of market discount in income upon disposition, a subsequent purchaser may elect to include market discount in income currently as it accrues on all market discount instruments acquired by the subsequent purchaser in that taxable year or thereafter, in which case the interest deferral rule will not apply. The re-characterization of gain as ordinary income on a subsequent disposition of Obligations could have a material effect on the market value of the Obligations.

Legal Defeasance. If the City elects to defease the Obligations by depositing in escrow sufficient cash and/or obligations to pay when due outstanding Obligations (a "legal defeasance"), under current tax law, a beneficial owner of Obligations may be deemed to have sold or exchanged its Obligations. In the event of such a legal defeasance, a beneficial owner of Obligations generally would recognize gain or loss in the manner described above. Ownership of the Obligations after a deemed sale or exchange as a result of a legal defeasance may have tax consequences different from those described above, and each beneficial owner should consult its own tax advisor regarding the consequences to such beneficial owner of a legal defeasance of the Obligations.

Backup Withholding. Under section 3406 of the Code, a beneficial owner of the Obligations who is a U.S. person, as defined in section 7701(a)(30) of the Code, may, under certain circumstances, be subject to "backup withholding" on payments of current or accrued interest on the Obligations. This withholding applies if such beneficial owner of Obligations: (i) fails to furnish to payor such beneficial owner's social security number or other taxpayer identification number ("TIN"); (ii) furnishes the payor an incorrect TIN; (iii) fails to report properly interest, dividends, or other "reportable payments" as defined in the Code; or (iv) under certain circumstances, fails to provide the payor with a certified statement, signed under penalty of perjury, that the TIN provided to the payor is correct and that such beneficial owner is not subject to backup withholding.

Backup withholding will not apply, however, with respect to payments made to certain beneficial owners of the Obligations. Beneficial owners of the Obligations should consult their own tax advisors regarding their qualification for exemption from backup withholding and the procedures for obtaining such exemption.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations. Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the rate of 30% on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest received by the beneficial owners of the Obligations is not treated as effectively connected income within the meaning of section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as portfolio interest. Interest will be treated as portfolio interest if: (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is not a U.S. person and providing the name and address of such beneficial owner; (ii) such interest is treated as not effectively connected with the beneficial owner's United States trade or business; (iii) interest payments are not made to a person within a foreign country which the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) interest payable with respect to the Obligations is not deemed contingent interest within the meaning of the portfolio debt provision; (v) such beneficial owner is not a controlled foreign corporation, within the meaning of section 957 of the Code; and (vi) such beneficial owner is not a bank receiving interest on the Obligations pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments on the Obligations are treated as portfolio interest within the meaning of sections 871 and 881 of the Code, then no backup withholding under section 1441 and 1442 of the Code and no backup withholding under section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished Form W-8BEN, Form W-8BEN-E, Form W-8EXP or Form W-8IMY, as applicable, provided the payor does not have actual knowledge that such person is a U.S. person.

Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding

tax being imposed on payments of interest and principal under the Obligations and sales proceeds of Obligations held by or through a foreign entity. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

Reporting of Interest Payments. Subject to certain exceptions, interest payments made to beneficial owners with respect to the Obligations will be reported to the IRS. Such information will be filed each year with the IRS on Form 1099 which will reflect the name, address, and TIN of the beneficial owner. A copy of Form 1099 will be sent to each beneficial owner of an Obligation for U.S. federal income tax purposes.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinances, the City has made the following agreement for the benefit of the registered and beneficial owners of each series of the Obligations. The City is required to observe the agreements for so long as it remains obligated to advance funds to pay the Obligations. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the “MSRB”).

ANNUAL REPORTS. . . . The City will provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2019, financial information and operating data with respect to the City of the general type of information contained in Tables 1 through 5 and 7 through 14 and (2) within twelve months after the end of each fiscal year ending in or after 2019, audited financial statements of the City. Any financial statements so provided shall be prepared in accordance with the accounting principles described in Appendix B, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation. If audited financial statements are not available within 12 months after the end of any fiscal year, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the Securities and Exchange Commission (the “SEC”), as permitted by SEC Rule 15c2-12 (the “Rule”).

The City’s current fiscal year end is September 30. Accordingly, the City must provide updated information included in the above-referenced tables by March 31 in each year, and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) must be provided by September 30 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data.

NOTICE OF CERTAIN EVENTS. . . . The City will also provide timely notices of certain events to the MSRB. The City will provide notice of any of the following events with respect to the Obligations to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations; (7) modifications to rights of holders of the Obligations, if material; (8) Obligation calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Obligations, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional paying agent/registrars or the change of name of a paying agent/registrars, if material; (15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties. In addition, the City will provide to the MSRB, in a timely manner, notice of any failure by the City to provide the required annual financial information described above under “- Annual Reports” and any notices of events in accordance with this section.

For these purposes, (A) any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (B) the City intends the

words used in the immediately preceding clauses (15) and (16) and in the definition of Financial Obligation above to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

AVAILABILITY OF INFORMATION. . . The City has agreed to provide the foregoing financial and operating information only as described above. Investors may access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of material events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Obligations at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Obligations may seek a writ of mandamus to compel the City to comply with its agreement. The City may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Obligations in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the respective outstanding Obligations consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Obligations. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Obligations in the primary offering of the Obligations. If the City so amends its continuing disclosure agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS. . . During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule. However, certain CUSIPs were inadvertently omitted from certain continuing disclosure filings made by the City for Fiscal Years 2014 and 2015. The City corrected these clerical errors in 2016 and 2017.

(THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY)

OTHER INFORMATION

RATINGS

The Obligations have been rated “AAA” with a stable outlook by S&P Global Ratings, a division of S&P Global Inc. (“S&P”) and “AA+” with a positive outlook by Fitch Ratings, Inc. (“Fitch”) without regard to credit enhancement. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Obligations.

LITIGATION

City staff believes there is no pending litigation against the City that would have a material adverse financial impact upon the City or its operations.

REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE

The sale of the Obligations has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Obligations have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Obligations been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Obligations under the securities laws of any jurisdiction in which the Obligations may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Obligations shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (V.T.C.A., Chapter 1201, Government Code, as amended) provides that the Obligations are negotiable instruments, investment securities governed by V.T.C.A., Chapter 8, Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Obligations by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act, V.T.C.A., Government Code, Chapter 2256, as amended, requires that the Obligations be assigned a rating of not less than “A” or its equivalent as to investment quality by a national rating agency. See “OTHER INFORMATION – Ratings” herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Obligations are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Obligations are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Obligations are legal investments for various institutions in those states. No representation is made that the Obligations will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The City made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Obligations for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Obligations for such purposes.

LEGAL OPINIONS

The City will furnish to the Underwriters complete transcripts of proceedings had incident to the authorization and issuance of the Notes and the Certificates, including the unqualified approving legal opinions of the Attorney General of Texas approving the Initial Note and the Initial Certificate, respectively, to the effect that the Obligations are valid and legally binding obligations of the City, and based upon examination of such transcripts of proceedings, the approving legal opinions of Bond Counsel, to like effect. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information under the captions and subcaptions “PLAN OF FINANCING”, “THE OBLIGATIONS” (except for the information under the subcaptions “Book-Entry-Only System,” “Obligationholders’ Remedies” and the last sentence under “Tax Rate Limitations”), “TAX MATTERS – THE OBLIGATIONS” and “CONTINUING DISCLOSURE OF INFORMATION” (except for the information under the subcaption “Compliance with Prior Undertakings”), and the subcaptions “Registration and Qualification of Obligations for Sale,” “Legal Investments and Eligibility to Secure Public Funds in Texas” and “Legal Opinions” (except for the last sentence of the first paragraph thereof) under the caption “OTHER INFORMATION” and Appendix C in the Official Statement and such firm is of the opinion that the

information relating to the Obligations and the legal issues contained under such captions, subcaptions and appendix is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Obligations, such information conforms to the provisions of the respective Ordinances. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Obligations is contingent on the sale and delivery of the Obligations. The respective legal opinions will accompany the Obligations deposited with DTC or will be printed on the Obligations in the event of the discontinuance of the Book-Entry-Only System. Certain matters relating to the Obligations will be passed upon for the Underwriters by Locke Lord LLP, Dallas, Texas, Counsel to the Underwriters, whose fee is contingent upon the sale and delivery of the Obligations.

The legal opinions to be delivered concurrently with the delivery of the Obligations express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL ADVISOR

HilltopSecurities is employed as Financial Advisor to the City in connection with the issuance of the Obligations. The Financial Advisor's fee for services rendered with respect to the sale of the Obligations is contingent upon the issuance and delivery of the Obligations. HilltopSecurities, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Obligations, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

UNDERWRITING FOR THE OBLIGATIONS

The Note Underwriter has agreed, subject to certain conditions, to purchase the Notes from the City, at a price equal to the initial offering price to the public of \$_____, less an underwriting discount of \$_____. The Note Underwriter will be obligated to purchase all of the Notes if any Notes are purchased. The Notes to be offered to the public may be offered and sold to certain dealers (including the Note Underwriter and other dealers depositing Notes into investment trusts) at prices lower than the public offering prices of such Notes and such public offering prices may be changed, from time to time, by the Note Underwriter.

The Certificate Underwriters have agreed, subject to certain conditions, to purchase the Certificates from the City, at a price equal to the initial offering price to the public of \$_____, less an underwriting discount of \$_____. The Certificate Underwriters will be obligated to purchase all of the Certificates if any Certificates are purchased. The Certificates to be offered to the public may be offered and sold to certain dealers (including the Certificate Underwriters and other dealers depositing Certificates into investment trusts) at prices lower than the public offering prices of such Certificates and such public offering prices may be changed, from time to time, by the Certificate Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the City and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

BofA Securities, Inc., as an underwriter of the Obligations, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Obligations.

One of the Certificate Underwriters is BOK Financial Securities, Inc., which is not a bank, and the Certificates are not deposits of any bank and are not insured by the Federal Deposit Insurance Corporation.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

MISCELLANEOUS

The financial data and other information contained herein have been obtained from the City's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Each of the Ordinances authorizing the issuance of the Obligations will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and will authorize its further use in the reoffering of the Notes by the Note Underwriter and the Certificates by the Certificate Underwriters.

Mayor
City of Grand Prairie, Texas

ATTEST:

City Secretary
City of Grand Prairie, Texas

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

THE CITY

LOCATION

The City of Grand Prairie, Texas (the “City”), is centrally located amid the estimated 6 million people in the Dallas/Fort Worth Area. The City stretches 28 miles long by about eight miles at its widest point. The City covers about 80 square miles.

TRANSPORTATION

The City has access to four major interstate highway systems - I-20, I-30, I-35 & I-45 - five state highway systems - SH 360, SH 180, SH 303, SH 161, Loop 12 and FM 1382 - and U.S. 287 all run through the City, or are within 15-30 minutes of the City’s boundaries.

- IH 20: an eight-lane east-west expressway that passes through south of the City, linking the City to Dallas and Fort Worth. West of Fort Worth, IH 20 leads to Abilene and Odessa. Eastward destinations on IH 20 are Tyler, Longview and Shreveport, La.
- IH 30: a six-lane east-west expressway that passes through north of the City and also links the City to Dallas and Fort Worth. IH 30 links to IH 20 in west Fort Worth. Eastward destinations on IH 30 are Greenville, Texarkana and Arkansas.
- SH 360: a six-lane north-south expressway running along the western edge of the city, a key route to Dallas-Fort Worth International Airport.
- President George Bush Turnpike: a four and six-lane north-south tollway running 10.5 miles through Grand Prairie from the northern City limits to I-20.

The City’s Municipal Airport serves small piston planes to large business turboprop aircraft and helicopters. The airport has a 4,000-foot-long, 75-foot-wide lighted, concrete runway, repair service and cargo handling, a helipad, dining facilities, and support facilities for training, private aviation and business flying activities. The airport is designated in the FAA National Plan of Integrated Airport System and the Texas Aeronautical Facilities Plan. Hangar space is available for nearly 233 aircraft, with tie-down space and FBO services available.

The Dallas/Fort Worth International Airport, the 3rd largest airport in the world in terms of operations (8th in terms of passengers), lies about five miles north of the City’s northern border. It serves 57 million passengers and provides nonstop service to 191 domestic and international destinations (www.dfwairport.com).

POPULATION

The estimated population for 2019 is 194,000. From the 1990 Census to the 2010 Census, the City's population increased 38 percent.

DEMOGRAPHICS

2010 Census estimates of the City Non-Hispanic population breakdown were 29.1 percent white, 19.6 percent black, 6.5 percent Asian and Pacific Islander, 0.4 percent American Indian, 1.7 percent other; Hispanic of any race comprises 42.7% of the population.

Age distribution estimates of residents, according to the 2010 Census, are 64.7 percent ages 21 and older, 6.9 percent older than 65, and 30.9 percent younger than 18.

The 2010 median household income was estimated to be \$51,368 (*American Community Survey Census*).

INDUSTRIAL BASE

Wholesale trade (distribution), manufacturing and retail trade companies are the largest industrial sectors in the City.

INDUSTRY PROFILE

<u>Industry</u>	<u>Percent of Total gross sales</u>
Wholesale Trade	32.42%
Manufacturing	24.62%
Retail Trade	21.89%
Construction	9.12%
Accommodation/Food Services	2.30%
Admin/Support/Waste Mgmt/Remediation Services	2.03%
Other Services (except Public Administration)	1.97%
Real Estate/Rental/Leasing	1.18%
Transportation/Warehousing	0.91%
Professional/Scientific/Technical Services	0.90%
Arts/Entertainment/Recreation	0.70%
Information	0.68%
Agriculture/Forestry/Fishing/Hunting	0.48%
Finance/Insurance	0.25%
Educational Services	0.18%
Health Care/Social Assistance	0.13%

Source: Texas Comptroller. As of December 2018.

LABOR FORCE

<u>Year</u>	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2015	94,169	90,307	3,862	4.1%
2016	96,139	92,244	3,895	4.1%
2017	98,782	95,044	3,738	3.8%
2018	100,962	97,210	3,752	3.7%
2019 ⁽¹⁾	103,160	99,612	3,548	3.4%

Source: Texas Employment Commission.

(1) Data as of June 2019.

EMPLOYERS

<u>Company</u>	<u>Product-Service</u>	<u>Estimated Employees</u>
Grand Prairie Independent School District	Administration of Education Programs	4,100
Lockheed Martin Missiles and Fire Control	Research and Development in the Physical, Engineering, and Life	3,500
Poly-America Inc.	Unsupported Plastics Film and Sheet (except Packaging)	2,000
City of Grand Prairie	Public Administration	1,300
Bell Helicopter-Textron	Helicopter aircraft manufacturing	1,200
Lone Star Park at Grand Prairie	Racetracks	950
Forterra Pipe & Products, Inc.	Concrete Pipe Manufacturing	950
Republic National Distributing	Wine and Distilled Alcoholic Beverage Wholesalers	800
Flex-N-Gate	Auto Accessory Manufacturing	800
Arnold Transportation Services	General Freight Trucking	650

Source: The City. As of June 2019

RECREATION

Recreational facilities include the 7,500-acre Joe Pool Lake, championship-level Tangle Ridge Golf Club, Lone Star Park at Grand Prairie and more than 52 public parks on 4,900 acres.

Parks and Recreation facilities include an extreme skate park, two multipurpose recreation centers, an active adult center, a senior center, indoor pool, three outdoor pools, five softball and baseball complexes, two golf courses, 32 tennis courts, a soccer complex, a central park and the recently acquired lake parks on Joe Pool Lake.

Ripley's Believe It Or Not, The Palace of Wax and Trader's Village in the City are popular entertainment and shopping locations. Nearby are Six Flags over Texas in Arlington and zoos, art museums, symphonies and ballet in Dallas and Fort Worth.

- One of three Class 1 horse-racing tracks in Texas, Lone Star Park at Grand Prairie opened for live races in April 1997. The track's simulcast pavilion opened in mid-1996.
- Professional Sports: the Dallas Cowboys of the National Football League, the Texas Rangers of Major League Baseball, the Dallas Mavericks of the National Basketball Association, the Dallas Stars of the National Hockey League, the FC Dallas of Major League Soccer and the Grand Prairie Air Hogs of the American Associate of Independent Baseball. All have home games within 5-25 minutes of the City.
- NCAA-event schools: Southern Methodist University and Texas Christian University in Dallas and Fort Worth.

Cedar Hill State Park, just east of south of the City, offers 355, mostly wooded campsites in the Dallas-Fort Worth hill country. Among park facilities are two lighted fishing jetties and boat access to Joe Pool Lake.

EDUCATION

Seven public universities and eight independent universities, including health related education facilities, in the region totaled enrollment of 139,860 in 2010 (source: Texas Higher Education Coordinating Board). The universities, among them University of Texas campuses (Arlington and Dallas), offer programs from engineering to business and degrees from bachelor's to medical doctorates.

The Dallas and Tarrant counties public community colleges - the nearest of them Mountain View in Dallas, North Lake in Irving, Cedar Valley in Lancaster, the Southeast campus of Tarrant County College in Arlington, and El Centro in Dallas - counted over 140,000 students in 2010 (source: Texas Higher Education Coordinating Board). Additionally, three technically oriented post-secondary schools are within 30 minutes of the City.

In addition to their degree programs, many of these colleges and universities offer business consulting, employee training specific to a company's skill demands, community health care services, economic and land development research, computer and information services and library facilities open to the community.

Grand Prairie Independent School District (the "GPISD") and the Arlington Independent School District (the "AISD") predominate among the six school districts with boundaries in the City.

GPISD comprises 24 elementary schools, seven middle schools, two ninth grade centers, four senior high schools, one alternative education school and one early childhood center. Students whose residences are on the Dallas County side of the City attend GPISD.

Students who reside in Tarrant County and Grand Prairie attend AISD, which comprises of nine high schools, 13 junior high schools, and 52 elementary schools (six in the City). AISD has no junior high schools or high schools in the City.

APPENDIX B

EXCERPTS FROM THE
CITY OF GRAND PRAIRIE, TEXAS
ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2018

The information contained in this Appendix consists of excerpts from the City of Grand Prairie, Texas Annual Financial Report for the Year Ended September 30, 2018, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

Independent Auditor's Report

To the Honorable Mayor and
Members of City Council
City of Grand Prairie, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of City of Grand Prairie, Texas (the City) as of and for the year ended September 30, 2018, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the component unit financial statements for the Grand Prairie Housing Finance Corporation (a discretely presented component unit). Those financial statements were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Grand Prairie Housing Finance Corporation is based on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable Mayor and
Members of City Council
City of Grand Prairie, Texas

Opinions

In our opinion based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1.C., in 2018 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension which supersedes GASB Statement No. 45. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budget to actual schedules for the General Fund and Section 8 Fund, Schedule of Changes in Postemployment Benefits-Retiree Health Plan, Schedule of Changes in Postemployment Benefits-Texas Municipal Retirement System, Schedule of Contributions-Texas Municipal Retirement System, and Schedule of Changes in Net Pension Liability and Related Ratios- Texas Municipal Retirement System listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable Mayor and
Members of City Council
City of Grand Prairie, Texas

The combining and individual fund statements and schedules, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 14, 2019



THIS PAGE IS INTENTIONALLY LEFT BLANK

Management's Discussion and Analysis



THIS PAGE IS INTENTIONALLY LEFT BLANK

City of Grand Prairie, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2018
(Unaudited)

Management's discussion and analysis provides a narrative overview of the financial activities and changes in the financial position of the City of Grand Prairie, Texas (the City) for the fiscal year ended September 30, 2018. It is offered here by the management of the City to the readers of its financial statements. Readers are encouraged to consider the information presented here in conjunction with the information furnished in our letter of transmittal, the introductory section of the City's financial statement, and the accompanying notes.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at September 30, 2018 by \$616,178,581 (net position).
- The City's total net position increased \$16,246,175, for the fiscal year ended September 30, 2018, primarily due to increased property tax assessments and increased charge for services.
- At September 30, 2018, the City's governmental funds reported combined ending fund balances of \$170,492,326. The \$30,344,160 unassigned fund balance in the General Fund represents 22.7% of total General Fund expenditures and transfers.
- The City's total long-term liabilities of \$559,842,968 decreased by \$20,246,332 (3.5%) during the current fiscal year. In fiscal year 2018, the City issued \$36,515,000 in Combination Tax and Revenue Certificates and \$2,755,000 in Water and Wastewater System Revenue Refunding Bonds. See Table 4 in this report for further information regarding the City's long-term liabilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The reporting focus is on the City as a whole and on individual major funds. It is intended to present a more comprehensive view of the City's financial activities.

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide financial statements - The government-wide financial statements include the Statement of Net Position and Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to that of a private-sector business. Both are prepared using the economic resources focus and the accrual basis of accounting, meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, including capital assets and long-term liabilities, and deferred inflows of resources. The differences between these items are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the city's financial position should be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.), in order to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2018
(Unaudited)

The Statement of Net Position and Statement of Activities divide the City's activities into two types:

Governmental Activities - Most of the City's basic services are reported here, including general government, public safety, planning, public works, transportation, housing, community development, cultural events, and library. Property taxes, sales taxes, and franchise fees provide the majority of financing for these activities.

Business-Type Activities - Activities for which the City charges a fee to customers to pay most or all of the costs of a service it provides are reported here. The City's business-type activities include a water and wastewater system, a solid waste sanitary landfill, a storm water utility system, municipal airport, and municipal golf courses.

The government-wide financial statements include not only the City itself (known as the primary government), but also the Grand Prairie Sports Facilities Development Corporation, Inc. (the Sports Corporation) and the Grand Prairie Housing Finance Corporation (HFC) as component units. Both are legally, financially, and administratively autonomous separate corporations. HFC issues tax exempt revenue bonds to supply mortgage financing for low income home buyers and multi-family developments, and engages in other affordable housing activities. The Sports Corporation oversees Lone Star Park at Grand Prairie, a horse track facility.

The Crime Control and Prevention District (CCPD) is a legally separate entity that is financially accountable to the City. A blended presentation has been used to report the financial information of this component unit.

Fund financial statements - The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on the most significant funds and may be used to find more detailed information about the City's most significant activities. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for the majority of the City's activities, which are essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison. These reconciliations explain the differences between the government's activities as reported in the government-wide statements and the information presented in the governmental funds financial statements.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued

For the Fiscal Year Ended September 30, 2018

(Unaudited)

The City reports thirty individual governmental funds. Information is presented separately in the governmental fund's Balance Sheet and in the governmental fund's Statement of Revenues, Expenditures and Changes in Fund Balances for the City's six major funds - General Fund, Section 8 Fund, Streets CIP Fund, Grants Fund, Debt Service Fund, and the Epic CIP Fund. Data for other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds - The City maintains two different types of proprietary funds – enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities of the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater system, solid waste sanitary landfill, storm water utility, municipal airport, and municipal golf courses. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City has five enterprise funds of which two are major enterprise funds – the Water Wastewater Fund and the Solid Waste Fund. Data from other nonmajor enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle and equipment maintenance and the premiums, deductibles, and claims for all insurance programs (e.g. employee health, workers compensation, general liability, etc.). Because these services benefit both governmental and business-type functions, they have been allocated to both activities in the government-wide financial statements in proportion to services received. The City's two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the City's internal service funds is provided in the form of combining statements elsewhere in this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2018
 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Total assets of the City at September 30, 2018 were \$1,229,437,691, deferred outflows of resources were \$16,447,989, total liabilities were \$612,600,117, and deferred inflows of resources were \$17,106,982 resulting in a net position balance of \$616,159,296.

The largest portion of the City's net position, \$440,029,808 (71.4%), reflects its investment in capital assets (land, buildings and improvements, infrastructure, vehicles, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 below is a summary of the City's net position at year end compared to the prior year.

**Table 1
 Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2017		9/30/2017		9/30/2017	
	As Restated	9/30/2018	As Restated	9/30/2018	As Restated	9/30/2018
Cash and investments	\$ 217,491,944	\$ 197,992,931	\$ 94,485,761	\$ 109,842,234	\$ 311,977,705	\$ 307,835,165
Other assets	20,928,321	21,559,545	8,877,980	9,942,867	29,806,301	31,502,412
Capital assets, net	615,207,846	656,874,694	232,935,130	233,225,420	848,142,976	890,100,114
Total assets	853,628,111	876,427,170	336,298,871	353,010,521	1,189,926,982	1,229,437,691
Deferred outflows of resources	30,091,673	14,636,899	3,650,570	1,811,090	33,742,243	16,447,989
Current liabilities	31,462,465	36,806,297	12,215,936	15,950,852	43,678,401	52,757,149
Long-term bonded debt	347,946,293	361,651,245	62,131,416	59,814,562	410,077,709	421,465,807
Other noncurrent liabilities	147,941,733	119,396,393	22,056,976	18,980,768	169,998,709	138,377,161
Total liabilities	527,350,491	517,853,935	96,404,328	94,746,182	623,754,819	612,600,117
Deferred inflows of resources	-	15,467,402	-	1,639,580	-	17,106,982
Net Position						
Net Investment in capital assets	278,750,450	266,214,537	174,505,410	173,815,271	453,255,860	440,029,808
Restricted	80,454,171	81,030,788	34,704,441	45,622,261	115,158,612	126,653,049
Unrestricted	(2,835,328)	10,497,407	34,335,262	38,998,317	31,499,934	49,495,724
Total net position	\$ 356,369,293	\$ 357,742,732	\$ 243,545,113	\$ 258,435,849	\$ 599,914,406	\$ 616,178,581

A portion of the City's net position totaling \$126,653,049, or 20.6%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$49,495,724 may be used to meet the government's ongoing obligations to citizen's and creditors.

The City's net position increased by \$16,264,175 from the prior fiscal year due to an increase in charges for services. While overall operating revenues and expenditures increased proportionately, overall water and wastewater rates increased 4.5%.

City of Grand Prairie, Texas
Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2018
(Unaudited)

The fiscal year 2018 compared to fiscal 2017 changes in the City's net position were as follows:

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2017	9/30/2018	9/30/2017	9/30/2018	9/30/2017	9/30/2018
	As Restated		As Restated		As Restated	
Revenues:						
Program revenues:						
Charges for services	\$ 50,349,054	\$ 49,663,004	\$ 96,324,864	\$ 102,321,210	\$ 146,673,918	\$ 151,984,214
Operating grants and contributor	35,572,942	35,266,428	47,918	67,537	35,620,860	35,333,965
Capital grants and contributions	8,305,146	3,971,782	12,892,511	11,983,724	21,197,657	15,955,506
General revenues:						
Property tax	84,925,774	94,648,690	-	-	84,925,774	94,648,690
Sales tax	60,585,824	64,250,717	-	-	60,585,824	64,250,717
Other tax	2,015,917	2,208,298	-	-	2,015,917	2,208,298
Franchise fees	9,996,934	14,485,521	-	-	9,996,934	14,485,521
Investment income	2,425,419	3,506,788	21,245	43,661	2,446,664	3,550,449
Total revenues	254,177,010	268,001,228	109,286,538	114,416,132	363,463,548	382,417,360
Expenses:						
Support services	26,731,588	27,614,430	-	-	26,731,588	27,614,430
Public safety services	100,253,923	101,033,502	-	-	100,253,923	101,033,502
Recreation and leisure services	32,962,890	34,529,152	-	-	32,962,890	34,529,152
Development services	90,088,069	97,241,362	-	-	90,088,069	97,241,362
Interest on long-term debt	12,108,299	12,481,762	-	-	12,108,299	12,481,762
Water and wastewater	-	-	70,569,705	72,412,983	70,569,705	72,412,983
Solid waste	-	-	12,317,620	12,339,638	12,317,620	12,339,638
Municipal airport	-	-	2,572,623	2,744,301	2,572,623	2,744,301
Municipal golf course	-	-	3,497,955	3,309,267	3,497,955	3,309,267
Storm water	-	-	2,425,177	2,446,788	2,425,177	2,446,788
Total expenses	262,144,769	272,900,208	91,383,080	93,252,977	353,527,849	366,153,185
Increases (decreases) in net position						
before transfers	(7,967,759)	(4,898,980)	17,903,458	21,163,155	9,935,699	16,264,175
Transfers	5,271,645	6,272,419	(5,271,645)	(6,272,419)	-	-
Capital asset reassignments	-	-	-	-	-	-
Change in net position	(2,696,114)	1,373,439	12,631,813	14,890,736	9,935,699	16,264,175
Net position - October 1	408,103,549	356,369,293	237,002,884	243,545,113	645,106,433	599,914,406
Net position - September 30	405,407,435	357,742,732	249,634,697	258,435,849	655,042,132	616,178,581
Cumulative effect of change in accounting principle	(49,038,142)	-	(6,089,584)	-	(55,127,726)	-
Net position - September 30 -restated	\$ 356,369,293	\$ 357,742,732	\$ 243,545,113	\$ 258,435,849	\$ 599,914,406	\$ 616,178,581

Governmental activities - Governmental activities increased the City's net position by \$1,373,439 in comparison with beginning net position, primarily due to an overall increase in property tax assessments, when compared to fiscal year 2017. Net position of governmental operations accounts for 60.6% of total net position.

Business-type activities - Business-type activities increased the City's net position by \$14,890,736 in comparison with beginning net position. Total revenue for the business-type activities increased from the previous year by \$5,129,594 due to an increase in charges for services. Net position for business-type activities represents 41.9% of total primary government net position.

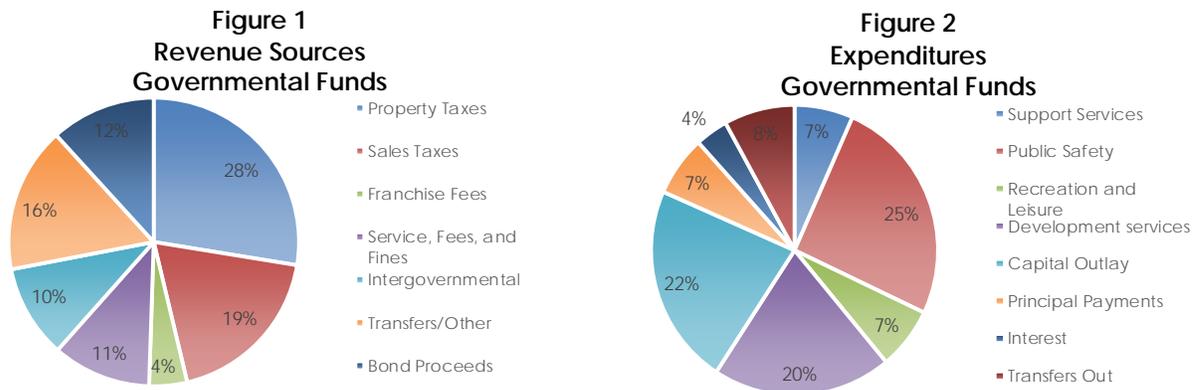
City of Grand Prairie, Texas

Management’s Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2018
 (Unaudited)

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Governmental funds - The focus of City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At fiscal year-end 2018, the City’s governmental funds (excluding internal service funds) reported combined ending fund balances of \$170,492,326, a decrease of \$29,154,291 in comparison with the prior year. The unassigned fund balance portion is 17.4% and is available for spending at the government’s discretion. The remainder is restricted for specific purposes and is not available for new spending. Specific purposes include non-spendable inventories and prepaid items (\$79,015); amounts restricted by statutes, bond covenants or granting agencies (\$84,925,272) either for debt service payments, grant-related use, special taxing districts, or for capital projects. In addition, committed funds (\$52,841,228) require formal action by City Council. Finally, funds may be assigned (\$2,931,849) by City Manager with the City Council’s delegated authority. Figures 1 and 2 that follow show the distribution of governmental funds’ sources of revenues and expenditures, \$266,209,582 and \$342,662,367, respectively, for fiscal year 2018.



The General Fund is the chief operating fund of the City. At fiscal year-end, unassigned fund balance of the General Fund was \$30,344,160, while total fund balance was \$33,745,051. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24.6% of total general fund operating expenditures, while total fund balance represents 27.3% of that same amount. General Fund’s fund balance increased in the amount of \$2,398,346 from the prior fiscal year.

Other major funds with significant changes in fund balance include Streets CIP, Debt Service and Epic CIP. The Streets CIP Fund decreased by \$6,805,619 due to an overall increase in activity including street maintenance and construction. Increased activity was funded from bond proceeds issued for this purpose.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2018
(Unaudited)

The Debt Service Fund decreased by \$3,218,380 due to payment toward principal and interest retirement for Crime Control and Prevention District.

The Epic CIP Fund decreased by \$18,428,123 due to continued construction and capital outlay for EPIC project.

Proprietary funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net position of the City's enterprise funds and internal service funds were \$256,335,404 and \$14,299,735, respectively, at September 30, 2018. The enterprise funds' net investment in capital assets represented 67.8% of total enterprise fund's net position. The internal service funds' net investment in capital assets represented 11.3% of total internal service funds' net position. The enterprise funds' unrestricted net position was 14.4% of their total net position, and internal service funds' unrestricted net position was 88.7% of their total funds' net position. The City's enterprise funds and the internal service funds reported income before contributions and transfers of \$8,389,902 and \$5,449,130, respectively. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the government-wide financial statements and business-type activities. The following Figures 3 and 4 show the proprietary funds' revenues of \$102,388,747 and expenses of \$91,540,977 (excluding non-operating revenues and expenses, and contributions and transfers) by activity.

Figure 3
Revenues by Activity
Proprietary Funds

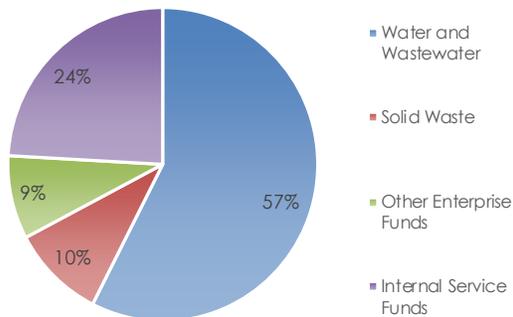
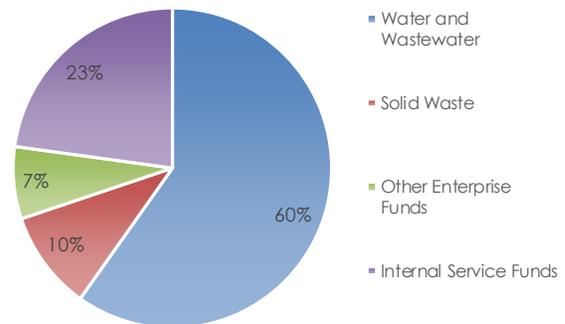


Figure 4
Expenses by Activity
Proprietary Funds



City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2018
 (Unaudited)

General Fund Budgetary Highlights

Actual General Fund revenues were \$3,492,094, or 2.7%, higher than final budgeted revenues for fiscal year 2018. Property taxes, sales taxes, hotel/motel taxes, and franchise fees were 81.1% of General Fund budgeted revenues. Actual General Fund expenditures were \$394,353, or 0.3%, lower than final budgeted expenditures for fiscal year 2018. Budgeted excess of revenues over expenditures before other financing sources and uses was \$7,614,657 compared to actual of \$11,501,104, resulting in a net positive budget variance of \$3,886,997. The City traditionally budgets revenue conservatively and this practice frequently results in positive budgetary variances.

Net change in fund balances of the General Fund, including other financing sources and uses such as transfers, resulted in a net positive budget variance of \$4,289,152.

Capital Asset and Debt Administration

Capital Assets - The City's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities at fiscal year-end amounted to \$890,100,114. This investment includes land, buildings, improvements other than buildings (includes infrastructure), machinery and equipment, and construction in progress. The City's capital assets increased from prior year by \$41,957,138.

Major capital projects occurring during the fiscal year included the following:

- Continued construction of Grand Central Park's Epic Center
- Construction of two relocated fire stations: Fire Stations #4 and #3
- Continued construction of frontage roads along Interstates 30 and 20
- Continued expansion of Warmack Library
- Continued storm utility projects on Great Southwest Parkway
- Continued expansion of several city facilities including Service Center and City Hall
- Continued installation of large water meters, pump stations and water main replacements

The City's capital assets, net of accumulated depreciation, at fiscal year-end was as follows:

Table 3
Capital Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2017	9/30/2018	9/30/2017	9/30/2018	9/30/2017	9/30/2018
Land	\$ 45,603,692	\$ 46,573,694	\$ 4,476,296	\$ 4,717,011	\$ 50,079,988	\$ 51,290,705
Construction in progress	132,532,699	163,246,220	33,801,497	24,493,829	166,334,196	187,740,049
Depreciable capital assets	881,710,595	929,414,228	436,099,617	461,444,005	1,317,810,212	1,390,858,233
Accumulated depreciation	(444,639,140)	(482,359,448)	(241,442,280)	(257,429,425)	(686,081,420)	(739,788,873)
Total capital assets, net	\$ 615,207,846	\$ 656,874,694	\$ 232,935,130	\$ 233,225,420	\$ 848,142,976	\$ 890,100,114

Additional information regarding capital assets can be found on page 55 in Note 2.D.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2018
 (Unaudited)

Long-term debt - At September 30, 2018, the City had the following long-term liabilities:

**Table 4
 Long-Term Debt**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2017	9/30/2018	9/30/2017	9/30/2018	9/30/2017	9/30/2018
	As Restated		As Restated		As Restated	
Bonded debt	\$ 347,946,293	\$ 361,651,245	\$ 62,131,416	\$ 59,814,562	\$ 410,077,709	\$ 421,465,807
Compensated absences	17,345,505	18,085,656	487,664	463,394	17,833,169	18,549,050
Other post employment benefits	56,350,253	53,746,401	5,971,887	5,697,240	62,322,140	59,443,641
Net pension liability	72,615,231	46,045,042	8,132,502	4,880,877	80,747,733	50,925,919
Pollution liability	182,709	58,375	-	-	182,709	58,375
Closure and post closure liability	-	-	7,464,921	7,939,257	7,464,921	7,939,257
Other liabilities	1,460,919	1,460,919	-	-	1,460,919	1,460,919
Total long-term debt	\$ 495,900,910	\$ 481,047,638	\$ 84,188,390	\$ 78,795,330	\$ 580,089,300	\$ 559,842,968
Long-term debt to net position percentage	139%	134%	35%	30%	97%	91%

Of the total bonded debt, \$361,651,245, or 85.8%, is backed by the full faith and credit of the City with a property tax pledge.

During this fiscal year, the City issued \$39,270,000 in new bonded debt, and retired principal on outstanding bonded debt totaling \$30,585,893. The City's total interest expense for all bonded debt was \$15,988,028.

Additional information is detailed in the Note 2.H to the Basic Financial Statements, pages 60 - 73.

The City's bond ratings by Fitch and Standard & Poor's are currently as follows:

	<u>Fitch</u>	<u>Standard & Poor's</u>
General obligation bonds	AA+	AAA
Sales tax revenue bonds (taxable)	AA	A
Sales tax revenue bonds (tax-exempt)	AA+	AA-
Water and wastewater revenue bonds	AAA	AAA

Economic Factors and Next Year's Budget and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2019 budget including tax rates and fees that will be charged for business-type activities. One of the biggest factors continued to be the national economy. Building and development growth rates continue to increase overall; and indicate healthy activities in the residential sector and commercial type permitting. Although the City is largely built out and mature, there are still several areas available, mainly in the south sector with higher end residential areas along Joe Pool Lake. In addition, there is a leveling of multi-family developments, but a major increase in retail construction, in large part due to toll road 161 with IKEA's presence.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2018
(Unaudited)

The City population as of September 2018 was 189,400 which is a 1.27% increase over prior year. Grand Prairie's population continues to increase annually with even more growth expected as a result of continued development and mobility through the City. New and improved roadways among I20, I30, and SH161 continue to make additional demands on the City for increased services. Our diverse economy, the overall DFW metroplex economy and major transportation access all serve to create a synergy.

The following indicators were taken into account when adopting the budget for fiscal year 2019:

- 9.12% increase in assessed property values;
- A 2.3% increase in budgeted sales tax collections as compared to prior fiscal year collections. There was no change in the City's sales tax rate.
- The City's very strong financial position, favorable bond ratings, and continued low interest rates.

These indicators resulted in an increase in budgeted property tax revenues of \$4,658,157 for the General Fund and \$3,768,430 for the General obligation Debt Service Fund. The City maintained the same property tax rate of \$0.669998 per \$100 valuation for fiscal year 2019.

Budgeted sales tax revenues across all funds were increased by \$875,542, or 1.4% over prior fiscal year collections with no change in the sales tax rate.

Overall, the City expects a steady increase in other general revenues of governmental activities due to continued population growth and further developments.

The City's total approved operating appropriations for fiscal year 2019 is \$382,991,946, an increase of \$24,942,208, or 7%, as compared to prior fiscal year projected expenditures. General Fund approved appropriations for fiscal year 2019 is \$138,695,486, an increase of \$6,502,951, or 5%, over fiscal year 2018. Personnel services attributes to 75% of the total operating budget. This increase follows suit with additional staffing (full-time and part-time) to support public safety, a 3% merit increase and an increase in healthcare costs. Other changes in total budgeted operating appropriations include increases of \$3,583,447 in the Water/Wastewater Fund, and \$796,208 in the Epic Operating Fund. In addition, the City adopted a 20-year retirement program in TMRS.

Fiscal year 2019 budgeted appropriations for the General Obligation Debt Service Fund increased by \$1,779,310, or 6%, over fiscal year 2018 due to Cemetery, Airport, Parks Venue and next debt issue.

The City's approved appropriations for capital projects in fiscal year 2019 totals \$91,999,563. Planned capital projects include:

- \$17,688,648 in street and signal projects
- \$14,603,000 in water and wastewater requests
- \$45,510,640 in municipal facilities and infrastructure projects
- \$5,514,145 in storm drainage projects
- \$3,770,317 in fire equipment and stations' relocations
- \$7,100,000 in EPIC Central projects

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued

For the Fiscal Year Ended September 30, 2018

(Unaudited)

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Controller, City of Grand Prairie, Texas, 326 W. Main Street, P.O. Box 534045, Grand Prairie, Texas, 75053-4045.



THIS PAGE IS INTENTIONALLY LEFT BLANK

Basic Financial Statements



THIS PAGE IS INTENTIONALLY LEFT BLANK

City of Grand Prairie, Texas
Statement of Net Position
September 30, 2018

	Primary Government			Grand Prairie	Grand Prairie
	Governmental Activities	Business-Type Activities	Total	Sports Facilities Development	Housing Finance Corporation
ASSETS					
Cash and cash equivalents	\$ 49,349,454	\$ 13,503,610	\$ 62,853,064	\$ 2,060,019	\$ 708,108
Investments	39,643,824	80,115,401	119,759,225	9,410,852	-
Receivables, net	20,350,910	7,210,884	27,561,794	939,999	-
Intergovernmental receivables	2,694,539	19,285	2,713,824	-	-
Inventories and supplies	131,776	586,198	717,974	-	-
Prepays	462,765	46,055	508,820	2,605	24,189
Restricted assets:					
Cash and cash equivalents	3,775,501	6,348,418	10,123,919	-	1,391,682
Investments	105,224,152	9,874,805	115,098,957	-	-
Internal balances	(2,080,445)	2,080,445	-	-	-
Lease payments receivable	-	-	-	10,674,754	-
Estimated unguaranteed residual value	-	-	-	32,801,531	-
Capital assets:					
Nondepreciable	209,819,914	29,210,840	239,030,754	-	1,612,851
Depreciable, net	447,054,780	204,014,580	651,069,360	-	11,557,291
Total assets	876,427,170	353,010,521	1,229,437,691	55,889,760	15,294,121
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refundings	2,631,194	538,458	3,169,652	-	-
Related to OPEB	243,965	25,862	269,827	-	-
Related to TMRS pension	11,761,740	1,246,770	13,008,510	-	-
Total deferred outflows of resources	14,636,899	1,811,090	16,447,989	-	-
LIABILITIES					
Accounts payable	14,651,353	9,025,487	23,676,840	167	146,535
Retainage payable	5,819,277	134,045	5,953,322	-	-
Accrued liabilities	11,311,023	799,937	12,110,960	-	286,181
Unearned revenue	2,876,608	1,052,044	3,928,652	-	-
Current liabilities payable from restricted assets:					
Accrued interest	2,111,036	362,985	2,474,021	-	-
Customer deposits	37,000	4,576,354	4,613,354	-	85,883
Unearned revenue	-	-	-	-	-
Noncurrent liabilities:					
Due within one year:					
Compensated absences	8,292,305	373,856	8,666,161	-	-
Environmental remediation obligation	58,375	-	58,375	-	-
Other liabilities	160,776	-	160,776	-	-
Current portion of long-term debt	31,085,000	5,420,129	36,505,129	-	293,011
Due in more than one year:					
Compensated absences	9,793,351	89,538	9,882,889	-	-
Other postemployment benefits	53,746,401	5,697,240	59,443,641	-	-
Closure and postclosure liability	-	7,939,257	7,939,257	-	-
Net pension liability	46,045,042	4,880,877	50,925,919	-	-
Other liabilities	1,300,143	-	1,300,143	-	-
Long-term debt	330,566,245	54,394,433	384,960,678	-	15,209,105
Total liabilities	517,853,935	94,746,182	612,600,117	167	16,020,715
DEFERRED INFLOWS OF RESOURCES					
Related to OPEB	3,899,795	413,387	4,313,182	-	-
Related to TMRS pension	11,567,607	1,226,193	12,793,800	-	-
Total deferred outflows of resources	15,467,402	1,639,580	17,106,982	-	-
NET POSITION					
Net investment in capital assets	266,214,537	173,815,271	440,029,808	-	(1,148,187)
Restricted for:					
Debt service	3,886,771	7,292,951	11,179,722	-	-
Capital projects	23,435,298	38,329,310	61,764,608	-	-
Support Services	13,062,784	-	13,062,784	-	-
Public safety	19,749,801	-	19,749,801	-	-
Recreation and leisure	10,526,452	-	10,526,452	-	-
Development services	9,961,907	-	9,961,907	-	-
Other specific purposes	407,775	-	407,775	-	-
Facility lease	-	-	-	44,352,297	-
Unrestricted	10,497,407	38,998,317	49,495,724	11,537,296	421,593
Total net position	\$ 357,742,732	\$ 258,435,849	\$ 616,178,581	\$ 55,889,593	\$ (726,594)

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
Statement of Activities
For the Year Ended September 30, 2018

Functions/Activity	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Support services	\$ 27,614,430	\$ 5,539,941	\$ 263,022	\$ -
Public safety services	101,033,502	17,180,107	3,794,382	-
Recreation and leisure services	34,529,152	13,029,253	863,703	-
Development services and other	97,241,362	13,913,703	30,345,321	3,971,782
Interest on long-term debt	12,481,762	-	-	-
Total governmental activities	272,900,208	49,663,004	35,266,428	3,971,782
Business-type activities:				
Water and wastewater	72,412,983	77,556,058	-	9,908,148
Solid waste	12,339,638	13,208,778	-	-
Municipal airport	2,744,301	2,238,508	67,537	-
Municipal golf course	3,309,267	2,453,543	-	-
Storm water	2,446,788	6,864,323	-	2,075,576
Total business-type activities	93,252,977	102,321,210	67,537	11,983,724
Total primary government	\$ 366,153,185	\$ 151,984,214	\$ 35,333,965	\$ 15,955,506
Component units:				
Grand Prairie Sports Facilities Development	\$ 3,957,555	\$ 1,203,476	\$ -	\$ 312,362
Grand Prairie Housing Finance Corporation	6,019,850	6,088,248	-	-
Total component units	\$ 9,977,405	\$ 7,291,724	\$ -	\$ 312,362
General revenues:				
Taxes				
Property taxes				
Sales taxes				
Hotel/motel and other taxes				
Franchise fees (and those based on gross receipts)				
Investment income				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year				
Cumulative effect of change in accounting principle				
Net position - beginning-restated				
Net position - end of year				

The Notes to the Basic Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position Primary Government			Grand Prairie Sports Facilities Development	Grand Prairie Housing Finance Corporation
Governmental Activities	Business-Type Activities	Total		
\$ (21,811,467)	\$ -	\$ (21,811,467)	\$ -	\$ -
(80,059,013)	-	(80,059,013)	-	-
(20,636,196)	-	(20,636,196)	-	-
(49,010,556)	-	(49,010,556)	-	-
(12,481,762)	-	(12,481,762)	-	-
(183,998,994)	-	(183,998,994)	-	-
-	15,051,223	15,051,223	-	-
-	869,140	869,140	-	-
-	(438,256)	(438,256)	-	-
-	(855,724)	(855,724)	-	-
-	6,493,111	6,493,111	-	-
-	21,119,494	21,119,494	-	-
(183,998,994)	21,119,494	(162,879,500)	-	-
			(2,441,717)	-
			-	68,398
			(2,441,717)	68,398
94,648,690	-	94,648,690	-	-
64,250,717	-	64,250,717	-	-
2,208,298	-	2,208,298	-	-
14,485,521	-	14,485,521	-	-
3,506,788	43,661	3,550,449	136,651	3,302
6,272,419	(6,272,419)	-	-	-
185,372,433	(6,228,758)	179,143,675	136,651	3,302
1,373,439	14,890,736	16,264,175	(2,305,066)	71,700
405,407,435	249,634,697	655,042,132	58,194,659	(798,294)
(49,038,142)	(6,089,584)	(55,127,726)	-	-
356,369,293	243,545,113	599,914,406	58,194,659	(798,294)
\$ 357,742,732	\$ 258,435,849	\$ 616,178,581	\$ 55,889,593	\$ (726,594)

City of Grand Prairie, Texas
 Balance Sheet
 Governmental Funds
 September 30, 2018

	General	Section 8	Streets CIP
ASSETS			
Cash and cash equivalents	\$ 7,896,978	\$ 432,058	\$ 2,232,460
Investments	22,643,824	533,109	25,360,381
Property tax receivable, net	1,253,588	-	-
Sales tax receivable	5,691,264	-	-
Franchise fees receivable	2,595,603	-	-
Other receivables, net	2,386,892	-	-
Intergovernmental receivables	1,657,840	-	-
Due from other funds	1,500,000	-	-
Inventory	-	-	-
Prepays	2,743	-	-
	<hr/>	<hr/>	<hr/>
Total assets	45,628,732	965,167	27,592,841
LIABILITIES			
Accounts payable	3,831,520	55,294	1,771,005
Retainage payable	-	-	524,769
Accrued liabilities	5,542,848	85,980	-
Due to other funds	-	-	-
Customer deposits	-	-	-
Unearned revenue	682,237	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	10,056,605	141,274	2,295,774
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	1,827,076	-	-
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	1,827,076	-	-
FUND BALANCES			
Nonspendable	2,743	-	-
Restricted	466,299	823,893	8,511,522
Committed	-	-	16,785,545
Assigned	2,931,849	-	-
Unassigned	30,344,160	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	33,745,051	823,893	25,297,067
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 45,628,732</u>	<u>\$ 965,167</u>	<u>\$ 27,592,841</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Grants	Debt Service	Epic CIP	Nonmajor Governmental Funds	Total Governmental Funds
\$ 470,586	\$ 973,441	\$ 10,609,956	\$ 28,842,756	\$ 51,458,235
-	4,500,000	-	74,830,662	127,867,976
-	513,273	-	-	1,766,861
-	-	-	5,674,914	11,366,178
-	-	-	67,086	2,662,689
41,577	11,093	-	2,115,620	4,555,182
1,036,699	-	-	-	2,694,539
-	-	-	3,493,636	4,993,636
-	-	-	60,333	60,333
-	-	-	15,939	18,682
1,548,862	5,997,807	10,609,956	115,100,946	207,444,311
302,803	-	889,911	6,853,821	13,704,354
-	-	4,316,278	978,230	5,819,277
85,010	-	-	1,518,205	7,232,043
1,500,000	-	3,402,683	90,953	4,993,636
-	-	-	37,000	37,000
290,247	-	-	1,904,124	2,876,608
2,178,060	-	8,608,872	11,382,333	34,662,918
-	461,991	-	-	2,289,067
-	461,991	-	-	2,289,067
-	-	-	76,272	79,015
-	5,535,816	2,001,084	67,586,658	84,925,272
-	-	-	36,055,683	52,841,228
-	-	-	-	2,931,849
(629,198)	-	-	-	29,714,962
(629,198)	5,535,816	2,001,084	103,718,613	170,492,326
\$ 1,548,862	\$ 5,997,807	\$ 10,609,956	\$ 115,100,946	\$ 207,444,311

City of Grand Prairie, Texas
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
September 30, 2018

Total fund balance - total governmental funds		\$ 170,492,326
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds (excluding internal service funds' capital assets of \$1,617,301).		655,257,393
Certain revenues are not available to pay for current-period expenditures; therefore, these revenues are deferred in the funds.		2,289,067
Certain assets and liabilities do not provide or require the use of current financial resources; therefore, these assets and liabilities are not reported in the governmental funds.		
Accrued interest on long-term debt	(2,111,036)	
Unamortized loss of bond refundings	2,631,194	
Deferred pension and OPEB contributions, and investment and actuarial experience (excluding internal service fund totals of \$47,393).	<u>(3,414,304)</u>	(2,894,146)
Internal service funds are used by management to charge cost of certain activities, such as employee health insurance, risk management insurance, and fleet services, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position (net of amount allocated to business-type activities of \$2,201,418).		12,219,290
<p>Noncurrent liabilities are not due and payable in the current period; therefore, they are not reported in the governmental fund balance sheet. These noncurrent liabilities are as follows:</p>		
Long-term debt	(340,950,000)	
Unamortized bond premium/discount, net	(20,701,245)	
Compensated absences (excluding internal service fund totals of \$60,250)	(18,025,406)	
Other post employment benefits (excluding internal service fund totals of \$735,813)	(53,010,588)	
Net pension liability (excluding internal service fund totals of \$630,377)	(45,414,665)	
Environmental remediation obligation	(58,375)	
Other liabilities	<u>(1,460,919)</u>	<u>(479,621,198)</u>
Net position of governmental activities		\$ <u>357,742,732</u>

The Notes to the Basic Financial Statements are an integral part of this statement.



THIS PAGE IS INTENTIONALLY LEFT BLANK

City of Grand Prairie, Texas
Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2018

	General	Section 8	Streets CIP
REVENUES			
Property taxes	\$ 61,122,847	\$ -	\$ -
Sales taxes	31,532,937	-	-
Other taxes	292,966	-	-
Franchise fees	14,485,521	-	-
Charges for goods and services	5,847,113	5,779,637	23,242
Licenses and permits	3,000,527	218,421	-
Fines and forfeitures	7,337,547	-	-
Intergovernmental	2,335,924	27,786,641	-
General and administrative	4,712,539	-	-
Rents and royalties	875	-	-
Investment income	3,213,375	-	-
Contributions	176,042	-	-
Other	854,500	39,476	617,081
	<u>134,912,713</u>	<u>33,824,175</u>	<u>640,323</u>
Total revenues			
EXPENDITURES			
Current operations:			
Support services	22,333,632	-	-
Public safety services	84,283,161	-	-
Recreation and leisure services	2,760,622	-	-
Development services and other	12,944,045	34,784,590	6,221,308
Capital outlay	1,086,949	-	12,867,399
Debt service:			
Principal retirement	-	-	-
Interest and other charges	3,200	-	99,186
	<u>123,411,609</u>	<u>34,784,590</u>	<u>19,187,893</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	11,501,104	(960,415)	(18,547,570)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	33,812	1,480,000
Transfers out	(10,106,151)	(50,000)	(2,662,296)
Bonds issued	-	-	11,731,193
Premium on bonds issued	-	-	1,193,054
Proceeds from sale of capital assets	1,003,393	15,813	-
	<u>(9,102,758)</u>	<u>(375)</u>	<u>11,741,951</u>
Total other financing sources (uses)			
Net change in fund balances	2,398,346	(960,790)	(6,805,619)
Fund balances - beginning of year	31,346,705	1,784,683	32,102,686
Fund balances - end of year	<u>\$ 33,745,051</u>	<u>\$ 823,893</u>	<u>\$ 25,297,067</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Grants	Debt Service	Epic CIP	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 25,802,801	\$ -	\$ 7,741,648	\$ 94,667,296
-	-	-	32,717,780	64,250,717
-	-	-	1,915,332	2,208,298
-	-	-	-	14,485,521
54,343	-	-	13,132,839	24,837,174
-	-	-	210,493	3,429,441
-	-	-	4,004,791	11,342,338
5,263,274	-	-	454,534	35,840,373
-	-	-	-	4,712,539
-	-	-	4,383,279	4,384,154
5,786	-	281,327	6,300	3,506,788
167,688	-	-	803,553	1,147,283
-	-	117,145	355,868	1,984,070
5,491,091	25,802,801	398,472	65,726,417	266,795,992
-	-	-	2,328,652	24,662,284
1,799,099	-	-	8,650,325	94,732,585
201,880	-	1,121,029	22,252,892	26,336,423
2,555,061	-	-	18,812,969	75,317,973
3,123,791	-	21,405,566	44,936,781	83,420,486
-	19,970,000	-	5,035,000	25,005,000
-	8,877,065	-	4,794,575	13,774,026
7,679,831	28,847,065	22,526,595	106,811,194	343,248,777
(2,188,740)	(3,044,264)	(22,128,123)	(41,084,777)	(76,452,785)
4,037,110	50,000	3,700,000	26,529,392	35,830,314
(1,531,226)	(224,116)	-	(15,208,912)	(29,782,701)
-	-	-	24,783,807	36,515,000
-	-	-	2,520,496	3,713,550
1,350	-	-	1,775	1,022,331
2,507,234	(174,116)	3,700,000	38,626,558	47,298,494
318,494	(3,218,380)	(18,428,123)	(2,458,219)	(29,154,291)
(947,692)	8,754,196	20,429,207	106,176,832	199,646,617
\$ (629,198)	\$ 5,535,816	\$ 2,001,084	\$ 103,718,613	\$ 170,492,326

City of Grand Prairie, Texas
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of the
 Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2018

Net change in fund balances - total governmental funds		\$ (29,154,291)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.		
This is the amount of capital assets recorded in the current period.		83,420,486
Depreciation on capital assets is reported in the government-wide statement of activities but does not require the use of current financial resources. Therefore, depreciation is not reported as expenditures in the governmental funds (except for internal service fund depreciation of \$135,147).		(42,252,812)
Governmental funds do not report capital contributions.		1,536,808
The net effect of various transactions involving capital assets (i.e., disposals, sales, and reassignments) are not reported in the governmental funds.		(883,543)
The issuance of long-term debt (i.e., bonds) provides current financial resources to the governmental funds, while repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Bonds issued	(36,515,000)	
Bond principal retirement	25,005,000	
Bond premium issued	(3,713,550)	
Amortization of bond premiums/discounts	1,518,598	
Amortization of loss on refundings	(264,781)	(13,969,733)
Some expense accruals reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued interest	38,447	
Compensated absences	(728,670)	
Pollution remediation obligation	124,334	
Postemployment benefit obligation	2,555,497	
Pension liability	26,169,917	
Deferred pension and OPEB contributions, and investment and actuarial experience	(30,224,019)	
Other liabilities	(81,089)	(2,145,583)
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(134,350)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net operating loss of the internal service funds is reported with governmental activities (net of the amount allocated to business-type activities of \$104,424).		
		4,956,457
Change in net position of governmental activities		<u>\$ 1,373,439</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
Statement of Net Position
Proprietary Funds
September 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental
	Water Wastewater	Solid Waste	Nonmajor Enterprise Funds	Total	Activities Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 10,296,096	\$ 3,259,134	\$ (51,620)	\$ 13,503,610	\$ 1,666,720
Investments	62,618,432	13,624,536	3,872,433	80,115,401	17,000,000
Accounts receivable, net	5,855,367	648,496	707,021	7,210,884	-
Intergovernmental receivable	-	-	19,285	19,285	-
Inventories and supplies	514,213	-	71,985	586,198	71,443
Prepays	-	-	46,055	46,055	444,083
Restricted assets:					
Cash and cash equivalents	6,348,418	-	-	6,348,418	-
Investments	9,801,419	-	73,386	9,874,805	-
Total current assets	95,433,945	17,532,166	4,738,545	117,704,656	19,182,246
Noncurrent assets:					
Capital assets:					
Land	2,208,926	1,748,378	759,707	4,717,011	737,566
Buildings	2,848,430	1,905,218	15,137,593	19,891,241	1,477,875
Equipment	25,670,655	9,949,230	2,329,746	37,949,631	2,198,866
Infrastructure	355,110,305	10,613,146	37,879,682	403,603,133	-
Construction in progress	22,374,315	2,085,267	34,247	24,493,829	227,700
Less: accumulated depreciation	(219,509,383)	(11,621,534)	(26,298,508)	(257,429,425)	(3,024,706)
Total noncurrent assets	188,703,248	14,679,705	29,842,467	233,225,420	1,617,301
Total assets	284,137,193	32,211,871	34,581,012	350,930,076	20,799,547
DEFERRED OUTFLOWS OF RESOURCES					
Debt refundings	538,458	-	-	538,458	-
Related to OPEB	15,530	5,283	5,049	25,862	3,339
Related to TMRS pension	748,716	254,684	243,370	1,246,770	161,024
Total deferred outflows of resources	1,302,704	259,967	248,419	1,811,090	164,363
LIABILITIES					
Current liabilities:					
Accounts payable	8,115,728	489,973	419,786	9,025,487	946,999
Retainage payable	134,045	-	-	134,045	-
Accrued interest	347,905	8,774	6,306	362,985	-
Accrued liabilities	472,808	219,594	107,535	799,937	4,078,980
Compensated absences	232,538	56,148	85,170	373,856	60,250
Unearned revenue	905,606	-	146,438	1,052,044	-
Current portion of long-term debt	4,940,000	330,129	150,000	5,420,129	-
Current liabilities payable from restricted assets:					
Customer deposits	4,502,968	-	73,386	4,576,354	-
Total current liabilities	19,651,598	1,104,618	988,621	21,744,837	5,086,229
Noncurrent liabilities:					
Compensated absences	55,693	13,447	20,398	89,538	-
Other postemployment benefits	3,421,332	1,163,804	1,112,104	5,697,240	735,813
Closure and postclosure liability	-	7,939,257	-	7,939,257	-
Net pension liability	2,931,087	997,042	952,748	4,880,877	630,377
Long-term debt	53,509,433	-	885,000	54,394,433	-
Total noncurrent liabilities	59,917,545	10,113,550	2,970,250	73,001,345	1,366,190
Total liabilities	79,569,143	11,218,168	3,958,871	94,746,182	6,452,419
DEFERRED INFLOWS OF RESOURCES					
Related to OPEB	248,249	84,445	80,693	413,387	53,390
Related to TMRS pension	736,359	250,481	239,353	1,226,193	158,366
Total deferred inflows of resources	984,608	334,926	320,046	1,639,580	211,756
NET POSITION					
Net investment in capital assets	130,658,228	14,349,576	28,807,467	173,815,271	1,617,301
Restricted for:					
Debt service	7,292,951	-	-	7,292,951	-
Capital projects	38,329,310	-	-	38,329,310	-
Unrestricted	28,605,657	6,569,168	1,743,047	36,917,872	12,682,434
Total net position	\$ 204,886,146	\$ 20,918,744	\$ 30,550,514	\$ 256,355,404	\$ 14,299,735
Reconciliation to government-wide Statement of Net Position:					
Adjustments to reflect the consolidation of internal service fund activities related to Enterprise Funds				2,080,445	
Net position of business-type activities				\$ 258,435,849	

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
Statement of Revenues, Expenses,
And Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental
	Water Wastewater	Solid Waste	Nonmajor Enterprise Funds	Total	Activities Internal Service Funds
OPERATING REVENUES					
Water sales	\$ 44,893,468	\$ -	\$ -	\$ 44,893,468	\$ -
Wastewater services	28,328,868	-	-	28,328,868	-
Water and wastewater fees	2,743,483	-	-	2,743,483	-
Wastewater surcharges	846,222	-	-	846,222	-
Solid waste fees	-	13,094,301	-	13,094,301	-
Charges for services	-	-	10,626,085	10,626,085	5,983,290
Intergovernmental revenue	-	-	67,537	67,537	-
Insurance premiums	-	-	-	-	26,506,330
Miscellaneous	744,017	114,477	930,289	1,788,783	41,541
Total operating revenue	77,556,058	13,208,778	11,623,911	102,388,747	32,531,161
OPERATING EXPENSES					
Salaries and benefits	8,072,319	2,676,545	2,700,670	13,449,534	1,901,861
Supplies and miscellaneous purchases	1,202,427	547,366	1,366,201	3,115,994	2,594,067
Purchased services	6,236,044	5,701,457	1,760,996	13,698,497	1,128,243
Insurance costs	-	-	-	-	20,908,318
Water purchases	16,917,148	-	-	16,917,148	-
Wastewater treatment	15,644,623	-	-	15,644,623	-
General and administrative costs	3,895,242	341,938	144,552	4,381,732	-
Franchise fees	2,927,443	364,438	275,062	3,566,943	-
Miscellaneous	1,552,920	817,255	674,016	3,044,191	426,958
Depreciation	14,512,955	1,482,530	1,726,830	17,722,315	135,147
Total operating expenses	70,961,121	11,931,529	8,648,327	91,540,977	27,094,594
Operating income	6,594,937	1,277,249	2,975,584	10,847,770	5,436,567
NONOPERATING REVENUES (EXPENSES)					
Investment income	43,661	-	-	43,661	-
Gain (loss) on property disposition	117,576	(473,453)	68,350	(287,527)	12,563
Interest expense	(2,140,109)	(20,863)	(53,030)	(2,214,002)	-
Total nonoperating revenues (expenses)	(1,978,872)	(494,316)	15,320	(2,457,868)	12,563
Income (loss) before contributions and transfers	4,616,065	782,933	2,990,904	8,389,902	5,449,130
CONTRIBUTIONS AND TRANSFERS					
Capital contributions-impact fees	2,573,638	-	-	2,573,638	-
Capital contributions	7,406,560	-	2,075,576	9,482,136	-
Transfers in	143,008	-	654,116	797,124	300,000
Transfers out	(1,386,922)	(307,621)	(5,375,000)	(7,069,543)	(75,194)
Total contributions and transfers	8,736,284	(307,621)	(2,645,308)	5,783,355	224,806
Change in net position	13,352,349	475,312	345,596	14,173,257	5,673,936
Net position - beginning of year	195,118,591	21,662,839	31,370,154	248,151,584	9,396,767
Cumulative effect of change in accounting principle	(3,584,794)	(1,219,407)	(1,165,236)	(5,969,437)	(770,968)
Net position - beginning of year (restated)	191,533,797	20,443,432	30,204,918	242,182,147	8,625,799
Net position - end of year	\$ 204,886,146	\$ 20,918,744	\$ 30,550,514	\$ 256,355,404	\$ 14,299,735
Reconciliation to government-wide Statement of Activities:					
Total change in net position				\$ 14,173,257	
Adjustments to reflect the consolidation of internal service fund activities related to Enterprise Funds				717,479	
Change in net position of business-type activities				<u>\$ 14,890,736</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2018

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Water Wastewater	Solid Waste	Other Nonmajor		Activities Internal Service Funds
Cash flows from operating activities:					
Cash receipts from customers	\$ 76,977,582	\$ 13,077,606	\$ 10,503,459	\$ 100,558,647	\$ -
Cash receipts from city and employee contributions	-	-	-	-	26,506,330
Cash receipts from interfund services provided	-	-	-	-	5,983,290
Cash receipts from other governments	-	-	96,170	96,170	-
Other operating cash receipts	744,017	114,477	930,289	1,788,783	41,541
Cash payments to suppliers for goods and services	(40,916,336)	(5,965,045)	(3,583,714)	(50,465,095)	(3,438,673)
Cash payments to employees for services	(8,117,462)	(2,776,624)	(2,693,419)	(13,587,505)	(1,747,199)
Cash payments for interfund services used	-	-	(275,062)	(275,062)	(20,908,318)
Other operating cash payments	(4,480,363)	(1,181,693)	(144,552)	(5,806,608)	-
Net cash provided by (used in) operating activities	24,207,438	3,268,721	4,833,171	32,309,330	6,436,971
Cash flows from noncapital financing activities:					
Transfers from other funds	143,008	-	654,116	797,124	300,000
Transfers to other funds	(1,386,922)	(307,621)	(5,375,000)	(7,069,543)	(75,194)
Contributions to other governments	-	-	-	-	-
Net cash (used in) provided by noncapital financing activities	(1,243,914)	(307,621)	(4,720,884)	(6,272,419)	224,806
Cash flows from capital and related financing activities:					
Proceeds from issuance of bonds	2,755,000	-	-	2,755,000	-
Capital impact fees from developers	2,573,638	-	-	2,573,638	-
Proceeds from disposition of capital assets	69,794	15,734	11,752	97,280	12,563
Acquisition and construction of capital assets	(4,592,125)	(3,338,390)	(761,321)	(8,691,836)	(62,145)
Principal paid on debt	(4,810,000)	(625,893)	(145,000)	(5,580,893)	-
Interest paid on debt	(1,702,265)	(28,587)	(53,891)	(1,784,743)	-
Bond issuance costs	(92,545)	-	-	(92,545)	-
Net cash used in capital and related financing activities	(5,798,503)	(3,977,136)	(948,460)	(10,724,099)	(49,582)
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	-	-	-	-	-
Purchase of investment securities	(16,800,000)	-	-	(16,800,000)	(7,000,000)
Interest received on investments	43,661	-	-	43,661	-
Net cash (used in) provided by investing activities	(16,756,339)	-	-	(16,756,339)	(7,000,000)
Net (decrease) increase in cash and equivalents	408,682	(1,016,036)	(836,173)	(1,443,527)	(387,805)
Cash and cash equivalents - beginning of year	16,235,832	4,275,170	784,553	21,295,555	2,054,525
Cash and cash equivalents - end of year	\$ 16,644,514	\$ 3,259,134	\$ (51,620)	\$ 19,852,028	\$ 1,666,720
Reconciliation of operating income (loss) from operations to net cash from operating activities:					
Operating income (loss)	\$ 6,594,937	\$ 1,277,249	\$ 2,975,584	\$ 10,847,770	\$ 5,436,567
Adjustments to operating income (loss) to net cash from operating activities:					
Depreciation	14,512,955	1,482,530	1,726,830	17,722,315	135,147
Provisions for uncollectible accounts	(146,209)	(56,139)	(12,069)	(214,417)	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(57,088)	39,444	(114,338)	(131,982)	-
(Increase) decrease in intergovernmental receivable	-	-	-	-	-
(Increase) decrease in due from other governments	-	-	28,633	28,633	-
(Increase) decrease in inventories and supplies	(8,484)	-	11,134	2,650	49,710
(Increase) decrease in prepaids	-	-	(32,292)	(32,292)	-
Increase (decrease) in accounts payable	3,354,279	96,066	235,345	3,685,690	660,885
Increase (decrease) in retainage payable	(366,786)	-	-	(366,786)	-
Increase (decrease) in accrued liabilities	139	529,650	14,254	544,043	145,548
Increase (decrease) in customer deposits	368,838	-	3,781	372,619	-
Increase (decrease) in unearned revenue	-	-	(10,942)	(10,942)	-
Increase (decrease) in compensated absences	(12,970)	(17,469)	6,169	(24,270)	11,481
Increase (decrease) in OPEB liability	69,257	23,559	22,512	115,328	14,896
Increase (decrease) in pension liability	(101,430)	(106,169)	(21,430)	(229,029)	(17,263)
Net cash provided by (used in) operating activities	\$ 24,207,438	\$ 3,268,721	\$ 4,833,171	\$ 32,309,330	\$ 6,436,971
Noncash investing, capital and financing activities:					
Capital contributions from developers/granting agencies	\$ 7,406,560	\$ -	\$ 2,075,576	\$ 9,482,136	\$ -
Reconciliation of ending cash and cash equivalents to Statement of Net Position:					
Unrestricted cash and cash equivalents - end of year	\$ 10,296,096	\$ 3,259,134	\$ (51,620)	\$ 13,503,610	\$ 1,666,720
Restricted cash and cash equivalents - end of year	6,348,418	-	-	6,348,418	-
Total cash and cash equivalents - end of year	\$ 16,644,514	\$ 3,259,134	\$ (51,620)	\$ 19,852,028	\$ 1,666,720

The Notes to the Basic Financial Statements are an integral part of this statement.



THIS PAGE IS INTENTIONALLY LEFT BLANK

Notes to the Basic Financial Statements



THIS PAGE IS INTENTIONALLY LEFT BLANK

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Note 1. Summary of Significant Accounting Policies

A. Introduction

The City of Grand Prairie (City) is one of the Mid-Cities in the Dallas-Fort Worth Metroplex, 12 miles west of downtown Dallas, 18 miles east of downtown Fort Worth and six miles south of DFW International Airport. The City was incorporated in 1909, and adopted the Council-Manager form of government in 1948.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accounts as published in Audits of State and Local Governments.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including legally separate entities as component units within the City's reporting entity are set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. Based on this criterion, the City reports the following component units as part of the financial reporting entity:

Blended Component Units

Grand Prairie Crime Control and Prevention District

The City of Grand Prairie Crime Control and Prevention District (CCPD) was created in May 2007 under the provisions of the Crime Control and Prevention Act and authority of Chapter 363, Texas Local Government Code, as amended (Act) by Resolution No. 2007-02 of the Grand Prairie City Council. The purpose of the CCPD is to provide crime control and crime prevention strategies, specific treatment and prevention programs, and court and prosecution services including the cost of personnel, administration, expansion, enhancement, and capital expenditures, and any other programs as authorized by Chapter 363.

Under the authority of the Act, the voters of Grand Prairie approved a proposition to levy and collect an additional quarter-cent sales and use tax for the purpose of funding the CCPD which became effective October 1, 2007. In 2012, citizens voted to continue/renew the quarter-cent sales and use tax for this same purpose.

The CCPD's governing body is substantively the same as the governing body of the City as the seven members of the CCPD's Board of Directors are all City council members. The City has operational responsibility for the CCPD, and the CCPD provides all of its services to the City. If the District is dissolved, its assets will become the City's property. For these reasons, the CCPD is reported as a blended component unit of the City and is reported as a special revenue fund within the City's governmental activities. This special revenue fund was established specifically to account for the accumulation and use of the quarter-cent sales tax revenue collected for the CCPD.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Discretely Presented Component Units

Grand Prairie Sports Facilities Development Corporation

The Sports Corporation was incorporated on June 10, 1992, under the provisions of the Development Corporation Act of 1979, as amended, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended (Act) by Resolution No. 2841 of the Grand Prairie City Council. The purpose of the Sports Corporation is to promote economic development within the City in order to reduce unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City by developing, implementing, providing and financing projects authorized under the Act.

The Act provides that the City may levy a one-half cent sales and use tax for the benefit of the Sports Corporation if the tax is authorized by a majority of the qualified voters in an election. On January 18, 1992, a majority of the voters approved a proposition to levy and collect an additional one-half cent sales and use tax for the purpose of constructing a horse racetrack. The one-half cent sales and use tax increase became effective April 1, 1993 to cover the costs of the project or the principal, interest and other costs relating to any bonds or obligations issued to pay the costs of the project or to refund bonds or obligations issued to pay the costs of the project. All bonds were redeemed on September 15, 2007. The sales tax was discontinued on September 30, 2007.

The City continues to receive significant financial benefits from the Sports Corporation as excess earnings of the Sports Corporation are paid to the City; and, if dissolved, all assets of the Sports Corporation become the City's property. Although the Sports Corporation is a legally separate entity, the City has the ability to impose its will upon the Sports Corporation as its Board of Directors are all appointed by the City Council, and four of the seven-member board are actual City Council members. For this reason, the Sports Corporation is presented as part of the City's reporting entity as a discretely presented component unit. Discretely presented component units are presented in a separate column alongside the City's financial information.

Grand Prairie Housing Finance Corporation

The Grand Prairie Housing Finance Corporation (HFC) was created to issue tax-exempt revenue bonds to supply mortgage financing for low income home buyers and multi-family development. While the entity is legally, financially and administratively autonomous, the governing body of the City of Grand Prairie may, at its sole discretion, and at any time, amend HFC's Articles of Incorporation, and alter or change its structure, programs or activities, or terminate or dissolve it. Additionally, members of the Board of Directors are appointed by and may be removed by the City Council. However, the City is not financially obligated for any debt of the HFC. For these reasons, the HFC is presented as part of the City's reporting entity as a discretely presented component unit.

The HFC's financial information, for its calendar year ended December 31, 2017, is included in the City's financial statements in a separate column alongside the City's. Separate audited financial statements may be obtained by writing Grand Prairie Housing Finance Corporation, Attn: Executive Director, P. O. Box 532758, Grand Prairie, Texas 75053-2758.

Related Autonomous Entities

Grand Prairie Health Facilities Development Authority

The Grand Prairie Health Facilities Development Authority (HFDA) was created to issue tax-exempt revenue bonds to finance medical facilities. While the HFDA's revenue bonds were defeased, the HFDA continues to exist only to make decisions from time to time regarding the defeased bonds. The City exercises no control over the HFDA or its budget.

Grand Prairie Industrial Development Authority

The Grand Prairie Industrial Development Authority (GPIDA) was created to issue tax-exempt industrial revenue bonds to assist in the City's economic development and to evaluate tax abatement applications. The City exercises no control over the GPIDA's management, budget or operations.

C. Implementation of New Accounting Standards

For fiscal year ended September 30, 2018, the City implemented the following new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* is effective for fiscal years beginning after June 15, 2017. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

With this implementation, the City's financial statements were restated to reflect the beginning OPEB liability, deferred outflows and inflows of resources and the recognition of OPEB expense and contributions made between the start of the measurement period and the City's prior fiscal year. The restatement to beginning net position is noted below and reflected on the statements:

	Government-Wide		Fund Level	
	Statement of Activities		Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	
	Governmental Activities	Business-Type Activities	Business-Type Enterprise Funds	Governmental Internal Service Funds
Net position - beginning of year	\$ 405,407,435	\$ 249,634,697	\$ 248,151,584	\$ 9,396,767
Change in reporting for OPEB	(49,038,142)	(6,089,584)	(5,969,437)	(770,968)
Net position - beginning of year (restated)	\$ 356,369,293	\$ 243,545,113	\$ 242,182,147	\$ 8,625,799

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, is effective for periods beginning after December 15, 2016, and pertains to a type of a giving agreement used by donors to provide resources to two or more beneficiaries, including governments. The adoption of Statement No. 81 has no impact on the City's financial statements.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

GASB Statement No. 82, *Pension Issues – an amendment of GASB statements No. 67, No. 68, and No. 73*, is effective for periods beginning after June 15, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

GASB Statement No. 85, *Omnibus 2017*, is effective for periods beginning after June 15, 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues relating to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, is effective for periods beginning after June 15, 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt. The adoption of Statement No. 86 has no impact on the City's financial statements.

C. Basis of Presentation

Government-Wide Financial Statements

The two government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information on all activities of the City, including component units. Governmental activities, which include those activities primarily supported by taxes or intergovernmental revenue, are reported separately from business-type activities which generally rely on fees and charges for support. Significant revenues generated from business-type activities include charges to customers for water and wastewater services, golf course fees, airport user charges, solid waste collection services, and storm water utility fees. As a general rule, the internal activity between governmental activities and business-type activities is eliminated from the government-wide financial statements except that charges for administrative overhead services provided by the governmental activities to the business-type activities are included as revenues to the governmental activities and expenses to the business-type activities.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

The Statement of Activities reports the change in the City's net position from October 1, 2017 to September 30, 2018. This statement demonstrates the degree to which the direct expenses of a given function of the government are offset by program revenues. Specifically, the City has identified the following functions of government – support services, public safety services, recreation and leisure services, development services, water and wastewater services, solid waste services, storm water services, airport operations, and golf course operations. *Direct expenses* are those that are clearly identifiable with a specific function of City government. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as *general revenues* in the statement of activities.

Fund Financial Statements

In addition to the government-wide financial statements, the City also reports separate financial statements for major functions or activities of the government. These financial statements are organized on the basis of funds with governmental resources allocated to and accounted for based upon the purposes for which they are spent and the means by which spending activities are controlled. Separate statements are presented for governmental activities and proprietary activities.

Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenditures/expenses, and fund balances. The fund financial statements present each major fund as a separate column, while all nonmajor funds are aggregated and presented in a single column. Major funds are calculated using specific methods outlined in GASB Statement No. 34, or City management may also deem funds as major for presentation purposes.

At September 30, 2018, major governmental funds include the following:

General Fund

The General Fund is the primary operating fund of the City. This fund is used to account for all financial resources of the general government, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs not paid through other funds are paid from the General Fund.

Section 8 Fund

This special revenue fund accounts for grant and contract revenue received from the federal government for providing housing assistance to low income families and for the administration of the program.

Street CIP Fund

This capital project fund accounts for the construction and renovation of thoroughfares and arterial streets and roads financed through general obligation bond proceeds and other dedicated sources.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Grants Fund

This special revenue fund accounts for the various federal, state and local grant revenue received by the City. All grants included in this fund are for specific projects with limited duration.

Debt Service Fund

The City's Debt Service Fund accounts for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted exclusively for debt service expenditures.

Epic CIP Fund

This capital project fund accounts for the proceeds from sales tax revenue bonds, current lending/borrowing arrangements, and other dedicated sources to be used in the construction of The Epic.

At September 30, 2018, major enterprise funds include the following:

Water/Wastewater Fund

This fund accounts for water and wastewater system services provided for residents of the City, including administration, operations, maintenance, debt service, billing and collection. The City purchased treated water from surrounding cities, and water is pumped from City-owned wells. Although the City owns the wastewater collection system, it has no treatment facilities. Wastewater treatment is provided by the Trinity River Authority. Contracts relating to purchased water and wastewater treatment are discussed in Note 2M. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Solid Waste Fund

This fund accounts for the City's landfill, garbage/recycling collection service, brush and litter collection, street sweeping, illegal dumping cleanup, Keep Grand Prairie Beautiful, and auto-related business programs, as well as a number of special purpose transfers related to reserves for landfill closure, post-closure costs and environmental remediation. All costs are financed through charges to sanitation customers.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide financial statements and the fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position, and the operating statement presents increases (revenues) and decreases (expenses) in the net position. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when both *measurable* and *available*. *Measurable* means knowing, or being capable of calculating or estimating the amount to be received. *Available* means collectible within the current period or soon enough thereafter to pay current liabilities (generally sixty days). Also, under the modified accrual basis of accounting, expenditures (including capital outlay) are recorded in the period when the related fund liability is incurred, except for general obligation bond principal and interest and expenditures related to compensated absences, which are recorded when due rather than when incurred.

Major revenue sources susceptible to accrual in the governmental funds include property taxes, sales taxes, franchise fees, charges for services, and intergovernmental revenues. Revenue is accrued when it is deemed available except for intergovernmental revenues.

Grant revenues are recognized not just when available, but when the qualifying expenditures have been incurred, and all other grant requirements have been met.

The City also reports *unavailable* and *unearned* revenues in its governmental funds. *Unavailable* revenues arise when potential revenue does not meet both the *measurable* and *available* criteria for recognition in the current period. *Unearned* revenues arise when the City receives revenue resources before it has legal claim to it, as when grant money is received prior to the incidence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the City has a legal claim to the resource, the revenue is recognized.

Proprietary Funds

As mentioned earlier, proprietary funds use the economic resources measurement focus and the accrual basis of accounting. The accounting objectives for proprietary funds are the determination of net income, financial position, and cash flows. Proprietary fund equity is segregated into (1) net investment in capital assets; (2) restricted net position, and (3) unrestricted net position. Proprietary funds distinguish operating revenues and expenses from the non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports two types of proprietary funds – enterprise funds and internal services funds.

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is 1) that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or 2) where the City Council has decided that periodic determination of revenues earned, expenses incurred and/or operating income generated is appropriate for the purposes of capital maintenance, public policy, management control, and/or accountability. The City maintains five enterprise funds – water and wastewater services, solid waste services, storm water services, airport operations, and golf course operations. These enterprise funds are classified as business-type activities in both the government-wide and governmental fund financial statements.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments within the City, on a cost-reimbursement basis. The City has two internal service funds:

- **Fleet Services Fund** – accounts for a full range of services in managing and maintaining the City's fleet of vehicles and equipment.
- **Risk Management Fund** – accounts for premiums, deductibles and claims for the City's property, liability, workers compensation, and employee health and life insurance programs. The City reports all risk financing activities in the Risk Management Fund.

D. Assets, Liabilities, Deferred Outflows/Inflows Resources, and Net Position/Fund Balances

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Interest earnings are recorded in the General Fund unless it is required by regulations or agreements to allocate to certain funds. In fiscal year 2018, the funds receiving allocation of interest earnings were the Grants Fund, Epic CIP Fund, Police Seizure Funds and the Water/Wastewater Fund. For purposes of the statements of cash flows, the City considers cash on hand, demand deposits, and investments with original maturities of three months or less to be cash equivalents.

Receivables and Payables

Major revenue sources susceptible to accrual are recorded as receivables when they become both measurable and available. Expenditures incurred during the current fiscal year but not yet paid are recorded as payables at fiscal year-end.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at fiscal year-end are referred to as due to/from other funds.

Inventories and Prepaid Items

Inventory consists primarily of supplies and material and is recorded at cost when purchased and expensed when consumed. For the General Fund, inventory is expensed on an actual specific-cost basis. Special Revenue and Enterprise Funds' inventory is charged out on a first-in, first-out basis, except for fuel inventory which is charged out on a moving-average basis. Prepaid balances are for payment made by the City in the current year to provide services occurring in the subsequent fiscal year. The cost of prepaid items is expensed when consumed rather than when purchased.

Accordingly, for both inventories and prepaid items, fund balance is classified as nonspendable for an amount equal to the cost to signify those funds are not available for spending.

Capital Assets and Depreciation

Capital assets (i.e. land, buildings, equipment, improvements other than buildings, infrastructure, and construction in progress) of all the funds are stated at historical cost or estimated historical cost if historical cost is not known. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value on the date donated. An item is classified as an asset if the initial, individual cost is \$5,000 or greater. Capital assets of the City are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Assets subject to depreciation are depreciated using the straight-line method.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

The estimated useful lives of all depreciable assets are as follows:

Buildings	20 - 40 years
Machinery and Equipment	5 - 15 years
Improvements other than Buildings	20 - 40 years
Infrastructure	20 - 40 years

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position by the City that is applicable to a future reporting period, and as so will not be recognized as an outflow of resources (expenses/expenditures) until then. Deferred outflows of resources are reported in the government-wide Statement of Net Position for governmental and business-type activities and in the Statement of Net Position in the fund financial statements only for proprietary funds. The City has the following items that qualify for reporting in this category.

- **Deferred charges on debt refunding** – results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- **Pension and OPEB Employer contributions** – contributions made from the measurement date of the plans to the current fiscal year end (January to September). These contributions are deferred and recognized in the subsequent fiscal year.
- **Pension and OPEB investment experience** – the difference between projected and actual earnings of plan investments. The difference is deferred and recognized as pension plan expense over a closed five-year period as required by GASB No. 68 and 75.
- **Pension and OPEB assumption changes** – the difference resulting from a change in assumptions used to measure the underlying net pension and OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members as of the beginning of the measurement period.

Deferred inflows of resources represents an acquisition of net position that is applicable to a future reporting period, and as so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflow of resources are reported in the basic financial statements the same as deferred outflows of resources. The City has the following items that qualify for reporting in this category.

- **Unavailable revenue** – at the governmental fund level, property tax and ambulance receivables recorded but not expected to be collected within than sixty days after fiscal year end are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.
- **Pension and OPEB actuarial experience** – the difference between the expected and actual experience in the actuarial measurement of the total pension and OPEB liability not recognized in the current year. This amount is deferred and amortized over a period of years determined by the plan actuary. The amortization period is based on the estimated average remaining service lives of employees that are provided with a pension or OPEB through the plans (active and inactive employees) for the City determined at the beginning of the measurement date.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

- **OPEB assumption changes** – the difference resulting from a change in assumptions used to measure the underlying net pension and OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members as of the beginning of the measurement period.
- **Pension investment experience** – the difference between projected and actual earnings of plan investments. The difference is deferred and recognized as pension plan expense over a closed five-year period as required by GASB No. 68.

Compensated Absences

Employees are granted vacation benefits in varying amounts, depending on tenure with the City. These benefits accumulate pro rata by pay period. Payment for unused vacation will be made at upon separation of employment. Fire and police civil service employees who have completed their introductory period are paid up to 90 days sick leave upon separation of employment, excluding indefinite suspensions. The valuation of the civil service sick leave is at current pay rates. The valuation of accrued compensated absences includes salary-related payments such as the City's share of taxes and contributions to the retirement plan in accordance with GASB 16.

Accrued compensated absence liabilities are reported in the respective columns in the government-wide financial statements and in the proprietary fund financial statements. Compensated absences are only reported in governmental funds if they are owed to separated employees at the end of the fiscal year.

Pensions

For purposes of measuring net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the Fiduciary Net Position of TMRS, and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Postemployment Benefits

The City provides postemployment healthcare benefits to all vested employees upon retirement from the City. Employees are vested in the City's pension plan with twenty-five years or more of service, regardless of age, or five years or more of service at age sixty and above. Coverage is also available to dependents or surviving spouses of retirees. The City subsidizes medical, dental, and hospitalization costs incurred by retirees and their dependents. Recommendations for plan benefits are presented to City Council for their approval during the annual budget process. The City's plan qualifies as a single-employer, defined benefit plan. Complete details of the plan are listed in Note K starting on page 78.

Long-Term Debt

General obligation bonds and other debt issued for general government capital projects and acquisitions that are repaid from tax revenues are recorded in the governmental activities column in the government-wide Statement of Net Position. Debt issued to fund capital projects in the proprietary funds is recorded in both the business-type activities column in the government-wide Statement of Net Position and in the proprietary fund Statement of Net Position. Bond premiums and discounts, as well as deferred charges on refunded debt obligations, are deferred and amortized over the life of the bonds using the effective interest method in the government-wide financial statements and in the proprietary funds. Bonds payable are reported net of applicable bond premiums and discounts.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Nature and Purpose of Classifications of Fund Equity

Restricted fund balances in the governmental funds are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments for specific purposes.

Committed fund balances can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution, which are considered equally restrictive for the purpose of committing fund balances. To remove or change the constraint, the City Council must take the same level of action.

Assigned fund balances are determined by City management based on City Council direction, in accordance with financial policies adopted by resolution. Assigned fund balances are constrained by the intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance represents the amount that does not meet the criteria for restricted, committed, or assigned.

Nonspendable fund balances represent inventories and prepaid items.

The City considers expenditures to be made from the most restrictive classification when more than one classification is available.

Minimum Fund Balance Policy

It is the desire of the City to maintain an adequate fund balance in the General Fund in order to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial policy to maintain a minimum unassigned fund balance of 50 to 60 days of budgeted General Fund expenditures.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Restricted net position represents the difference between restricted assets and liabilities payable from these assets that is externally imposed by enabling legislation.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, plus deferred outflows from bond refundings, reduced by retainage payable and the outstanding balance of any debt used for acquisition, construction, or improvements of those assets, plus any unspent bond proceeds.

E. Budgetary Control

As set forth by the City Charter, the City Manager submits annual budgets to the City Council in August for the upcoming fiscal year. In September, the City Council adopts budgets for all governmental funds except for the Grants Fund, Police Seizure Funds, Public Improvement District Funds (PIDs), Tax Increment Financing District Funds (TIFs), and the Verizon Theatre Fund. For each governmental fund, budgeted appropriations (expenditures) may not exceed budgeted revenues plus beginning fund balances.

Capital project funds are controlled on a project basis and budgeted appropriations are carried forward each year until the project is completed.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Note 2. Detailed Notes

A. Deposits and Investments

Cash and Cash Equivalents

At September 30, 2018, the City reported cash and cash equivalents in the Statement of Net Position as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash	\$ 2,900,230	\$ 7,171,164	\$ 10,071,394
Pooled investments	<u>59,952,834</u>	<u>2,952,755</u>	<u>62,905,589</u>
Total cash and cash equivalents	<u><u>\$ 62,853,064</u></u>	<u><u>\$ 10,123,919</u></u>	<u><u>\$ 72,976,983</u></u>

Of this amount, the City's cash carrying amount (book) and bank balances were as follows:

<u>Financial Institution</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Wells Fargo	\$ 10,045,422	\$ 14,219,954
Petty Cash	<u>25,972</u>	<u>-</u>
Total cash	<u><u>\$ 10,071,394</u></u>	<u><u>\$ 14,219,954</u></u>

Chapter 2257 Collateral for Public Funds of the Government Code requires that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. Per Wells Fargo Bank, N.A. and BNY Mellon's contractual obligation to the City, the collateral value held at the Federal Reserve Bank in the City's name at September 30, 2018 was \$10,268,232.

Grand Prairie Sports Facilities Development

At September 30, 2018, the carrying amount of the Sports Corporation's deposits included in cash and cash equivalents was \$397,926 while the bank balance of the Sports Corporation's deposits was \$398,106. The bank balance was entirely covered by collateral held by the Sports Corporation's agent in the Sports Corporation's name.

Grand Prairie Housing Finance Corporation

The bank balance of HFC at December 31, 2017, including restricted cash, totaled \$806,877 all of which was covered by FDIC insurance and collateral held by the depository institution in HFC's name. HFC's unrestricted cash and cash equivalents had a balance of \$708,108. Restricted cash of \$98,769 (tenant security deposits) represents cash held on deposit by HFC for insurance proceeds received for damages to federally funded assets. The liability is recorded until final disposition of the proceeds is requested by HUD. Other assets include reserves of \$109,126 and bonds held by a trustee of \$1,183,787 as a debt service reserve.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Investments

The City and the Sports Corporation categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted for identical assets or liabilities in active markets that a government can access at the measurement date.)
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has recurring fair value measurements as presented in the table below. The City's investment balances and weighted average maturity of such investments are as follows:

	September 30, 2018	Fair Value Measurements Using:			Weighted Average Maturity (Days)	Credit Risk
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Cash	\$ 10,071,394	\$ -	\$ -	\$ -		
Investments measured at amortized cost:						
Investment Pools:						
Texpool	24,424,476	-	-	-	1	AAAm
Investments measured at net asset value (NAV):						
Investment Pools:						
TexStar	38,481,113	-	-	-	1	AAAm
Investments by fair value level:						
U.S. government agency securities:						
US Treasuries	4,936,892	-	4,936,892	-	3	AAA
FAMCA	39,485,540	-	39,485,540	-	676	Not Rated
FFCB	52,651,530	-	52,651,530	-	328	AAA
FHLB	56,578,540	-	56,578,540	-	368	AAA
FHLMC	34,634,660	-	34,634,660	\$ -	472	AAA
FNMA	46,571,020	-	46,571,020	-	447	AAA
Total	\$ 307,835,165	\$ -	\$ 234,858,182	\$ -		

The amounts for TexStar and TexPool (pooled investments) are reported as cash equivalents in the Statement of Net Position.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

The *Texpool* investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pool transacts at a net asset value of \$1.00 per share, has weighted average maturities of sixty days or less and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities) and can meet reasonably foreseeable redemptions. *Texpool* has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The *TexStar* investment pool is an external investment pool measured at NAV. *TexStar's* strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pools. *TexStar* has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity.

U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investment Policy

The City is required by Government Code Chapter 2256, the Public Funds Investment Act (Act), to adopt, implement, and publicize an investment policy. That policy must be written, primarily to emphasize safety of principal and liquidity; address 1) investment diversification, yield, and maturity, and 2) the quality and capability of investment management; include a list of the types of authorized investments in which the investing entity's funds may be invested; and, the maximum allowable stated maturity of any individual investment owned by the entity.

The City Council has adopted investment policies (policies) which are in accordance with the laws of the State of Texas, where applicable. The policies identify authorized investments and investment terms, collateral requirements, safekeeping requirements for collateral and investments and certain investment practices.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establish appropriate polices. Authorized investments include obligations of the United States or its agencies and instrumentalities (except for mortgage pass-through securities), repurchase agreements, municipal securities, public funds investment pools, SEC regulated money market mutual funds and collateralized or insured certificates of deposit. The City adheres to the requirements of the Act. Additionally, investment practices of the City are in accordance with local policies.

City Of Grand Prairie, Texas
 Notes to the Basic Financial Statements
 September 30, 2018

The investment policies require that repurchase agreements be made pursuant to a master agreement, the collateral is a U. S. Treasury bill, note or bond; the security is held in safekeeping by the City's custodial agent; and the investment is transacted "delivery vs. payment" so that the City's interest in the underlying security is perfected. The City does not invest in reverse repurchase agreements. No City monies were invested in repurchase agreements at September 30, 2018.

Investment Risk

Interest rate risk – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investments portfolio to less than twelve months.

Credit risk – State law limits investments in commercial paper if the commercial paper is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state. The City's policy does not allow investments in commercial paper.

Concentration of credit risk – Investments shall be diversified to reduce the risk of loss resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities.

The asset mix of the City's portfolio is expressed in terms of maximum commitment so as to allow flexibility to take advantage of market conditions. The asset mix requirements are as follows:

	<u>% Maximum</u>
1. U.S. Treasury bills and notes	100
2. U.S. agency or instrumentality obligations (each type)	25 ^a
3. Repurchase agreements	20
4. Municipal securities (total)	40
5. Municipal securities (out-of-state)	20
6. Certificates of deposit (per institution)	20
7. Money market mutual fund	50 ^b
8. Public funds investment pool	50

^a Total agency investments limited to no more than 100% of the total portfolio.

^b State law allows up to 80% of monthly average fund balance, excluding bond proceeds. The City limits its exposure to 50% to reduce risk.

In addition, the City may invest in callable securities but shall limit the total amount to no more than 50% of the portfolio. The City did not invest in any securities different from the categories mentioned above during the 2017-2018 fiscal year.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Grand Prairie Sports Facilities Development

The Corp has recurring fair value measurements as presented in the table below. The Corp's investment balances and weighted average maturity of such investments are as follows:

	September 30, 2018	Fair Value Measurements Using			Weighted Average Maturity (Days)	Credit Risk
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Cash	\$ 397,926	\$ -	\$ -	\$ -		
Investments measured at amortized cost:						
Investment Pools:						
Texpool	1,661,925	-	-	-	1	AAAm
Investments by fair value level:						
U.S. government agency securities:						
US Treasuries	987,482	-	987,482	-	484	Not Rated
FFCB	2,971,544	-	2,971,544	-	579	AAA
FHLB	1,996,566	-	1,996,566	-	54	AAA
FNMA	3,455,428	-	3,455,427	-	367	AAA
Total	\$ 11,470,871	\$ -	\$ 9,411,019	\$ -		

The Sports Corporation is authorized to invest in obligations of the U.S. or its agencies and instrumentalities, certain repurchase agreements, municipal securities with a rating of at least A, collateralized or insured certificates of deposit, and SEC-registered, no-load money market mutual funds comprised of securities allowed under the Public Funds Investments Act and public funds investment pools. At year-end, all investments of the Sports Corporation were held by the Sports Corporation's agent in the Sports Corporation's name. The fair value of investments owned at September 30, 2018 was \$1,661,925 in the Public Funds Investment Pool (TexPool) and \$9,410,852 in U.S. agency instrumentalities.

B. Receivables

At September 30, 2018, receivables, including applicable allowances for uncollectible accounts, consisted of the following:

Governmental Activities	General	Grants	Debt Service	Nonmajor Governmental	Total Governmental
Receivables:					
Property taxes	\$ 2,131,222	\$ -	\$ 855,199	\$ -	\$ 2,986,421
Sales taxes	5,691,264	-	-	6,541,361	12,232,625
Franchise fees	2,595,603	-	-	67,086	2,662,689
Other	2,485,983	41,577	11,093	1,249,173	3,787,826
Total receivables, gross	12,904,072	41,577	866,292	7,857,620	21,669,561
Less:					
Allowance for uncollectibles	(976,725)	-	(341,926)	-	(1,318,651)
Total receivables, net	\$ 11,927,347	\$ 41,577	\$ 524,366	\$ 7,857,620	\$ 20,350,910
Business-Type Activities:	Water Wastewater	Solid Waste	Other Nonmajor	Total Business-Type	
Receivables:					
Trade accounts	\$ 10,205,840	\$ 1,745,387	\$ 925,791	\$ 12,877,018	
Less:					
Allowance for uncollectibles	(4,350,473)	(1,096,891)	(218,770)	(5,666,134)	
Total receivables, net	\$ 5,855,367	\$ 648,496	\$ 707,021	\$ 7,210,884	

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

C. Restricted Assets

At September 30, 2018, restricted assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 3,775,501	\$ 6,348,418	\$ 10,123,919
Investments	105,224,152	9,874,805	115,098,957
	<u>\$ 108,999,653</u>	<u>\$ 16,223,223</u>	<u>\$ 125,222,876</u>

Assets were restricted for the following purposes:

Purpose	Governmental Activities	Business-Type Activities	Total
Customer deposits	\$ 37,000	\$ 4,576,354	\$ 4,613,354
Debt service	5,997,807	7,641,214	13,639,021
Capital projects	48,705,428	4,005,655	52,711,083
Support services	13,613,483	-	13,613,483
Public safety	19,749,801	-	19,749,801
Recreation and leisure	10,526,452	-	10,526,452
Development services	9,961,907	-	9,961,907
Other specific purposes	407,775	-	407,775
Total restricted assets	<u>\$ 108,999,653</u>	<u>\$ 16,223,223</u>	<u>\$ 125,222,876</u>

D. Capital Assets

Capital asset activity for the year ended September 30, 2018 was as follows:

Governmental Activities	Balance October 1, 2017	Additions	Transfers/ Disposals/ Reclassification	Balance September 30, 2018
Non-depreciable capital assets:				
Land	\$ 45,603,692	\$ 952,817	\$ 17,185	\$ 46,573,694
Construction in progress	132,532,699	67,938,601	(37,225,080)	163,246,220
Total non-depreciable capital assets	178,136,391	68,891,418	(37,207,895)	209,819,914
Depreciable capital assets:				
Buildings	200,369,592	2,594,412	5,869,282	208,833,286
Equipment	103,522,189	11,627,219	8,426,940	123,576,348
Infrastructure	577,818,814	1,839,249	17,346,531	597,004,594
Total depreciable capital assets	881,710,595	16,060,880	31,642,753	929,414,228
Less accumulated depreciation for:				
Buildings	(71,749,780)	(6,714,599)	63,455	(78,400,924)
Equipment	(63,943,074)	(11,036,105)	4,461,311	(70,517,868)
Infrastructure	(308,946,286)	(24,637,255)	142,885	(333,440,656)
Total accumulated depreciation	(444,639,140)	(42,387,959)	4,667,651	(482,359,448)
Total depreciable capital assets, net	437,071,455	(26,327,079)	36,310,404	447,054,780
Total capital assets, net	<u>\$ 615,207,846</u>	<u>\$ 42,564,339</u>	<u>\$ (897,491)</u>	<u>\$ 656,874,694</u>

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Business-Type Activities	Balance October 1, 2017	Additions	Transfers/ Disposals/ Reclassification	Balance September 30, 2018
Non-depreciable capital assets:				
Land	\$ 4,476,296	\$ 107,781	\$ 132,934	\$ 4,717,011
Construction in progress	33,801,497	9,298,257	(18,605,925)	24,493,829
Total non-depreciable capital assets	38,277,793	9,406,038	(18,472,991)	29,210,840
Depreciable capital assets:				
Buildings	19,394,365	94,502	402,374	19,891,241
Equipment	37,000,558	2,759,947	(1,810,874)	37,949,631
Infrastructure	379,704,694	6,066,993	17,831,446	403,603,133
Total depreciable capital assets	436,099,617	8,921,442	16,422,946	461,444,005
Less accumulated depreciation for:				
Buildings	(8,287,264)	(622,606)	6,666	(8,903,204)
Equipment	(21,637,380)	(2,677,286)	1,446,355	(22,868,311)
Infrastructure	(211,517,636)	(14,422,423)	282,149	(225,657,910)
Total accumulated depreciation	(241,442,280)	(17,722,315)	1,735,170	(257,429,425)
Total depreciable capital assets, net	194,657,337	(8,800,873)	18,158,116	204,014,580
Total capital assets, net	\$ 232,935,130	\$ 605,165	\$ (314,875)	\$ 233,225,420

Depreciation expense was charged to governmental and business-type activities as follows:

Governmental activities:		Business-type activities:	
Support services	\$ 3,369,780	Water and wastewater	\$ 14,512,955
Public safety services	8,149,056	Solid waste	1,482,530
Recreation and leisure services	8,672,637		
Development services	22,061,339	Other business-type activities	1,726,830
Internal services funds (see note below)	135,147		
Total governmental activities	\$ 42,387,959	Total business-type activities	\$ 17,722,315

Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets.

At September 30, 2018, a summary of changes in capital assets of the Sports Corporation was as follows:

	Balance October 1, 2017	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance September 30, 2018
Equipment	\$ 310,078	\$ -	\$ -	\$ 310,078
Less accumulated depreciation	(310,078)	-	-	(310,078)
Total	\$ -	\$ -	\$ -	\$ -

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

At September 30, 2018, a summary of changes in capital assets of the Housing Finance Corporation was as follows:

	Balance January 1, 2017	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance December 31, 2017
Non-depreciable capital assets:				
Land	\$ 1,612,851	\$ -	\$ -	\$ 1,612,851
Total non-depreciable capital assets	1,612,851	-	-	1,612,851
Depreciable capital assets:				
Buildings	20,203,170	751,057	(369,831)	20,584,396
Less accumulated depreciation	(8,444,239)	(952,697)	369,831	(9,027,105)
Total depreciable capital assets, net	11,758,931	(201,640)	-	11,557,291
Housing Finance Corporation assets, net	<u>\$ 13,371,782</u>	<u>\$ (201,640)</u>	<u>\$ -</u>	<u>\$ 13,170,142</u>

E. Interfund Transactions

Interfund Receivables and Payables

Interfund receivables and payables are reported in the City's financial statements as due to/from other funds. At September 30, 2018, interfund balances existed between the Capital Lending Reserve Fund and the Park Venue CIP Fund for \$90,953, between the Capital Lending Reserve Fund and Epic CIP/Sales Tax Fund for \$3,493,636, and between the General Fund and Grants Fund for \$1,500,000. In May 2014, citizens approved a quarter-cent sales tax to construct The Epic Center. Through an interfund borrowing agreement approved by the City Council, funds were loaned to the Epic CIP Fund to begin planning for this project. A portion of the funds loaned remain outstanding at September 30, 2018.

Cost Reimbursements

The cost of the City's central general and administrative services is allocated to the designated special revenue and enterprise funds. These costs are reported as interfund services provided and used rather than interfund transfers. Interfund services provided and used are arms-length transactions between departments or funds that would be treated as revenues, expenditures or expenses if they were with an external organization. The distinguishing aspect of interfund services provided and used are that each department or fund both gives and receives consideration.

Cost reimbursements for general and administrative services (indirect costs) are recorded as general and administrative revenue in the City's General Fund. Indirect costs are recorded as general and administrative expenses in the funds receiving these services.

For the year ended September 30, 2018, cost reimbursements were as follows:

Fund	Amount
Water and wastewater funds	\$ 3,895,242
Solid waste funds	341,938
Storm water funds	75,412
Airport fund	69,140
Other nonmajor governmental funds	330,807
Total to general fund	<u><u>\$ 4,712,539</u></u>

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Franchise Fees

The City's enterprise funds, which use public right-of-way, pay franchise fees to the General Fund as if they were organizations separate from the City. These fees are not taxes, but are compensation to the City for the use of the City's right-of-way. These payments, 4% of gross revenues, are reported as interfund services provided and used rather than interfund transfers, and are reported as revenue (franchise fees) in the General Fund and expenses in the enterprise funds.

For the year ended September 30, 2018, franchise fees paid to the General Fund were as follows:

Fund	Amount
Water and wastewater funds	\$ 2,927,443
Solid waste funds	364,438
Storm water funds	275,062
Total	\$ 3,566,943

Interfund Transfers

Interfund transfers are made to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, 3) move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, and 4) make payments in lieu of property taxes.

Two of the City's enterprise funds, the Water and Wastewater Fund and the Solid Waste Fund, make payments in lieu of property taxes to the Street Maintenance Fund, which is a Nonmajor Governmental Fund to provide funding for street repairs. The payments are calculated by applying the City's property tax rate to the net book value of the enterprise funds' capital assets. Since the calculation methodology is not the same as that applied to similar activities in the private sector in several respects, these payments are recorded as transfers in/out rather than as operating revenues/expenses.

At September 30, 2018, transfers between the City's governmental activities and the City's business-type activities consisted of the following:

Transfers out	Transfers In					
	General Fund	Section 8 Fund	Streets CIP Fund	Grants Fund	Debt Service Fund	Epic CIP Fund
General Fund	\$ -	\$ 33,812	\$ -	\$ 796,144	\$ -	\$ -
Section 8 Fund	-	-	-	-	50,000	-
Streets CIP Fund	-	-	-	2,662,296	-	-
Grants Fund	-	-	1,480,000	-	-	-
Debt Service Fund	-	-	-	-	-	-
Nonmajor Governmental Funds	-	-	-	578,670	-	3,700,000
Internal Service Funds	-	-	-	-	-	-
Water & Wastewater Fund	-	-	-	-	-	-
Solid Waste Fund	-	-	-	-	-	-
Nonmajor Enterprise Funds	-	-	-	-	-	-
Total	\$ -	\$ 33,812	\$ 1,480,000	\$ 4,037,110	\$ 50,000	\$ 3,700,000

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Transfers out	Transfers In					Total
	Nonmajor Governmental Funds	Water Wastewater Fund	Solid Waste Fund	Other Nonmajor Enterprise Funds	Internal Service Fund	
General Fund	\$ 9,018,574	\$ -	\$ -	\$ -	\$ 257,621	\$ 10,106,151
Section 8 Fund	-	-	-	-	-	50,000
Streets CIP Fund	-	-	-	-	-	2,662,296
Grants Fund	51,226	-	-	-	-	1,531,226
Debt Service Fund	-	-	-	224,116	-	224,116
Nonmajor Governmental Funds	10,357,234	143,008	-	430,000	-	15,208,912
Internal Service Funds	75,194	-	-	-	-	75,194
Water & Wastewater Fund	1,356,253	-	-	-	30,669	1,386,922
Solid Waste Fund	295,911	-	-	-	11,710	307,621
Nonmajor Enterprise Funds	5,375,000	-	-	-	-	5,375,000
Total	\$ 26,529,392	\$ 143,008	\$ -	\$ 654,116	\$ 300,000	\$ 36,927,438

From Governmental Activities to Business-Type Activities:

- \$16,000 from PID Fund to Water and Wastewater Fund for capital project funding
- \$430,000 from Park Venue Sales Tax Fund to Municipal golf Fund for fiscal operations

From Business-Type Activities to Governmental Activities:

- \$200,000 from Solid Waste Fund to Street Maintenance Fund for payments in lieu of property taxes
- \$5,327,000 from Storm Water Utility Fund to Storm Drainage CIP Fund for capital project funding
- \$200,000 from Solid Waste to Street Maintenance Fund for capital project funding
- \$150,000 from Water and Wastewater Fund to IT Acquisition Fund for technology services
- \$48,000 from Airport Fund to Capital Lending Reserve for repayment of inter fund loan
- \$11,710 from Solid Waste Fund to Risk Management Fund for fiscal operations
- \$30,669 from Water and Wastewater Fund to Risk Management Fund for operations

Other significant transfers made between governmental funds included the following:

- \$6,568,574 General to Park Venue, along with other sources, for fiscal operations
- \$3,700,000 from Epic Sales Tax Fund to Epic CIP for capital project funding
- \$950,000 from General to IT & Equipment Acquisition funds (annual appropriation)
- \$796,144 from General to Grants to fund matching requirements related to operating grants
- \$257,621 from General to Risk Management for fiscal operations
- \$1,500,000 from General to Fleet Services funds for maintenance and equipment
- \$2,462,600 from Park Venue to Park Capital Fund for improvements to infrastructure and equipment at city wide parks
- \$450,000 from Lake Parks to Lake Parks CIP for improvements to park amenities
- \$2,000,000 from Municipal Facilities CIP to Parks CIP to replace and improve aging infrastructure
- \$600,000 from Capital Reserve and Capital & Lending Funds to Municipal Facilities for building improvements & equipment

City Of Grand Prairie, Texas
 Notes to the Basic Financial Statements
 September 30, 2018

F. Deferred Outflows/Inflows of Resources

Deferred Inflows of Resources - Unavailable Revenue

The governmental funds report unavailable revenues from the following sources:

	General Fund	Debt Service Fund	Total
Property taxes	\$ 1,141,088	\$ 461,991	\$ 1,603,079
Ambulance	685,988	-	685,988
Total	\$ 1,827,076	\$ 461,991	\$ 2,289,067

In the government-wide Statement of Activities, these amounts were reported as revenue in the period in which they were earned.

G. Unearned Revenue

Unearned revenue is a liability for resources obtained prior to revenue recognition. Below is a summary of the City's unearned revenue as of September 30, 2018.

	Governmental Activities	Business-Type Activities	Total
Prepaid pipeline lease	\$ 1,042,432	\$ 146,438	\$ 1,188,870
Prepaid arrangements - Cemetery Fund	1,364,431	-	1,364,431
Unspent grant funds - Texas Water Development Board	-	905,606	905,606
Prepaid rental deposits - Parks	155,666	-	155,666
Park Venue Fund deposits on events to be held	23,832	-	23,832
Unspent program revenue - CDBG Program	290,247	-	290,247
Total unearned revenue	\$ 2,876,608	\$ 1,052,044	\$ 3,928,652

H. Long-Term Obligations

Compensated Absences and Postemployment Benefits

Governmental activities record liabilities for compensated absences and retiree postemployment costs at the government-wide financial statement level. Generally, these liabilities are paid from the General Fund. Liabilities for business-type activities are recorded and liquidated in the fund that incurs the liability.

Long-Term Debt

Governmental Activities

Long-term debt in the governmental activities column of the government-wide Statement of Net Position consists of general obligation bonds (including refunding), certificates of obligation bonds, sales tax revenue bonds, and unamortized bond premium/discounts. The certificates of obligation bonds include bonds issued in 2010 for Tax Increment Financing Zones No. 2 project.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

General obligation bonds and certificates of obligation provide funds for the acquisition and construction of capital equipment and facilities. General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General obligation bonds and certificates of obligation require the City to compute, at the time other taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity.

Below is a summary of the changes in noncurrent liabilities of the City's primary government and component units:

	Balance October 1, 2017	Borrowings or Increase	Payments or Decrease	Balance September 30, 2018	Due Within One Year
Primary government:					
Governmental activities:					
General obligation bonds	\$ 79,130,000	\$ -	\$ (8,920,000)	\$ 70,210,000	\$ 9,390,000
Combination tax and revenue certificates of obligation	112,070,000	36,515,000	(6,810,000)	141,775,000	9,730,000
Tax increment and public district bonds	14,315,000	-	(3,160,000)	11,155,000	3,275,000
Sales tax revenue bonds - Epic	74,825,000	-	-	74,825,000	2,110,000
Sales tax revenue bonds - Crime	24,770,000	-	(4,240,000)	20,530,000	4,650,000
Sales tax revenue bonds - Park Venue	24,330,000	-	(1,875,000)	22,455,000	1,930,000
Issuance premiums/discounts, net	18,506,293	3,713,550	(1,518,598)	20,701,245	-
Total long-term debt	347,946,293	40,228,550	(26,523,598)	361,651,245	31,085,000
Compensated absences	17,345,505	8,528,323	(7,788,172)	18,085,656	8,292,305
Other post employment benefits	56,350,253	4,184,577	(6,788,429)	53,746,401	-
Pension liability	72,615,231	52,294,534	(78,864,723)	46,045,042	-
Environmental remediation liability	182,709	49,040	(173,374)	58,375	58,375
Other liabilities	1,460,919	-	-	1,460,919	160,776
Total governmental activities	495,900,910	105,285,024	(120,138,296)	481,047,638	39,596,456
Business-type activities:					
Certificates of obligation	1,180,000	-	(145,000)	1,035,000	150,000
Water and wastewater revenue bonds	56,490,000	2,755,000	(4,810,000)	54,435,000	4,940,000
Obligations under capital leases	956,022	-	(625,893)	330,129	330,129
Issuance premiums/discounts, net	3,505,394	509,039	-	4,014,433	-
Total long-term debt	62,131,416	3,264,039	(5,580,893)	59,814,562	5,420,129
Compensated absences	487,664	463,394	(487,664)	463,394	373,856
Other post employment benefits	5,971,887	443,574	(718,221)	5,697,240	-
Pension liability	8,132,502	5,543,338	(8,794,963)	4,880,877	-
Closure and post closure liability	7,464,921	474,336	-	7,939,257	-
Total business-type activities	84,188,390	10,188,681	(15,581,741)	78,795,330	5,793,985
Total primary government	\$ 580,089,300	\$ 115,473,705	\$ (135,720,037)	\$ 559,842,968	\$ 45,390,441
Component unit activities:					
Housing Finance Corporation:					
Notes payable	\$ 3,570,958	\$ 41,220	\$ (55,062)	\$ 3,557,116	\$ 58,011
Revenue bonds	7,615,000	-	(220,000)	7,395,000	235,000
Subordinate revenue bonds	4,550,000	-	-	4,550,000	-
Total component units	\$ 15,735,958	\$ 41,220	\$ (275,062)	\$ 15,502,116	\$ 293,011

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

At September 30, 2018, long-term debt for the City's governmental activities consisted of the following:

	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
General obligation bonds:					
Series 2008	4.0-5.5	2009	2029	\$ 8,985,000	\$ -
Series 2010	2.0-4.25	2010	2030	5,480,000	250,000
Series 2011	2.0-5.3	2011	2031	11,550,000	5,040,000
Series 2011A	2.0-5.0	2011	2025	30,960,000	14,520,000
Series 2012	1.0-2.0	2012	2026	27,400,000	5,355,000
Series 2013	1.5-3.25	2013	2033	10,975,000	4,230,000
Series 2013A	3.0-4.125	2014	2034	2,220,000	1,890,000
Series 2015	1.75-5.0	2016	2027	10,270,000	8,620,000
Series 2016	3.0-5.0	2016	2030	33,810,000	<u>30,305,000</u>
Total general obligation bonds					70,210,000
Combination tax and revenue certificates of obligation					
Series 2008A	4.0-5.50	2009	2029	13,185,000	-
Series 2010	2.0-4.25	2010	2030	590,000	25,000
Series 2011	2.0-5.3	2011	2031	6,305,000	4,640,000
Series 2011A	2.0-4.0	2011	2031	7,430,000	5,500,000
Series 2013	2.0-3.25	2013	2033	8,830,000	7,100,000
Series 2013A	2.0-4.125	2014	2034	11,945,000	10,215,000
Series 2014	3.0-5.0	2015	2034	26,125,000	20,890,000
Series 2015	2.0-5.0	2016	2035	27,380,000	24,985,000
Series 2016	2.0-4.0	2016	2036	33,705,000	31,905,000
Series 2017	2.25-5.0	2017	2037	36,515,000	<u>36,515,000</u>
Total combination tax and revenue certificates of obligation					141,775,000
Tax increment and public improvement district debt					
Series 2001 TIRZ 1	3 month LIBOR + .31%	2000	2022	17,900,000	5,910,000
Series 2008A TIRZ 1	4.0-5.50	2008	2021	10,550,000	-
Series 2008A PID 1	4.0-5.50	2008	2019	1,500,000	-
Series 2011 TIRZ 1	2.0-5.3	2011	2020	655,000	160,000
Series 2013 TIRZ 1	2.0-3.25	2013	2020	2,820,000	855,000
Series 2015 TIRZ 1	1.750-5.0	2016	2027	895,000	440,000
Series 2015 PID 5	2.0-5.0	2016	2035	640,000	515,000
Series 2016 TIRZ 1	3.0-5.0	2016	2030	3,135,000	3,095,000
Series 2016 PID	3.0-5.0	2016	2030	180,000	<u>180,000</u>
Total tax increment and public improvement district debt					11,155,000
Sales tax revenue debt					
Series 2008 Crime Control	6mo LIBOR*62.075+1.07	2008	2022	54,800,000	<u>20,530,000</u>
Total Crime Control					20,530,000
Series 2009 Park Venue subordinate	3.77	2009	2027	13,390,000	8,760,000
Series 2013 Park Venue	2.0-4.0	2013	2027	11,060,000	7,225,000
Series 2016 Park Venue	2.0-4.0	2016	2036	6,730,000	<u>6,470,000</u>
Total Park Venue					22,455,000
Sales tax revenue debt					
Series 2015 EPIC	3.721-5.032	2015	2040	74,825,000	<u>74,825,000</u>
Total EPIC					<u>74,825,000</u>
Total general obligation debt					340,950,000
Unamortized bond premiums/discounts					<u>20,701,245</u>
Total long-term debt - governmental activities					<u>\$ 361,651,245</u>

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

At September 30, 2018, changes in long-term debt for the City's governmental activities were as follows:

	Balance October 1, 2017	Borrowings or Increase	Payments or Decrease	Balance September 30, 2018	Due Within One Year
General obligation bonds:					
Series 2008	\$ 395,000	\$ -	\$ (395,000)	\$ -	\$ -
Series 2010	490,000	-	(240,000)	250,000	250,000
Series 2011	5,720,000	-	(680,000)	5,040,000	700,000
Series 2011A	17,260,000	-	(2,740,000)	14,520,000	2,675,000
Series 2012	5,950,000	-	(595,000)	5,355,000	610,000
Series 2013	4,790,000	-	(560,000)	4,230,000	460,000
Series 2013A	1,975,000	-	(85,000)	1,890,000	90,000
Series 2015	9,365,000	-	(745,000)	8,620,000	765,000
Series 2016	33,185,000	-	(2,880,000)	30,305,000	3,840,000
Total general obligation bonds	79,130,000	-	(8,920,000)	70,210,000	9,390,000
Combination tax and revenue certificates of obligation					
Series 2008A	525,000	-	(525,000)	-	-
Series 2010	50,000	-	(25,000)	25,000	25,000
Series 2011	4,895,000	-	(255,000)	4,640,000	265,000
Series 2011A	5,840,000	-	(340,000)	5,500,000	345,000
Series 2013	7,475,000	-	(375,000)	7,100,000	385,000
Series 2013A	10,660,000	-	(445,000)	10,215,000	460,000
Series 2014	22,725,000	-	(1,835,000)	20,890,000	1,925,000
Series 2015	26,195,000	-	(1,210,000)	24,985,000	1,240,000
Series 2016	33,705,000	-	(1,800,000)	31,905,000	1,845,000
Series 2017	-	36,515,000	-	36,515,000	3,240,000
Total combination tax and revenue certificates of obligation	112,070,000	36,515,000	(6,810,000)	141,775,000	9,730,000
Tax increment and public improvement district debt					
Series 2001 TIRZ 1	7,150,000	-	(1,240,000)	5,910,000	1,330,000
Series 2008A TIRZ 1	970,000	-	(970,000)	-	-
Series 2008A PID 1	175,000	-	(175,000)	-	-
Series 2011 TIRZ 1	235,000	-	(75,000)	160,000	80,000
Series 2013 TIRZ 1	1,270,000	-	(415,000)	855,000	420,000
Series 2015 TIRZ 1	660,000	-	(220,000)	440,000	215,000
Series 2015 PID 5	580,000	-	(65,000)	515,000	65,000
Series 2016 - TIRZ 1	3,095,000	-	-	3,095,000	985,000
Series 2016 - PID	180,000	-	-	180,000	180,000
improvement district debt	14,315,000	-	(3,160,000)	11,155,000	3,275,000
Sales tax revenue debt:					
Crime Control					
Series 2008	24,770,000	-	(4,240,000)	20,530,000	4,650,000
Total Crime Control	24,770,000	-	(4,240,000)	20,530,000	4,650,000
Park Venue					
Series 2009 subordinate	9,715,000	-	(955,000)	8,760,000	990,000
Series 2013	7,885,000	-	(660,000)	7,225,000	675,000
Series 2016 Park Venue	6,730,000	-	(260,000)	6,470,000	265,000
Total Park Venue	24,330,000	-	(1,875,000)	22,455,000	1,930,000
EPIC					
Series 2015 EPIC	74,825,000	-	-	74,825,000	2,110,000
Total EPIC	74,825,000	-	-	74,825,000	2,110,000
Total change in long term debt	329,440,000	36,515,000	(25,005,000)	340,950,000	31,085,000
Unamortized bond premiums/discounts	18,506,293	3,713,550	(1,518,598)	20,701,245	-
Total change in long-term debt - governmental activities	\$ 347,946,293	\$ 40,228,550	\$ (26,523,598)	\$ 361,651,245	\$ 31,085,000

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

On October 17, 2017, the City issued \$36,515,000 in Combination Tax and Revenue Certificates, Series 2017. The proceeds were used to fund public safety, library, street, and other City structure improvements.

Outstanding Bond Debt Defeasement

At September 30, 2018, certain outstanding debt of the city was considered to be defeased. The following table details such outstanding defeased debt:

Type of Obligation	Defeased Debt Outstanding
Certificates of obligation	\$ 1,515,000
General obligation refunding bonds	3,060,000
Total debt defeasement	\$ 4,575,000

At September 30, 2018, the aggregate debt service payments for long-term debt through the final year of maturity for the City's governmental activities were as follows:

Fiscal Year	General Obligation Bonds			Certificates of Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 9,390,000	\$ 2,667,395	\$ 12,057,395	\$ 9,730,000	\$ 5,322,799	\$ 15,052,799
2020	8,595,000	2,329,201	10,924,201	10,065,000	4,971,286	15,036,286
2021	8,445,000	1,984,073	10,429,073	10,445,000	4,590,386	15,035,386
2022	8,140,000	1,664,626	9,804,626	10,210,000	4,185,261	14,395,261
2023	6,905,000	1,383,801	8,288,801	10,320,000	3,768,918	14,088,918
2024	6,545,000	1,123,383	7,668,383	10,710,000	3,378,836	14,088,836
2025	5,595,000	875,726	6,470,726	6,470,000	3,056,614	9,526,614
2026	5,250,000	638,414	5,888,414	6,340,000	2,804,603	9,144,603
2027	4,735,000	405,508	5,140,508	6,580,000	2,553,668	9,133,668
2028	2,315,000	234,408	2,549,408	6,855,000	2,289,250	9,144,250
2029	2,205,000	126,660	2,331,660	7,115,000	2,018,478	9,133,478
2030	770,000	61,303	831,303	7,405,000	1,728,071	9,133,071
2031	405,000	40,956	445,956	7,710,000	1,431,049	9,141,049
2032	375,000	26,856	401,856	6,960,000	1,159,273	8,119,273
2033	385,000	13,306	398,306	7,235,000	884,309	8,119,309
2034	155,000	3,197	158,197	6,940,000	590,959	7,530,959
2035	-	-	-	5,425,000	328,050	5,753,050
2036	-	-	-	3,730,000	135,800	3,865,800
2037	-	-	-	1,530,000	30,600	1,560,600
	<u>\$ 70,210,000</u>	<u>\$ 13,578,813</u>	<u>\$ 83,788,813</u>	<u>\$ 141,775,000</u>	<u>\$ 45,228,210</u>	<u>\$ 187,003,210</u>
Fiscal Year	Tax and Tax Increment Bonds (TIFs)			Sales Tax Revenue Bonds-Crime Control		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 3,275,000	\$ 957,720	\$ 4,232,720	\$ 4,650,000	\$ 666,521	\$ 5,316,521
2020	3,260,000	685,153	3,945,153	5,085,000	523,818	5,608,818
2021	2,675,000	400,012	3,075,012	5,550,000	362,321	5,912,321
2022	1,710,000	133,833	1,843,833	5,245,000	188,894	5,433,894
2023	75,000	7,950	82,950	-	-	-
2024	80,000	5,600	85,600	-	-	-
2025	80,000	2,000	82,000	-	-	-
	<u>\$ 11,155,000</u>	<u>\$ 2,192,268</u>	<u>\$ 13,347,268</u>	<u>\$ 20,530,000</u>	<u>\$ 1,741,554</u>	<u>\$ 22,271,554</u>

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Fiscal Year	Sales Tax Revenue Bonds-Park Venue			Sales Tax Revenue Bonds-EPIC		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 1,930,000	\$ 762,178	\$ 2,692,178	\$ 2,110,000	\$ 3,353,062	\$ 5,463,062
2020	1,990,000	701,651	2,691,651	2,195,000	3,266,962	5,461,962
2021	2,050,000	637,855	2,687,855	2,285,000	3,177,362	5,462,362
2022	2,120,000	571,674	2,691,674	2,375,000	3,084,162	5,459,162
2023	2,190,000	499,449	2,689,449	2,475,000	2,987,162	5,462,162
2024	2,270,000	418,804	2,688,804	2,575,000	2,886,162	5,461,162
2025	2,360,000	331,134	2,691,134	2,680,000	2,781,062	5,461,062
2026	2,450,000	240,997	2,690,997	2,785,000	2,675,647	5,460,647
2027	1,170,000	172,548	1,342,548	2,895,000	2,567,509	5,462,509
2028	370,000	142,438	512,438	3,010,000	2,449,919	5,459,919
2029	385,000	127,338	512,338	3,140,000	2,323,165	5,463,165
2030	400,000	111,638	511,638	3,275,000	2,187,743	5,462,743
2031	420,000	95,238	515,238	3,425,000	2,035,914	5,460,914
2032	435,000	78,138	513,138	3,590,000	1,868,185	5,458,185
2033	455,000	60,338	515,338	3,770,000	1,692,208	5,462,208
2034	470,000	43,600	513,600	3,955,000	1,507,503	5,462,503
2035	485,000	28,081	513,081	4,145,000	1,313,832	5,458,832
2036	505,000	10,100	515,100	4,355,000	1,105,153	5,460,153
2037	-	-	-	4,580,000	880,348	5,460,348
2038	-	-	-	4,815,000	643,970	5,458,970
2039	-	-	-	5,065,000	395,389	5,460,389
2040	-	-	-	5,325,000	133,977	5,458,977
	<u>\$ 22,455,000</u>	<u>\$ 5,033,199</u>	<u>\$ 27,488,199</u>	<u>\$ 74,825,000</u>	<u>\$ 45,316,396</u>	<u>\$ 120,141,396</u>

Fiscal Year	Total		
	Principal	Interest	Total
2019	\$ 31,085,000	\$ 13,729,675	\$ 44,814,675
2020	31,190,000	12,478,071	43,668,071
2021	31,450,000	11,152,009	42,602,009
2022	29,800,000	9,828,450	39,628,450
2023	21,965,000	8,647,280	30,612,280
2024	22,180,000	7,812,785	29,992,785
2025	17,185,000	7,046,536	24,231,536
2026	16,825,000	6,359,661	23,184,661
2027	15,380,000	5,699,233	21,079,233
2028	12,550,000	5,116,015	17,666,015
2029	12,845,000	4,595,641	17,440,641
2030	11,850,000	4,088,755	15,938,755
2031	11,960,000	3,603,157	15,563,157
2032	11,360,000	3,132,452	14,492,452
2033	11,845,000	2,650,161	14,495,161
2034	11,520,000	2,145,259	13,665,259
2035	10,055,000	1,669,963	11,724,963
2036	8,590,000	1,145,853	9,735,853
2037	6,110,000	880,348	6,990,348
2038	4,815,000	643,970	5,458,970
2039	5,065,000	395,389	5,460,389
2040	5,325,000	133,977	5,458,977
	<u>\$ 340,950,000</u>	<u>\$ 112,954,640</u>	<u>\$ 453,904,640</u>

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Business-Type Activities

Long-term debt in the business-type activities column of the government-wide Statement of Net Position consists of general obligation refunding bonds, water and wastewater system revenue bonds, certificates of obligation bonds, and unamortized bond premiums/discounts. Bonds issued for business-type activities are secured by a pledge of the property tax levy of the City, but are self-supporting obligations which are paid from the respective net revenues of each activity. Bond proceeds are used to fund additions and improvements to the City's water and wastewater system, solid waste system, municipal golf courses, and municipal airport.

At September 30, 2018, long-term debt for the City's business-type activities consisted of the following:

	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
Water and wastewater:					
Revenue bonds					
Series 2008	3.5-5.50	2009	2029	\$ 4,940,000	\$ -
Series 2010	0.0-2.587	2010	2030	4,995,000	3,345,000
Series 2011	2.0-4.25	2011	2031	8,940,000	2,805,000
Series 2011A	2.0-5.0	2011	2031	11,020,000	6,655,000
Series 2013	2.0-4.0	2013	2026	14,045,000	10,150,000
Series 2013A	0.0-0.31	2013	2019	1,805,000	305,000
Series 2014	0.0-1.990	2014	2030	4,000,000	3,040,000
Series 2015	2.25-4.0	2015	2027	4,155,000	3,595,000
Series 2016	2.0-5.0	2016	2036	17,625,000	17,065,000
Series 2017	0.0-0.8	2017	2030	5,110,000	4,720,000
Series 2017A	2.0-4.0	2017	2036	2,755,000	2,755,000
Total bonds payable - water wastewater					54,435,000
Unamortized bond premiums/discounts					4,014,433
Total long-term debt - water wastewater					58,449,433
Municipal airport:					
Certificates of obligation bonds					
Series 2004A	2.25-5.0	2004	2024	2,120,000	1,035,000
Solid waste					
Obligations under capital lease					
D8T tractor	2.99	2016	2018	772,839	330,129
Landfill compactor	2.99	2016	2018	1,034,539	-
Total obligations under capital lease					330,129
Total long-term debt - business-type activities					\$ 59,814,562

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

At September 30, 2018, changes in long-term debt for the City's business-type activities were as follows:

	Balance October 1, 2017	Borrowings or Increase	Payments or Decrease	Balance September 30, 2018	Due Within One Year
Water and wastewater:					
Revenue bonds					
Series 2008	\$ 215,000	\$ -	\$ (215,000)	\$ -	\$ -
Series 2010	3,575,000	-	(230,000)	3,345,000	235,000
Series 2011	3,620,000	-	(815,000)	2,805,000	840,000
Series 2011A	7,370,000	-	(715,000)	6,655,000	750,000
Series 2013	11,250,000	-	(1,100,000)	10,150,000	1,260,000
Series 2013A	605,000	-	(300,000)	305,000	305,000
Series 2014	3,280,000	-	(240,000)	3,040,000	240,000
Series 2015	3,840,000	-	(245,000)	3,595,000	120,000
Series 2016	17,625,000	-	(560,000)	17,065,000	800,000
Series 2017	5,110,000	-	(390,000)	4,720,000	390,000
Series 2017A	-	2,755,000	-	2,755,000	-
Total revenue bonds	56,490,000	2,755,000	(4,810,000)	54,435,000	4,940,000
Bond premiums/discounts	3,505,394	509,039	-	4,014,433	-
Total water and wastewater	59,995,394	3,264,039	(4,810,000)	58,449,433	4,940,000
Municipal airport:					
Certificate of obligation					
Series 2004A	1,180,000	-	(145,000)	1,035,000	150,000
Total municipal airport	1,180,000	-	(145,000)	1,035,000	150,000
Solid waste:					
Obligations under capital lease					
D8T tractor	543,361	-	(213,232)	330,129	330,129
Landfill compactor	412,661	-	(412,661)	-	-
Total general obligation bonds	956,022	-	(625,893)	330,129	330,129
Total solid waste	956,022	-	(625,893)	330,129	330,129
Total change in long-term debt - business-type activities	\$ 62,131,416	\$ 3,264,039	\$ (5,580,893)	\$ 59,814,562	\$ 5,420,129

On October 17, 2017, the City issued \$2,755,000 in Water and Wastewater System Revenue Refunding Bonds, Series 2017A. The proceeds were used to improve the Water and Wastewater system and to pay the costs associated with the issuance of the bonds.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

At September 30, 2018, the aggregate debt service payments for long-term debt through the final year of maturity for the City's water and wastewater system were as follows:

Fiscal Year	Water and Wastewater System Revenue Bonds		
	Principal	Interest	Total
2019	\$ 4,940,000	\$ 1,604,918	\$ 6,544,918
2020	5,075,000	1,468,997	6,543,997
2021	5,220,000	1,324,107	6,544,107
2022	5,365,000	1,178,577	6,543,577
2023	5,480,000	1,027,404	6,507,404
2024	5,535,000	857,772	6,392,772
2025	4,995,000	684,274	5,679,274
2026	4,005,000	528,159	4,533,159
2027	3,760,000	393,944	4,153,944
2028	2,170,000	301,004	2,471,004
2029	2,235,000	236,534	2,471,534
2030	1,900,000	176,802	2,076,802
2031	935,000	131,500	1,066,500
2032	690,000	99,000	789,000
2033	720,000	70,800	790,800
2034	450,000	47,400	497,400
2035	470,000	29,000	499,000
2036	490,000	9,800	499,800
Total	\$ 54,435,000	\$ 10,169,992	\$ 64,604,992

At September 30, 2018, long-term debt is being repaid solely from airport revenues. Aggregate debt service payments for long-term debt through the final year of maturity for the City's municipal airport were as follows:

Fiscal Year	Certificates of Obligation		
	Principal	Interest	Total
2019	\$ 150,000	\$ 46,979	\$ 196,979
2020	160,000	39,710	199,710
2021	170,000	31,830	201,830
2022	175,000	23,375	198,375
2023	185,000	14,375	199,375
2024	195,000	4,875	199,875
Total	\$ 1,035,000	\$ 161,144	\$ 1,196,144

Capital Lease Obligations – Solid Waste

The City entered into two capital lease agreements in July 2016 for the purchase of a D8T tractor and a landfill compactor. The leased property under the capital lease is classified as equipment with the total capitalized cost of \$1,807,378 and an amortized values of approximately \$1,385,656 at September 30, 2018. Amortization expense has been include in depreciation expense for the year ended September 30, 2018.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

The following is a schedule of future minimum payments under the capital leases together with the present value of the net minimum lease payments as of September 30, 2018.

Year Ending September 30,	
2019	\$ 340,000
Less amount representing interest	9,871
	<u>\$ 330,129</u>

Water and Wastewater System Debt Service Coverage

The following covenants are included in various water and wastewater system revenue bond indenture ordinances:

- Net revenues (defined as gross revenues less expenses of operation and maintenance) are pledged for the payment of bond principal and interest.
- Additional water and wastewater system revenue bonds cannot be issued unless the “net earnings” (defined as gross revenues after deducting the expenses of operation and maintenance, excluding depreciation and certain other items specified in the ordinances) of the system for twelve consecutive months out of the fifteen months prior to the date of such bonds is equal to at least 1.25 times the average annual requirements for the payment of principal and interest on the then-outstanding bonds and any additional bonds then proposed to be issued.
- All revenues derived from the operations must be kept separate from other funds of the City.
- The amount required to meet interest and principal payments falling due on or before the next maturity dates of the bonds is to be paid into the water and wastewater system interest and redemption account during each year.

At September 30, 2018, compliance with these covenants can be demonstrated as follows:

System revenue ⁽¹⁾	\$ 80,173,357
Operating expenses:	
Water purchased	16,917,148
Sewage disposal contract	15,577,535
Other operating expenses	<u>23,953,483</u>
Total expenses ⁽²⁾	<u>56,448,166</u>
Net revenue (available for debt service)	<u>\$ 23,725,191</u>
Average annual principal and interest requirements, all water and wastewater revenue bonds at September 30, 2018	\$ 3,589,166
Coverage of average annual requirements based on September 30, 2018 revenue available for debt service	6.61

(1) Includes operating revenues, plus investment income and impact fees

(2) Excludes depreciation expense.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Grand Prairie Housing Finance Corporation

The GPHFC has a general obligation note payable to a bank which was used to construct the Cotton Creek and Willow Tree Learning Center. The note bears a rate of 4.25% and is payable in equal monthly installments of \$12,438 through September 21, 2040.

In December, 2003, the HFC issued Independent Senior Living Center Revenue Bonds for \$13,890,000 to finance the construction and operations of its planned Senior Living Center facility. The bonds bear interest rates from 7.5% to 7.75% depending on longevity. Beginning January 1, 2014, semi-annual retirements of the Bonds began and continues through January 1, 2034. The bonds are non-recourse liabilities collateralized solely by the land and construction in progress, less the accrued interest.

A summary of long-term debt activity during the year ended December 31, 2017 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Note payable	\$ 2,228,945	\$ -	\$ (55,602)	\$ 2,173,343	\$ 58,011
Revenue bonds	7,615,000	-	(220,000)	7,395,000	235,000
Subordinate bonds	4,550,000	-	-	4,550,000	-
Developer loan	1,342,013	41,760	-	1,383,773	-
Total	\$ 15,735,958	\$ 41,760	\$ (275,602)	\$ 15,502,116	\$ 293,011

Effective July 1, 2010 the bonds of the Senior Living Center were reissued in two series: \$8,630,000 in Priority Lien Revenue Bonds and \$4,550,000 in Subordinate Lien Revenue Bonds.

Future maturities of the debt are as follows:

Year Ending December 31,	Note Payable		Revenue Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 58,011	\$ 91,246	\$ 235,000	\$ 567,978
2019	60,525	88,732	255,000	549,488
2020	63,148	86,109	265,000	529,838
2021	65,885	83,372	295,000	508,981
2022	68,740	80,517	315,000	485,731
2023-2027	391,052	355,231	2,005,000	2,011,319
2028-2032	483,458	262,825	2,925,000	1,084,225
2033-2037	597,700	148,582	1,100,000	85,444
2038-2040	384,824	34,056	-	-
Total	\$ 2,173,343	\$ 1,230,670	\$ 7,395,000	\$ 5,823,004

The Subordinate Lien Revenue Bonds are not scheduled above as their payments are contingent upon cash flow and payment amounts and periods are uncertain.

Leases

Grand Prairie Sports Facilities Development (Sports Corporation) – A Component Unit

On September 15, 1995, the Sports Corporation and LSJC entered into a lease agreement. On October 23, 2002, Lone Star, LSJC, and MEC Lone Star, L.P. (MEC) entered into an asset purchase agreement whereby MEC agreed to purchase substantially all of the racing assets of Lone Star and LSJC. The Master Agreement between the Sports Corporation, Lone Star, and LSJC was terminated. Lone Star and LSJC assigned to MEC all of their rights and obligations under the lease and certain ancillary agreements with the Sports Corporation.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

On March 5, 2009, Magna Entertainment Corporation, the parent company of MEC, filed for bankruptcy under Chapter 11 federal bankruptcy protection. Subsequently, on September 14, 2009, Lone Star filed for bankruptcy protection.

On October 23, 2009, an auction for Lone Star was conducted with Global Gaming LSP, LLC (a wholly owned subsidiary of the Chickasaw Nation) winning the auction for \$47 million.

On May 13, 2011, Global Gaming obtained their license with the Texas Racing Commission. The sale was completed on May 16, 2011. Under the terms of the purchase agreement, Global Gaming has agreed to assume the lease agreement between Lone Star and the Sports Corporation.

The agreement states that upon completion of the project, Global Gaming will lease the facility for a period of thirty years. The lease became effective April 1997 and meets the requirements for accounting as a direct financing lease.

The future base rent payments under the lease are as follows:

Year	Amount
2019	\$ 1,756,920
2020	1,756,920
2021	1,756,920
2022	1,888,689
2023	1,932,612
Thereafter	<u>6,989,613</u>
	16,081,674
Less interest	<u>4,530,908</u>
Net present value	11,550,766
Less current portion	<u>876,012</u>
Non-current portion	<u>\$ 10,674,754</u>

Additional contingent rentals are due monthly based upon 1% of gross revenues from the operation of the track for each month plus an amount equal to the cumulative net retainage from the live races and the simulcast races multiplied by the following percentage:

Cumulative Net Retainages	Percentage
\$0 to less than \$20 million	1%
\$20 million to less than \$40 million	3%
\$40 million to less than \$60 million	5%
\$60 million or more	7%

The lease has been accounted for as a capital lease. However, only the base rent payments are determinable and are included in the lease payments receivable at the net present value of future rent payments. The remaining portion of the Facility is recorded as estimated unguaranteed residual value of the lease. Its fair value is estimated to be approximately equal to the differences between the original cost plus capitalized improvements of the Facility, net of what accumulated depreciation would be, and the fixed lease payments receivable. Therefore, this amount is being amortized over the life of the lease (thirty years). Amortization for the year ended September 30, 2018 was \$3,894,155. Additional contingent rentals are recorded as revenue when received.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

The capital lease is being amortized using the interest method over the 30-year life of the lease. The Corporation has recorded lease rental and interest for the year ended September 30, 2018 as follows:

Nominal interest on the lease	\$ 1,759,320
Amortization of the lease	<u>(876,012)</u>
Net interest	883,308
Contingent rentals received (includes rent for simulcast facility prior to completion of project)	<u>203,859</u>
Total lease rental and interest	<u>\$ 1,087,167</u>

Closure and Post Closure Liability

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfills stop accepting waste, the City reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The City follows the provisions of GASB Statement No. 18 Accounting for Municipal Solid Waste Landfill Closure and Post closure Care Costs. Accordingly, the City has recorded a closure and post closure care liability of \$7,939,257 in the Solid Waste Fund. The total liability represents the cumulative amount reported to date based on the use of 46.58% of the estimated capacity of the landfill.

The City will recognize the remaining estimated cost of closure and post closure care of \$9,137,961 as the remaining estimated capacity is filled. The City expects to close the landfill in year 2037. Actual cost may be higher or lower due to inflation, changes in technology or changes in regulations.

Environmental Remediation Obligations

The City has recorded a liability and an asset related to environmental remediation in the amount of \$58,375, in the Statement of Net Position and Statement of Activities. The estimates of the liabilities are prepared by the Environmental Professional Group and by the City's Environmental Quality Manager and based on a range of expected outlays, net of expected cost recoveries, if any, for the type and amount of pollution contamination detected. The estimates are reviewed and adjusted periodically for price changes, additional contamination and any other changes detected.

- Transportation Center at 1821 W. Freeway for a release determination report and soil disposal.
- The City owns the building and is responsible for the asbestos abatement of the Copeland home located at 125 SW Dallas Street.
- The City owns the Historic Museum located at 1516 W Main Street and is responsible for the asbestos abatement.
- The City owns the Parks Field Office located at 1410 Skyline and is responsible for the asbestos abatement.
- The City owns the Service Center and is responsible for a leaking petroleum storage tank and groundwater monitoring.
- The City owns the Charley Taylor Recreation Center located at 601 E. Grand Prairie and is responsible for the asbestos abatement.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Environmental remediation liability activity in fiscal year 2018 was as follows:

Property Description	Beginning			Ending	Current
	Balance	Additions	Reductions	Balance	
	9/30/2017			9/30/2018	Portion
Transportation Center - 1821 W Freeway	\$ 7,398	\$ -	\$ 7,398	\$ -	\$ -
Copeland Home Asbestos Abatement	81,270	-	57,020	24,250	24,250
Historic Museum- 1516 W Main Street	18,786	-	15,380	3,406	3,406
Parks Field Office	12,415	-	12,415	-	-
Service Center	-	49,040	18,321	30,719	30,719
Charley Taylor Recreation Center	62,840	-	62,840	-	-
Total	\$ 182,709	\$ 49,040	\$ 173,374	\$ 58,375	\$ 58,375

Other Liabilities

Sales Tax Payback

During fiscal year 2008, the Texas Comptroller of Public Accounts notified the City of an error in sales tax payments made to the City. The error was the result of a local business reporting and paying taxes incorrectly to the State Comptroller over several years. The overpayment by the business resulted in an overpayment to the City for \$2,386,466. In 2012, a liability for this amount was recorded by the City and is repaid from future sales tax revenue over a period of thirteen years. As of September 30, 2018, the liability equaled \$1,300,143.

I. Risk Management

The City currently administers a deductible program for Workers Compensation, all Liability, Property, Airport, and Crime claims through the Texas Municipal League Intergovernmental Risk Pool (TMLIRP), a public entity risk pool. The TMLIRP sustains itself through member premiums and stop loss coverage for excess claims through commercial insurers.

The City's current per occurrence and aggregate limits through the TMLIRP are as follows:

Coverage	Per Occurrence	Aggregate
General Liability	\$ 1,000,000	\$ 2,000,000
Law Enforcement Liability	3,000,000	6,000,000
Errors and Omissions	3,000,000	6,000,000
Automobile Liability	3,000,000	N/A
Airport Liability	10,000,000	10,000,000

Current deductibles with TMLIRP are \$350,000 for Workers Compensation with no aggregate retention; \$300,000 for all liability lines (General, Law Enforcement, Public Officials, and Auto Liability); \$1,000 for Automobiles; and \$10,000 for Mobile Equipment.

The City's operating funds are charged premiums for coverage provided by the Risk Management Fund based on approved annual budgets with adjustments based on estimates of the amounts needed to pay prior and current-year claims. These inter-fund premiums are used to reduce the amount of actual expenditures.

City Of Grand Prairie, Texas
 Notes to the Basic Financial Statements
 September 30, 2018

Liabilities of the Risk Management Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, timing of filed claims, adjudication of claim benefits, changes in legal doctrines, and damage awards.

Accordingly, claims are reevaluated annually to consider the effects of inflation, plan benefit designs, recent claim settlement trends, claim expense, and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The total accrued liabilities for the Risk Management Fund based on the recent September 30, 2018 actuarial report, as of September 30, 2018, was \$1,830,716.

The City offers group health coverage to its employees and retirees in plans administered by United Health Care using an escrow account funded by the City with both employee and City contributions. The City allows retired employees under age 65 to continue participating in its group health insurance program after retirement with a portion of premiums paid by the City. The amount of premiums paid by retirees is based on the retirement date, length of service with the City, plan selected and dependents covered at the time of retirement. The City retains risk for up to \$400,000 per member per year, and transfers risk in excess of this amount to a reinsurer. Reported claims are charged to expense in the period the loss is incurred. The total accrued liabilities for health insurance as of September 30, 2018 were \$2,140,611.

At September 30, 2018, the change in estimates of accrual liabilities for health coverage for the risk management fund:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2018	\$ 3,861,819	\$ 16,301,886	\$ 16,192,378	\$ 3,971,327
2017	3,628,897	19,578,864	19,345,942	3,861,819
2016	5,005,726	16,770,731	18,147,560	3,628,897

J. Defined Benefit Pension Plan

Plan Description

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

All eligible employees of the city are required to participate in TMRS.

City Of Grand Prairie, Texas
 Notes to the Basic Financial Statements
 September 30, 2018

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

Plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	25 years at any age, 5 years at age 60 and above
Updated service credit	100% Repeating transfers
Annuity increase to retirees	70% of CPI Repeating

Additional information related to the TMRS Plan is located in the TMRS CAFR.

Employees Covered by Benefit Terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	735
Inactive employees entitled to but not yet receiving benefits	515
Active employees	<u>1,313</u>
Total	<u><u>2,563</u></u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Grand Prairie were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Grand Prairie were 15.84% and 16.33% in calendar years 2017 and 2018, respectively. The City’s contributions to TMRS for the year ended September 30, 2018, were \$14,427,366, and were equal to the required contributions.

Net Pension Liability

The city’s Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Actuarial Assumptions

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5%
Salary Increases	3.5% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a three-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2017, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
Total	100.0%	

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balance at December 31, 2016	\$ 525,359,395	\$ 444,611,662	\$ 80,747,733
Changes for the year:			
Service cost	15,171,279	-	15,171,279
Interest	35,239,052	-	35,239,052
Change of benefit terms	-	-	-
Difference between expected and actual experience	1,775,160	-	1,775,160
Changes in assumptions	-	-	-
Contributions - employer	-	14,427,366	(14,427,366)
Contributions - employee	-	6,292,394	(6,292,394)
Net investment income	-	61,623,079	(61,623,079)
Benefit payments*	(21,770,002)	(21,770,002)	-
Administrative expense	-	(319,350)	319,350
Other changes	-	(16,184)	16,184
Net changes	30,415,489	60,237,303	(29,821,814)
Balance at December 31, 2017	\$ 555,774,884	\$ 504,848,965	\$ 50,925,919

* Includes refunds of employee contributions

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.75%) or one-percentage-point higher (7.75%) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate		
1% Decrease	Current Single Rate	1% Increase
\$ 130,748,672	\$ 50,925,919	\$ (14,498,614)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2018, the city recognized pension expense of \$15,203,604.

At September 30, 2018, the City reported deferred inflows/outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience [actuarial (gains) or losses]	\$ 1,727,954	\$ -
Difference in assumptions	244,304	
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]		12,793,800
Employer's contributions to the pension plan subsequent to the measurement date	11,036,252	-
	<u>\$ 13,008,510</u>	<u>\$ 12,793,800</u>

The \$11,036,252 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended December 31	Net deferred outflows (inflows) of resources
2018	\$ 761,420
2019	104,831
2020	(5,867,462)
2021	(5,945,714)
2022	125,383
Total	<u>\$ (10,821,542)</u>

K. Other Postemployment Benefits (OPEB)

Plan Description

Supplemental Death Benefits

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Retiree Health Benefits

Current employees who retire from the City of Grand Prairie under a TMRS Retirement / Plan option may elect to remain on the City's medical, dental, and vision insurance plans as long as they meet the following criteria:

- Under age of 65
- Currently working for the City immediately prior to retirement, and
- Payment of required monthly premiums by due date, or within grace period

TMRS Retirement / Plan option may include:

- Service retirement, 25 years of TMRS creditable service at any age, or
- Age 60 and 5 years of TMRS creditable service
- Disability/medical retirement at any age, if approved by TMRS

Eligibility requirements do not vary by type of retirement. The retiree health care plan is a single-employer defined benefit plan. No trust is setup for the plan; therefore, there is no separate audit report available.

Retirees pay a portion of their retiree health care premium based on their years of service with the City of Grand Prairie, the plan selected, and dependent coverage when they retire. The base retiree health care premium is based on the accrual rate, claims costs, and budget for the prior fiscal year.

Medical coverage for retiree benefits extends only to age 65. Once a retiree reaches age 65, they will be dropped from medical coverage at the beginning of the month in which they turn 65. If a retiree cancels any or all insurance at any time during retirement, they forfeit all rights to coverage through the City for that benefit. If they cancel medical coverage all together, they may not elect medical again in the future for any reason.

A spouse who is on the employee's plan at the time of retirement may continue on the plan until the spouse reaches age 65. Spouse coverage continues after the employee reaches the age 65 and after the death of the employee until the spouse reaches the age of 65, as well. Spouse coverage continues even though the employee becomes Medicare eligible.

Rates for spouse coverage are dependent upon the employee's years of service with the City of Grand Prairie. Spouses receive the same benefits as the employee. Surviving spouses of deceased active members are not eligible for retiree health care benefits, unless they become eligible under TMRS and elect retirement immediately following the month of death. They become "retiree" in that case.

For all retirements after 1/1/08, dependents must have been covered for the 2 years immediately preceding the effective date of retirement to be eligible to continue coverage under retiree into retirement.

New dependents gained during retirement (due to marriage or birth) may not be added to the City's plan since they were not eligible at the time of retirement.

Retirees that do not continue coverage through our retiree health care plans do not receive payment in lieu of retiree health care.

The City offers medical, dental, and vision coverage to eligible retirees.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Employees Covered by Benefit Terms

For retiree health insurance at the September 30, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	169
Active employees	1,323
Total	1,492

For TMRS supplemental death at the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	555
Inactive employees entitled to but not yet receiving benefits	114
Active employees	1,313
Total	1,982

Contributions

For retiree health insurance, retirees and their spouses currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums.

Monthly retiree contribution rates are as follows:

Retiree 2018 Monthly Health Care Premiums (Employee Pays Portion)

	<u>Monthly Health Care Premium</u>
Over 65 Retiree (Grandfathered by age)	
Employee only	\$ 125
Employee plus spouse	138

Total OPEB Liability

The City of Grand Prairie retiree health insurance total OPEB liability of \$55,800,537 was measured as of September 30, 2018, and was determined by an actuarial valuation as of that date.

The City of Grand Prairie TMRS supplemental death total OPEB liability of \$3,643,104 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The retiree health insurance total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50%
Discount Rate	3.83%
Mortality rates - retirees	RP-2014 Combined Table projected using MP-2018

The discount rate was selected by City of Grand Prairie based on the Bond Buyer 20-Bond General Obligation Index to reflect yields on long-term municipal bonds as of the measurement date.

City Of Grand Prairie, Texas
 Notes to the Basic Financial Statements
 September 30, 2018

The TMRS supplemental death total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50% to 10.5% including inflation
Discount Rate	3.31%
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates - disabled retirees	PR2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

The discount rate was based on the Fidelity index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

<u>Change in OPEB Liability</u> <u>Retiree Health Insurance</u>	<u>Total OPEB</u> <u>Liability</u>
Balance at September 30, 2017	\$ 59,159,975
Changes for the year:	
Service cost	2,173,026
Interest	2,210,196
Difference between expected and actual experience	(3,213,084)
Changes in assumptions	(1,962,733)
Benefit payments*	<u>(2,566,843)</u>
Net changes	<u>(3,359,438)</u>
Balance at September 30, 2018	<u>\$ 55,800,537</u>
<u>Change in OPEB Liability</u> <u>TMRS Supplemental Death</u>	<u>Total OPEB</u> <u>Liability</u>
Balance at December 31, 2016	\$ 3,149,282
Changes for the year:	
Service cost	124,209
Interest	120,720
Changes in assumptions	284,381
Benefit payments*	<u>(35,488)</u>
Net changes	<u>493,822</u>
Balance at December 31, 2017	<u>\$ 3,643,104</u>

*Due to the Plan being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City's retiree health insurance calculated using the discount rate of 3.8%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.8%) or 1 percentage point higher (4.8%) than the current discount rate:

Sensitivity of the OPEB Liability to Changes in the Discount Rate		
<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 60,802,744	\$ 55,800,537	\$ 49,476,793

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

The following presents the total OPEB liability of the City's TMRS supplemental plan calculated using the discount rate of 3.31%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.31%) or 1 percentage point higher (4.31%) than the current discount rate:

Sensitivity of the OPEB Liability to Changes in the Discount Rate		
Current		
1% Decrease	Discount Rate	1% Increase
\$ 4,371,513	\$ 3,643,104	\$ 3,075,239

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the City's retiree health insurance, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

Sensitivity of the OPEB Liability to Changes in the Healthcare Cost Rate		
Current		
1% Decrease	Discount Rate	1% Increase
\$ 49,080,399	\$ 55,800,537	\$ 61,323,519

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized OPEB expense of \$1,073,086. At September 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following resources:

Retiree Health Insurance

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience [actuarial (gains) or losses]	\$ -	\$ 2,677,572
Difference in assumptions	-	1,635,610
Difference in projected and actual earnings on OPEB plan investments [actuarial (gains) or losses]	-	-
Employer's contributions to the OPEB plan subsequent to the measurement date	-	-
	<u>\$ -</u>	<u>\$ 4,313,182</u>

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

TMRS Supplemental Death

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in expected and actual experience [actuarial (gains) or losses]	\$ -	\$ -
Difference in assumptions	242,744	
Difference in projected and actual earnings on OPEB plan investments [actuarial (gains) or losses]	-	-
Employer's contributions to the OPEB plan subsequent to the measurement date	<u>27,083</u>	
	<u>\$ 269,827</u>	<u>\$ -</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$27,083 will be recognized as a reduction of the total OPEB liability in the City's financial statements September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

Retiree Health Insurance

<u>Measurement Period Ended September 31,</u>	<u>Net deferred outflows (inflows) of resources</u>
2019	\$ (862,637)
2020	(862,637)
2021	(862,636)
2022	(862,636)
2023	<u>(862,636)</u>
Total	\$ (4,313,182)

TMRS Supplemental Death

<u>Measurement Year Ended December 31,</u>	<u>Net deferred outflows (inflows) of resources</u>
2018	\$ 41,637
2019	41,637
2020	41,637
2021	41,637
2022	41,637
Thereafter	<u>34,559</u>
Total	\$ 242,744

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

L. Fund Balance

At September 30, 2018, fund balances were classified as follows:

	General	Section 8	Streets CIP	Grants	Debt Service	Epic CIP	Nonmajor Governmental Funds	Total
Fund balances								
Nonspendable:								
Inventory and prepaids	\$ 2,743	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,272	\$ 79,015
Spendable:								
Restricted for:								
Employee Welfare	84,690	-	-	-	-	-	-	84,690
Library Memorials	45,391	-	-	-	-	-	-	45,391
At Risk Youths	36,657	-	-	-	-	-	-	36,657
Greg Hunter Scholarships	63,768	-	-	-	-	-	-	63,768
Prairie Paws Adoptions	213,926	-	-	-	-	-	-	213,926
Other	994	-	-	-	-	-	-	994
Section 8	-	823,893	-	-	-	-	-	823,893
Street Improvements	-	-	8,511,522	-	-	-	-	8,511,522
Debt Service	-	-	-	-	5,535,816	-	-	5,535,816
Epic	-	-	-	-	-	2,001,084	3,534,554	5,535,638
Park Venue	-	-	-	-	-	-	4,114,208	4,114,208
Streets	20,873	-	-	-	-	-	2,001,046	2,021,919
Crime	-	-	-	-	-	-	16,185,875	16,185,875
Hotel Motel	-	-	-	-	-	-	564,741	564,741
Police seizure	-	-	-	-	-	-	441,622	441,622
Municipal Court	-	-	-	-	-	-	463,153	463,153
Red Light Safety	-	-	-	-	-	-	2,310,388	2,310,388
Lake Parks	-	-	-	-	-	-	2,312,949	2,312,949
Public Improvement Districts	-	-	-	-	-	-	2,930,616	2,930,616
Tax Increment Financing	-	-	-	-	-	-	5,030,245	5,030,245
Other special revenue	-	-	-	-	-	-	311,112	311,112
Park Venue Capital Projects	-	-	-	-	-	-	9,831,688	9,831,688
Fire Capital Projects	-	-	-	-	-	-	4,369,258	4,369,258
Municipal Facilities Capital Projects	-	-	-	-	-	-	11,249,799	11,249,799
Other Capital Projects	-	-	-	-	-	-	1,935,404	1,935,404
Total restricted	466,299	823,893	8,511,522	-	5,535,816	2,001,084	67,586,658	84,925,272
Committed to:								
Street Improvements	-	-	16,785,545	-	-	-	-	16,785,545
Park Venue	-	-	-	-	-	-	2,034,476	2,034,476
Cable Operations	-	-	-	-	-	-	655,081	655,081
Cemetery Operations	-	-	-	-	-	-	2,385,569	2,385,569
Verizon Theatre	-	-	-	-	-	-	2,751,372	2,751,372
Drainage Capital Projects	-	-	-	-	-	-	12,328,198	12,328,198
Police Capital Projects	-	-	-	-	-	-	819,678	819,678
Other Capital Projects	-	-	-	-	-	-	2,782,387	2,782,387
Capital Lending/Reserve	-	-	-	-	-	-	12,298,922	12,298,922
Total committed	-	-	16,785,545	-	-	-	36,055,683	52,841,228
Assigned to:								
Home Match Cash	385,371	-	-	-	-	-	-	385,371
KGPB Commissions	4,374	-	-	-	-	-	-	4,374
Section 8 Relief	79,730	-	-	-	-	-	-	79,730
Police Memorials	6,984	-	-	-	-	-	-	6,984
Fire- State Supplemental Funds	2,209,831	-	-	-	-	-	-	2,209,831
Parks Education Foundation	10,078	-	-	-	-	-	-	10,078
Uptown Trust	8,098	-	-	-	-	-	-	8,098
First Offender Program	26,669	-	-	-	-	-	-	26,669
Kirby Creek Accessibility Garden	25,908	-	-	-	-	-	-	25,908
US Marshals Service Agreement	141,631	-	-	-	-	-	-	141,631
GPPD Boxing Program	18,292	-	-	-	-	-	-	18,292
GPPD Explorer Program	14,325	-	-	-	-	-	-	14,325
GPPD Mounted Patrol	558	-	-	-	-	-	-	558
Total assigned	2,931,849	-	-	-	-	-	-	2,931,849
Unassigned	30,344,160	-	-	(629,198)	-	-	-	29,714,962
Total fund balances	\$ 33,745,051	\$ 823,893	\$ 25,297,067	\$ (629,198)	\$ 5,535,816	\$ 2,001,084	\$ 103,718,613	\$ 170,492,326

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

M. Contracts, Commitments, and Contingent Liabilities

Federal and State Grants

The City participates in a number of state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Litigation

The City and Sports Corporation are contingently liable in respect of lawsuits and claims in the ordinary course of operations which, in the opinion of management, will not have material adverse effect on the combined financial statements.

Water Intake Facility Contract

The City entered into a contract with the Trinity River Authority (TRA) whereby TRA agreed to sell revenue bonds, and, to construct and operate water treatment, transmission and storage facilities necessary to supply treated water to several area cities. The City has also agreed contractually to pay TRA annually an amount sufficient to pay its pro rata share of the operation and maintenance expenses of the facilities and related debt service of its bonds. The project is not treated as a joint venture by the City since the project is managed and unilaterally controlled by TRA, the City has no equity interest in the project, and the City is not obligated for the repayment of TRA bonds.

Water Purchase Contracts

The City has a 30-year contract with the City of Dallas, which expires in 2042, for the purchase of water. Grand Prairie currently takes up to 33.8 million gallons a day (MGD), and pays a fixed demand charge plus a volume charge. The demand charge is based on current maximum demand or the highest demand established during the five preceding years, whichever is greater. Thus, even if the City were to stop purchasing water from Dallas, its obligation to pay the demand charge (\$262,058) would extend for five years. The maximum may be increased in future years as needed. Grand Prairie has two intake points for City of Dallas water with a contractual right obligating the City of Dallas to meet Grand Prairie's needs. Existing pipelines will provide up to 55 MGD.

A contract with the City of Fort Worth, effective until the year 2031, permits the City to purchase up to 2.5 MGD.

A contract with the City of Midlothian, executed in 2014 for a 30-year term, permits the City to purchase up to an average of 4.5 MGD during the term of the contract. Beginning in January 2016, the City began purchasing water from the City of Midlothian at an average rate of 0.478 MGD.

A contract with the City of Arlington, executed in 2011 for a 20-year term, allows the City to purchase up to 2.5 MGD maximum flow unless otherwise agreed to in writing. As of September 30, 2018, no water has been purchased through this contract.

Wastewater Treatment Contracts

The City has a 50 year contract with TRA, which will expire in 2023, for wastewater treatment. The City is billed for its prorated share of total wastewater costs, which was 12.03% during fiscal year 2018. The City must pay its prorated share of the debt service related to wastewater treatment facilities until the debt matures whether it contributes to flow or not.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Mountain Creek Regional Wastewater System Contract (System)

The City entered into a contract in 2002 which is in effect for the entire useful life of the System. Although the City does not yet deliver flows to this System, the City is obligated to pay annual minimum fees equivalent to 21.9 million gallons of flow. For the fiscal year ended September 30, 2018, the City paid \$82,786 to the System.

Master and Other Agreements

The City and Texas NextStage, LP (NextStage) entered into agreements (development agreements, lease agreements and other ancillary agreements) on January 10, 2001, to design, develop and construct a performance hall (Performance Hall). Construction of the Performance Hall began in July 2000 and was completed in February 2001. Under the agreements, the City purchased the Performance Hall from NextStage for \$15 million with the proceeds from the \$17.9 million TIF tax and tax increment certificate of obligation bond issue in fiscal year 2001. NextStage initially leased the Performance Hall from the City under a twenty one-year lease. Effective September 18, 2002, Anschutz Texas, L. P. assumed the lease obligations of NextStage and became lessee and operator of the Performance Hall. The lease between the City and Anschutz Texas, L. P. expires January 23, 2023. Monthly lease payments from the lessee of the Performance Hall are used to pay debt service on bonds issued by the City for the purchase of the Performance Hall.

The City and the Texas Airhogs Baseball Club entered into agreements (development, lease, and other ancillary agreements) on June 26, 2007 to develop, construct and operate a minor league professional baseball stadium. The funding for the stadium was accomplished through a one-eighth cent sales tax approved by the citizens of Grand Prairie. Construction began in July 2007 and was completed in May 2008.

Ground Lease - The City entered into a lease agreement with the Sports Corporation for the land on which the stadium was built. The lease runs through June 25, 2036 with an annual base rent of \$50,000.

Stadium Lease - On October 19, 2016, the City entered into a four-year lease agreement with Nextel Promotional, LLC. In addition to Airhogs home baseball games, Nextel has unlimited use of the Stadium to hold other sporting and entertainment events. Nextel pays the City, in advance, a monthly lease payment of \$7,137 and ten percent of the total net profit generated by Nextel at, in, or through the stadium. Nextel is responsible for all utility services and the City is responsible for the maintenance of the building, landscaping, irrigation, art, and playgrounds.

Construction Commitments

The City has several approved outstanding major capital projects as of September 30, 2018. The City's total committed but unexpended expenditures for such authorized capital projects at year-end approximates \$50,900,085. Funding for these contracts will be received through various capital projects funds and enterprise funds.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

N. Segment Information for Enterprise Funds

The City maintains five enterprise funds – water and wastewater, solid waste, golf, airport, and storm water utility activities. At September 30, 2018, the Municipal Airport Fund had outstanding revenue-backed certificates of obligations. Segment information for this Fund is as follows:

	Municipal Airport
	<u> </u>
Condensed statement of net position:	
Current assets	\$ 1,624,048
Capital assets	15,595,101
Deferred outflows of resources	<u>43,526</u>
Total assets and deferred outflows of resources	17,262,675
Current liabilities	432,972
Long-term liabilities	1,251,986
Deferred inflows of resources	<u>56,075</u>
Total liabilities and deferred inflows of resources	1,741,033
Net position: Net investment in capital assets	14,560,101
Net position: Unrestricted	<u>961,541</u>
Total net position	<u>\$ 15,521,642</u>
Condensed statement of revenues, expenses and changes in net position:	
Sales to customers	\$ 1,308,219
Intergovernmental revenue	67,537
Miscellaneous	<u>930,289</u>
Total operating revenues	2,306,045
Depreciation	869,597
Other operating expenses	<u>1,852,656</u>
Total operating expenses	2,722,253
Gain on property disposition	8,487
Interest expense	<u>(53,030)</u>
Total nonoperating revenues (expenses)	<u>(44,543)</u>
Loss before transfers	(460,751)
Transfers in	224,116
Transfers out	<u>(48,000)</u>
Change in net position	(284,635)
Net position at the beginning of the year	<u>15,806,277</u>
Restated Net position-beginning of year	<u>15,806,277</u>
Net position at the end of the year	<u>\$ 15,521,642</u>
Condensed statement of cash flows:	
Net cash provided (used) by:	
Operating activities	339,739
Noncapital financing activities	176,116
Capital and related financing activities	(747,314)
Investing activities	-
Beginning cash and cash equivalent balances	<u>300,683</u>
Ending cash and cash equivalent balances	<u>\$ 69,224</u>

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

O. Tax Abatements and Economic Incentive Agreements

The City has incentive agreements with companies which may refund or rebate certain amounts of taxes based on performance indicators. These agreements are governed by Chapter 312 of the Texas Local Government Code. Recipients may be eligible based on their impact to the City's economy, as usually measured by job creation. Agreements may also contain recapture or 'clawback' provisions in the event of non-performance of the agreement standards. The City's Management Services division reviews the performance of the companies under these agreements for their compliance with stated standards. As of the 2017 certified roll (used for 2018 fiscal year) the City's abatement agreements with seven companies resulted in \$54,157,220 in appraised values, totaling \$232,425 in taxes abated on the 2017 certified tax roll (used for the 2018 fiscal year).

P. Subsequent Events

On November 1, 2018, the City Council issued \$40,605,000 in Combination Tax and Revenue Certificates, Series 2018. The proceeds will be used to fund City capital improvements.

The City has evaluated all other events or transactions that occurred after September 30, 2018 up through March 14, 2019, the date the financial statements were available to be issued.

APPENDIX C

FORMS OF BOND COUNSEL'S OPINIONS

(The Notes, followed by the Certificates)

[Closing Date]

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

IN REGARD to the authorization and issuance of the “City of Grand Prairie, Texas, Combination Tax and Revenue Tax Notes, Taxable Series 2019,” dated August 15, 2019, in the principal amount of \$_____ (the “Notes”), we have examined into their issuance by the City of Grand Prairie, Texas (the “City”), solely to express legal opinions as to the validity of the Notes and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Notes, or the sufficiency of the security for or the value or marketability of the Notes.

THE NOTES are issued in fully registered form only and in denominations of \$5,000 or any integral multiple thereof (within a maturity). The Notes mature on February 15 in each of the years specified in the ordinance adopted by the City Council of the City authorizing the issuance of the Notes (the “Ordinance”), unless redeemed prior to maturity in accordance with the terms stated on the Notes. The Notes accrue interest from the dates, at the rates, and in the manner and interest is payable on the dates, all as provided in the Ordinance.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Notes, including the Ordinance and an examination of the initial Note executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to certain facts within the knowledge and control of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Notes, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the State of Texas in force and effect on the date hereof that the Notes have been duly authorized by the City and, when issued in compliance with the provisions of the Ordinance, are valid, legally binding and enforceable obligations of the City, payable from an ad valorem tax levied, within the limits prescribed by law, upon all taxable property in the City, and are additionally payable from and secured by a pledge of the Pledged Revenues, as defined in the Ordinance, in the manner and to the extent provided in the Ordinance, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors’ rights or the exercise of judicial discretion in accordance with the general principles of equity.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

[Closing Date]

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

IN REGARD to the authorization and issuance of the “City of Grand Prairie, Texas, Combination Tax and Revenue Certificates of Obligation, Taxable Series 2019B,” dated August 15, 2019, in the principal amount of \$_____ (the “Certificates”), we have examined into their issuance by the City of Grand Prairie, Texas (the “City”), solely to express legal opinions as to the validity of the Certificates and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Certificates, or the sufficiency of the security for or the value or marketability of the Certificates.

THE CERTIFICATES are issued in fully registered form only and in denominations of \$5,000 or any integral multiple thereof (within a maturity). The Certificates mature on February 15 in each of the years specified in the ordinance adopted by the City Council of the City authorizing the issuance of the Certificates (the “Ordinance”), unless redeemed prior to maturity in accordance with the terms stated on the Certificates. The Certificates accrue interest from the dates, at the rates, and in the manner and interest is payable on the dates, all as provided in the Ordinance.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Certificates, including the Ordinance and an examination of the initial Certificate executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to certain facts within the knowledge and control of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Certificates, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the State of Texas in force and effect on the date hereof that the Certificates have been duly authorized by the City and, when issued in compliance with the provisions of the Ordinance, are valid, legally binding and enforceable obligations of the City, payable from an ad valorem tax levied, within the limits prescribed by law, upon all taxable property in the City, and are additionally payable from and secured by a limited pledge of the Net Revenues (as defined in the Ordinance) of the City’s combined water and wastewater system in the manner and to the extent provided in the Ordinance, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors’ rights or the exercise of judicial discretion in accordance with the general principles of equity.

Page 2 of Legal Opinion of Norton Rose Fulbright US LLP

Re: "City of Grand Prairie, Texas, Combination Tax and Revenue Certificates of Obligation,
Taxable Series 2019B"

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.



OFFICIAL STATEMENT

Dated August 6, 2019

Ratings:
S&P: “AAA” (stable outlook)
Fitch: “AA+” (positive outlook)
(see “OTHER INFORMATION
- Ratings” herein)

NEW ISSUE - Book-Entry-Only

Interest on the Notes will be included in gross income for federal income tax purposes. See “TAX MATTERS – THE OBLIGATIONS” herein.

\$7,105,000
CITY OF GRAND PRAIRIE, TEXAS
(Dallas, Tarrant and Ellis Counties)
COMBINATION TAX AND REVENUE NOTES, TAXABLE SERIES 2019

Dated Date: August 15, 2019

Due: February 15, as shown on page 2 hereof

Interest to accrue from Delivery Date

PAYMENT TERMS. . . Interest on the \$7,105,000 City of Grand Prairie, Texas Combination Tax and Revenue Notes, Taxable Series 2019 (the “Notes”, and together with the City of Grand Prairie, Texas Combination Tax and Revenue Certificates of Obligation, Taxable Series 2019B [the “Certificates”] being offered herein, collectively, the “Obligations”) will accrue from the “Delivery Date”, estimated to be August 29, 2019, will be payable February 15 and August 15 of each year commencing February 15, 2020 until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Notes will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York (“DTC”) pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Notes may be acquired in denominations of \$5,000 or integral multiples thereof within a stated maturity. **No physical delivery of the Notes will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Notes will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Notes. See “THE OBLIGATIONS - Book-Entry-Only System” herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see “THE OBLIGATIONS - Paying Agent/Registrar”).

AUTHORITY FOR ISSUANCE. . . The Notes are issued pursuant to the Constitution and general laws of the State of Texas (the “State”), including particularly Texas Government Code, Chapter 1431, as amended, and are direct obligations of the City of Grand Prairie, Texas (the “City”), payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax levied on all taxable property located within the City, within the limits prescribed by law, as provided in the ordinance authorizing the Notes (the “Note Ordinance”) and (ii) a pledge of (a) the Pledged Revenues consisting of a limited pledge (\$2,500) of the tax increment received by the City from property located within the Tax Increment Financing Reinvestment Zone Number One, City of Grand Prairie, Texas (the “Zone”) and (b) a pledge of the State Hotel Occupancy Tax (as hereinafter defined), as provided in the Note Ordinance (see “THE OBLIGATIONS - Authority for Issuance of the Notes” and “-Security and Source of Payment for the Notes”).

PURPOSE . . . Proceeds from the sale of the Notes will be used to (i) construct and equip a convention center facility for the City and (ii) pay the costs of issuance associated with the sale of the Notes.

CUSIP PREFIX: 386138

MATURITY SCHEDULE & 9 DIGIT CUSIP

See Schedule on Page 2

SEPARATE ISSUES. . . The Notes are being offered by the City concurrently with the Certificates under a common Official Statement. The Notes and the Certificates are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY . . . The Notes are offered for delivery when, as and if issued and received by the Underwriter (the “Note Underwriter”) of the Notes and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Dallas, Texas (see Appendix C, “Forms of Bond Counsel’s Opinions”). Certain legal matters will be passed upon for the Note Underwriter by its counsel, Locke Lord LLP, Dallas, Texas.

DELIVERY. . . It is expected that the Notes will be available for delivery through DTC on August 29, 2019.

BOFA MERRILL LYNCH

MATURITY SCHEDULE

CUSIP Prefix: 386138 ⁽¹⁾

Principal Amount	Maturity Date	Interest Rate	Initial Yield	CUSIP Suffix ⁽¹⁾
\$ 460,000	2/15/2022	1.864%	1.864%	ZM6
465,000	2/15/2023	1.896%	1.896%	ZN4
475,000	2/15/2024	1.996%	1.996%	ZP9
485,000	2/15/2025	2.080%	2.080%	ZQ7
5,220,000	2/15/2026	2.230%	2.230%	ZR5

(Interest to accrue from delivery date.)

- (1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein provided by CUSIP Global Services (“CGS”), managed by S&P Global Market Intelligence, on behalf of the American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for services provided by CGS. CUSIP numbers have been assigned by an independent company not affiliated with the City, the Financial Advisor or the Note Underwriter and are included solely for the convenience of the registered and beneficial owners of the Notes. None of the City, the Financial Advisor or the Note Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Notes or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Notes.

OPTIONAL REDEMPTION. . . The City reserves the right, at its option, to redeem Notes having stated maturities on February 15, 2026, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE OBLIGATIONS - Optional Redemption of the Notes”).

EXTRAORDINARY OPTIONAL REDEMPTION. . . In addition to the optional redemption provisions specified above under “Optional Redemption,” if the City elects not to proceed with the development of a convention center facility for the City, the City will have the right to extraordinarily optionally redeem the Notes prior to maturity, from and to the extent there remains on deposit in the Tax Increment Fund (as defined in the Note Ordinance) unexpended Note proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

(THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY)



OFFICIAL STATEMENT

Dated August 6, 2019

Ratings:
S&P: "AAA" (stable outlook)
Fitch: "AA+" (positive outlook)
(see "OTHER INFORMATION - Ratings" herein)

NEW ISSUE - Book-Entry-Only

Interest on the Certificates will be included in gross income for federal income tax purposes. See "TAX MATTERS – THE OBLIGATIONS" herein.

\$34,305,000

CITY OF GRAND PRAIRIE, TEXAS
(Dallas, Tarrant and Ellis Counties)

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, TAXABLE SERIES 2019B

Dated Date: August 15, 2019

Due: February 15, as shown on page 4 hereof

Interest to accrue from Delivery Date

PAYMENT TERMS. . . Interest on the \$34,305,000 City of Grand Prairie, Texas Combination Tax and Revenue Certificates of Obligation, Taxable Series 2019B (the "Certificates", and together with the City of Grand Prairie, Texas Combination Tax and Revenue Notes, Taxable Series 2019 [the "Notes"] being offered herein, collectively the "Obligations") will accrue from the "Delivery Date", estimated to be August 29, 2019, will be payable February 15 and August 15 of each year commencing February 15, 2020 until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of \$5,000 or integral multiples thereof within a stated maturity. **No physical delivery of the Certificates will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "THE OBLIGATIONS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE. . . The Certificates are issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City of Grand Prairie, Texas (the "City"), and (ii) a limited pledge of \$2,500 of the net revenues of the City's water and wastewater system, as provided in the ordinance authorizing the Certificates (the "Certificate Ordinance") (see "THE OBLIGATIONS - Authority for Issuance of the Certificates" and "- Security and Source of Payment for the Certificates").

PURPOSE. . . Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for (i) constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, entryways, pedestrian pathways, signage, traffic signalization and street noise abatement incidental thereto and the acquisition of land and rights-of-way therefor, (ii) improving and extending the City's water and wastewater system and the acquisition of land and rights-of-way therefor, (iii) acquiring, constructing and equipping park facilities and the acquisition of land therefor and related infrastructure, (iv) constructing and improving parking facilities and the acquisition of land and rights-of-way therefor and (v) professional services rendered in connection therewith.

CUSIP PREFIX: 386138

MATURITY SCHEDULE & 9 DIGIT CUSIP

See Schedule on Page 4

SEPARATE ISSUES. . . The Certificates are being offered by the City concurrently with the Notes under a common Official Statement. The Certificates and the Notes are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY. . . The Certificates are offered for delivery when, as and if issued and received by the Underwriters (the "Certificate Underwriters") of the Certificates and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel (see Appendix C, "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Certificate Underwriters by their counsel, Locke Lord LLP, Dallas, Texas.

DELIVERY. . . It is expected that the Certificates will be available for delivery through DTC on August 29, 2019.

BOFA MERRILL LYNCH

BOK Financial Securities, Inc.

Raymond James

MATURITY SCHEDULE

CUSIP Prefix: 386138⁽¹⁾

Principal Amount	Maturity Date	Interest Rate	Initial Yield	CUSIP Suffix ⁽¹⁾
\$ 2,310,000	2/15/2022	1.864%	1.864%	ZS3
2,350,000	2/15/2023	1.896%	1.896%	ZT1
2,395,000	2/15/2024	1.996%	1.996%	ZU8
2,445,000	2/15/2025	2.080%	2.080%	ZV6
2,500,000	2/15/2026	2.180%	2.180%	ZW4
2,555,000	2/15/2027	2.286%	2.286%	ZX2
2,615,000	2/15/2028	2.336%	2.336%	ZY0
2,680,000	2/15/2029	2.386%	2.386%	ZZ7
2,745,000	2/15/2030	2.456%	2.456%	A27
2,815,000	2/15/2031	2.526%	2.526%	A35
2,885,000	2/15/2032	2.606%	2.606%	A43
2,965,000	2/15/2033	2.666%	2.666%	A50
3,045,000	2/15/2034	2.736%	2.736%	A68

(Interest to accrue from delivery date.)

- (1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein provided by CUSIP Global Services (“CGS”), managed by S&P Global Market Intelligence, on behalf of the American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for services provided by CGS. CUSIP numbers have been assigned by an independent company not affiliated with the City, the Financial Advisor or the Certificate Underwriters and are included solely for the convenience of the registered and beneficial owners of the Certificates. None of the City, the Financial Advisor or the Certificate Underwriters is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Certificates or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Certificates as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Certificates.

OPTIONAL REDEMPTION. . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2029, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE OBLIGATIONS - Optional Redemption of the Certificates”).

EXTRAORDINARY OPTIONAL REDEMPTION. . . In addition to the optional redemption provisions specified above under “Optional Redemption,” if the City elects not to proceed with any of the projects for which the Certificates were issued, the City will have the right to extraordinarily optionally redeem the Certificates prior to maturity, from and to the extent there remains on deposit in the project fund established in the Certificate Ordinance unexpended Certificate proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

(THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY)

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the Note Underwriter or the Certificate Underwriters (collectively the "Underwriters").

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor or the Underwriters. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The Obligations are exempt from registration with the United States Securities and Exchange Commission and consequently have not been registered therewith. The registration, qualification, or exemption of the Obligations in accordance with applicable securities law provisions of the jurisdiction in which the Obligations have been registered, qualified, or exempted should not be regarded as a recommendation thereof.

Neither the City, its Financial Advisor, nor the Underwriters make any representation or warranty with respect to the information contained in this Official Statement regarding DTC or its Book-Entry-Only System.

In connection with the offering of the Obligations, the Underwriters may over-allot or effect transactions which stabilize or maintain the market prices of the Obligations at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described herein. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the City's undertaking to provide certain information on a continuing basis.

The cover pages contain certain information for general reference only and are not intended as a summary of this offering. Investors should read the entire Official Statement, including the Schedule and all Appendices attached hereto, to obtain information essential to making an informed investment decision.

This Official Statement contains "Forward-Looking" Statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from future results, performance, and achievements expressed or implied by such Forward-Looking Statements. Investors are cautioned that the actual results could differ materially from those set forth in the Forward-Looking Statements.

TABLE OF CONTENTS

<p>OFFICIAL STATEMENT SUMMARY.....6</p> <p>CITY OFFICIALS, STAFF AND CONSULTANTS.....9</p> <p style="padding-left: 20px;">ELECTED OFFICIALS9</p> <p style="padding-left: 20px;">SELECTED ADMINISTRATIVE STAFF9</p> <p style="padding-left: 20px;">CONSULTANTS AND ADVISORS9</p> <p>INTRODUCTION.....10</p> <p>PLAN OF FINANCING11</p> <p>THE OBLIGATIONS11</p> <p>TAX INFORMATION.....17</p> <p style="padding-left: 20px;">TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT21</p> <p style="padding-left: 20px;">TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY23</p> <p style="padding-left: 20px;">TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY24</p> <p style="padding-left: 20px;">TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY24</p> <p style="padding-left: 20px;">TABLE 5 - TEN LARGEST TAXPAYERS25</p> <p style="padding-left: 20px;">TABLE 6 - ESTIMATED OVERLAPPING DEBT25</p> <p>DEBT INFORMATION26</p> <p style="padding-left: 20px;">TABLE 7 - PRO-FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS26</p> <p style="padding-left: 20px;">TABLE 8 - INTEREST AND SINKING FUND BUDGET PROJECTION27</p> <p style="padding-left: 20px;">TABLE 9 - COMPUTATION OF SELF-SUPPORTING DEBT27</p> <p style="padding-left: 20px;">TABLE 10 - OTHER OBLIGATIONS25</p> <p style="padding-left: 20px;">TABLE 11 - CHANGE IN NET POSITION29</p> <p style="padding-left: 20px;">TABLE 12 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY30</p> <p style="padding-left: 20px;">TABLE 13 - MUNICIPAL SALES TAX HISTORY31</p> <p style="padding-left: 20px;">TABLE 14 - CURRENT INVESTMENTS30</p> <p>TAX MATTERS- THE OBLIGATIONS38</p> <p>CONTINUING DISCLOSURE OF INFORMATION40</p> <p>OTHER INFORMATION.....40</p> <p style="padding-left: 20px;">RATINGS42</p> <p style="padding-left: 20px;">LITIGATION42</p> <p style="padding-left: 20px;">REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE42</p> <p style="padding-left: 20px;">LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS42</p> <p style="padding-left: 20px;">LEGAL OPINIONS42</p> <p style="padding-left: 20px;">FINANCIAL ADVISOR43</p> <p style="padding-left: 20px;">UNDERWRITERS OF THE OBLIGATIONS43</p> <p style="padding-left: 20px;">FORWARD-LOOKING STATEMENTS DISCLAIMER44</p>	<p>MISCELLANEOUS45</p> <p>APPENDICES</p> <p style="padding-left: 20px;">GENERAL INFORMATION REGARDING THE CITY A</p> <p style="padding-left: 20px;">EXCERPTS FROM THE ANNUAL FINANCIAL REPORT B</p> <p style="padding-left: 20px;">FORMS OF BOND COUNSEL'S OPINIONS C</p> <p>The cover pages hereof, this page, the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.</p>
---	--

OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Obligations to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE CITY..... The City of Grand Prairie, Texas (the “City”) is a political subdivision and home rule municipal corporation of the State of Texas, located in Dallas, Tarrant and Ellis Counties, Texas. The City covers approximately 80 square miles (see “INTRODUCTION - Description of the City”).

THE NOTES The Notes are issued as \$7,105,000 Combination Tax and Revenue Notes, Taxable Series 2019. The Notes are issued as serial notes maturing on February 15 in each of the years 2022 through 2026, unless redeemed in accordance with the provisions described herein (see “THE OBLIGATIONS – Description of the Obligations”, “THE OBLIGATIONS – Optional Redemption of the Notes”, and “THE OBLIGATIONS – Extraordinary Optional Redemption of the Notes”).

THE CERTIFICATES..... The Certificates are issued as \$34,305,000 Combination Tax and Revenue Certificates of Obligation, Taxable Series 2019B. The Certificates are issued as serial certificates maturing on February 15 in each of the years 2022 through 2034, unless redeemed in accordance with the provisions described herein (see “THE OBLIGATIONS – Description of the Obligations”, “THE OBLIGATIONS – Optional Redemption of the Certificates”, and “THE OBLIGATIONS – Extraordinary Optional Redemption of the Certificates”).

PAYMENT OF INTEREST

ON THE NOTES Interest on the Notes accrues from the Delivery Date, estimated to be August 29, 2019, and is payable February 15, 2020, and each August 15 and February 15 thereafter until maturity or prior redemption (see “THE OBLIGATIONS - Description of the Obligations”, “THE OBLIGATIONS - Optional Redemption of the Notes”, and “THE OBLIGATIONS – Extraordinary Optional Redemption of the Notes”).

PAYMENT OF INTEREST ON THE CERTIFICATES

..... Interest on the Certificates accrues from the Delivery Date, estimated to be August 29, 2019, and is payable February 15, 2020, and each August 15 and February 15 thereafter until maturity or prior redemption (see “THE OBLIGATIONS - Description of the Obligations” and “THE OBLIGATIONS - Optional Redemption of the Certificates”, and “THE OBLIGATIONS – Extraordinary Optional Redemption of the Certificates”).

AUTHORITY FOR ISSUANCE

OF THE NOTES..... The Notes are issued pursuant to the Constitution and general laws of the State, including particularly Texas Government Code, Chapter 1431, as amended, and the Note Ordinance passed by the City Council of the City (see “THE OBLIGATIONS - Authority for Issuance of the Notes”).

AUTHORITY FOR ISSUANCE

OF THE CERTIFICATES..... The Certificates are authorized and issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and the Certificate Ordinance passed by the City Council of the City (see “THE OBLIGATIONS – Authority for Issuance of the Certificates”).

SECURITY FOR THE NOTES

..... The Notes constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City, as provided in the Note Ordinance, and (ii) a pledge of the Pledged Revenues consisting of (a) a limited pledge (\$2,500) of the tax increment received by the City from property located within the Tax Increment Financing Reinvestment Zone Number One, City of Grand Prairie, Texas (the “Zone”) and (b) a pledge of the State Hotel Occupancy Tax (as hereinafter defined), as provided in the Note Ordinance (see “THE OBLIGATIONS - Security and Source of Payment for the Notes”).

SECURITY FOR THE

CERTIFICATES The Certificates constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City and (ii) a limited pledge of \$2,500 of the net revenues of the City’s water and wastewater system, as provided in the Certificate Ordinance (see “THE OBLIGATIONS – Security and Source of Payment for the Certificates”).

OPTIONAL REDEMPTION OF THE NOTES	The City reserves the right, at its option, to redeem Notes having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2025 or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE OBLIGATIONS - Optional Redemption of the Notes”).
OPTIONAL REDEMPTION OF THE CERTIFICATES	The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2029, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028 or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE OBLIGATIONS - Optional Redemption of the Certificates”).
EXTRAORDINARY REDEMPTION OF THE NOTES	In addition to the optional redemption provisions specified above under “- Optional Redemption of the Notes,” if the City elects not to proceed with the development of a convention center facility for the City, the City will have the right to extraordinarily optionally redeem the Notes prior to maturity, from and to the extent there remains on deposit in the Tax Increment Fund (as defined in the Note Ordinance) unexpended Note proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.
EXTRAORDINARY REDEMPTION OF THE CERTIFICATES	In addition to the optional redemption provisions specified above under “- Optional Redemption of the Certificates,” if the City elects not to proceed with any of the projects for which the Certificates were issued, the City will have the right to extraordinarily optionally redeem the Certificates prior to maturity, from and to the extent there remains on deposit in the project fund established in the Certificate Ordinance unexpended Certificate proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.
TAXABLE OBLIGATIONS	Interest on the Obligations will be included in gross income for federal income tax purposes (see “TAX MATTERS – THE OBLIGATIONS”).
USE OF PROCEEDS FOR THE NOTES	Proceeds from the sale of the Notes will be used to (i) construct and equip a convention center facility for the City and (ii) pay the costs of issuance associated with the sale of the Notes.
USE OF PROCEEDS FOR THE CERTIFICATES	Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for (i) constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, entryways, pedestrian pathways, signage, traffic signalization and street noise abatement incidental thereto and the acquisition of land and rights-of-way therefor, (ii) improving and extending the City’s water and wastewater system and the acquisition of land and rights-of-way therefor, (iii) acquiring, constructing and equipping park facilities and the acquisition of land therefor and related infrastructure, (iv) constructing and improving parking facilities and the acquisition of land and rights-of-way therefor and (v) professional services rendered in connection therewith.
RATINGS	The Obligations have been rated “AAA” with a stable outlook by S&P Global Ratings, a division of S&P Global Inc. (“S&P”) and “AA+” with a positive outlook by Fitch Ratings, Inc. (“Fitch”) (see “OTHER INFORMATION – Ratings”).
BOOK-ENTRY-ONLY SYSTEM	The definitive Obligations will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Obligations may be acquired in denominations of \$5,000 or integral multiples thereof for each series and maturity. No physical delivery of the Obligations will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations (see “THE OBLIGATIONS - Book-Entry-Only System”).
PAYMENT RECORD	The City has not defaulted on its general obligation bonds since 1939 when defaults were corrected without refunding and has never defaulted on its revenue bonds.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	Net G.O. Tax Debt Outstanding at End of Year ⁽³⁾	Ratio of Net G.O. Tax Debt to Taxable Assessed Valuation	Net G.O. Tax Debt Per Capita
2014	181,230	\$ 9,842,362,530 ⁽⁴⁾	\$ 54,309	\$ 148,553,000	1.51%	\$ 820
2015	181,230	10,558,457,782 ⁽⁵⁾	58,260	161,857,000	1.53%	893
2016	182,610	11,095,610,000 ⁽⁶⁾	60,761	175,810,000	1.58%	963
2017	184,620	12,317,890,808 ⁽⁷⁾	66,720	191,200,000	1.55%	1,036
2018	187,000	13,521,607,208 ⁽⁸⁾	72,308	211,985,000	1.57%	1,134
2019	194,000	14,755,015,593 ⁽⁹⁾	76,057	307,720,000 ⁽¹⁰⁾	2.09%	1,586

(1) Source: City Staff.

(2) As reported by the Dallas Central Appraisal District, Tarrant Appraisal District, and Ellis Central Appraisal District on the City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Projected excludes revenue-supported general obligation debt. See "TABLE 9 - Computation of Self-Supporting Debt"

(4) Includes taxable incremental value of approximately \$487,063,500 that is not available for the City's general use.

(5) Includes taxable incremental value of approximately \$528,935,423 that is not available for the City's general use.

(6) Includes taxable incremental value of approximately \$147,301,648 that is not available for the City's general use.

(7) Includes taxable incremental value of approximately \$214,042,756 that is not available for the City's general use.

(8) Includes taxable incremental value of approximately \$281,406,819 that is not available for the City's general use.

(9) Includes taxable incremental value of approximately \$381,547,594 that is not available for the City's general use.

(10) Includes the Obligations, as well as the Series 2019A Certificates and the Series 2019 Bonds being offered concurrently under a separate Official Statement. Excludes the Refunded Obligations relating to the Series 2019 Bonds.

GENERAL FUND CONSOLIDATED STATEMENT SUMMARY

	For Fiscal Year Ended September 30,				
	2018	2017	2016	2015	2014
Beginning Balance	\$ 31,346,705	\$ 31,011,895	\$ 27,748,646	\$ 24,752,419 ⁽¹⁾	\$ 28,816,808
Total Revenue	134,912,713	126,720,322	122,517,676	114,115,413	106,220,153
Total Expenditures	123,411,609	116,161,238	108,081,822	103,001,474	98,120,819
Net Transfers	(10,106,151)	(11,110,985)	(11,794,063)	(8,674,408)	(13,413,933)
Sale of Capital Assets	1,003,393	886,711	621,458	556,696	613,163
Net Funds Available	2,398,346	334,810	3,263,249	2,996,227	(4,701,436)
Ending Balance	<u>\$ 33,745,051</u>	<u>\$ 31,346,705</u>	<u>\$ 31,011,895</u>	<u>\$ 27,748,646</u>	<u>\$ 24,115,372</u>

(1) Includes \$637,047 prior period adjustment.

For additional information regarding the City, please contact:

Becky Brooks
bbrooks@GPTX.org
 Chief Financial Officer
 City of Grand Prairie
 317 College Street
 Grand Prairie, Texas 75050
 (972) 237-8090

Brady Olsen
bolsen@GPTX.org
 Treasury and Debt Manager
 City of Grand Prairie
 317 College Street
 Grand Prairie, Texas 75050
 (972) 237-8099

Jim S. Sabonis
 Managing Director
jim.sabonis@hilltopsecurities.com
 Hilltop Securities Inc.
 1201 Elm Street, Suite 3500
 Dallas, Texas 75270
 (214) 953-4195

Andre Ayala
 Director
andre.ayala@hilltopsecurities.com
 Hilltop Securities Inc.
 1201 Elm Street, Suite 3500
 Dallas, Texas 75270
 (214) 953-4184

OFFICIAL STATEMENT

RELATING TO

\$7,105,000
CITY OF GRAND PRAIRIE, TEXAS
COMBINATION TAX AND REVENUE NOTES, TAXABLE SERIES 2019

AND

\$34,305,000
CITY OF GRAND PRAIRIE, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, TAXABLE SERIES 2019B

INTRODUCTION

This Official Statement which includes the Appendices hereto, provides certain information regarding the issuance of \$7,105,000 City of Grand Prairie, Texas, Combination Tax and Revenue Notes, Taxable Series 2019 (the “Notes”) and the \$34,305,000 City of Grand Prairie, Texas, Combination Tax and Revenue Certificates of Obligation, Taxable Series 2019B (the “Certificates”). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the respective ordinances adopted on the date of sale of the Obligations which authorized the issuance of the respective Obligations, except as otherwise indicated herein (the ordinance authorizing the issuance of the Notes (the “Note Ordinance”) and the ordinance authorizing the issuance of the Certificates (the “Certificate Ordinance”) are sometimes herein referred to jointly as the “Ordinances”).

There follows in this Official Statement descriptions of the Obligations and certain information regarding the City of Grand Prairie, Texas (the “City”) and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the City’s Financial Advisor, Hilltop Securities Inc. (“HilltopSecurities”), Dallas, Texas.

SEPARATE ISSUES. . . The Notes and the Certificates are being offered concurrently by the City under a common Official Statement, and such Notes and Certificates are hereinafter sometimes referred to collectively as the “Obligations”. The Notes and the Certificates are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of holders, and other features.

DESCRIPTION OF THE CITY. . . The City is a political subdivision and home rule municipal corporation of the State of Texas (the “State”), duly organized and existing under the laws of the State, including the City’s Home Rule Charter. The City first adopted its Home Rule Charter in 1948. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and eight Council members who are elected for staggered three-year terms. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), streets, water and sanitary sewer utilities, environmental health services, parks and recreation, public transportation, public facilities, planning and zoning, and general administrative services. The 1970 Census population for the City was 71,462 while the 2010 population was 175,396. The estimated population for 2019 is 194,000. The City covers approximately 80 square miles.

PLAN OF FINANCING

PURPOSE . . . The Notes are being issued for the purpose of (i) constructing and equipping a convention center facility for the City, and (ii) paying the costs of issuance of the Notes.

The Certificates are being issued for the purpose of paying contractual obligations to be incurred for (i) constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, entryways, pedestrian pathways, signage, traffic signalization and street noise abatement incidental thereto and the acquisition of land and rights-of-way therefor, (ii) improving and extending the City’s water and wastewater system and the acquisition of land and rights-of-way therefor, (iii) acquiring, constructing and equipping park facilities and the acquisition of land therefor and related infrastructure, (iv) constructing and improving parking facilities and the acquisition of land and rights-of-way therefor and (v) professional services rendered in connection therewith.

USE OF NOTE PROCEEDS . . . Proceeds from the sale of the Notes, are expected to be expended as follows:

SOURCES OF FUNDS:	
Par Amount of Notes	\$ 7,105,000.00
TOTAL SOURCES:	<u>\$ 7,105,000.00</u>
 USES OF FUNDS:	
Deposit to Project Fund	\$ 7,000,000.00
Costs of Issuance	74,345.21
Underwriter's Discount	30,654.79
TOTAL USES:	<u>\$ 7,105,000.00</u>

USE OF CERTIFICATE PROCEEDS. . . Proceeds from the sale of the Certificates are expected to be expended as follows:

SOURCES OF FUNDS:	
Par Amount of Certificates	\$ 34,305,000.00
TOTAL SOURCES:	<u>\$ 34,305,000.00</u>
 USES OF FUNDS:	
Deposit to Project Fund	\$ 34,000,000.00
Costs of Issuance	147,318.83
Underwriters' Discount	157,681.17
TOTAL USES:	<u>\$ 34,305,000.00</u>

THE OBLIGATIONS

DESCRIPTION OF THE OBLIGATIONS. . . The Obligations are dated August 15, 2019, and are scheduled to mature, with respect to the Notes, on February 15 in each of the years and in the amounts shown on page 2 and, with respect to the Certificates, on February 15 in each of the years and in the amounts shown on page 4 hereof. Interest on the Obligations will accrue from the Delivery Date, estimated to be August 29, 2019, and will be computed on the basis of a 360-day year of twelve 30-day months, to be payable on each August 15 and February 15 until maturity or prior redemption, commencing February 15, 2020. The definitive Obligations will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Obligations will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations. See "THE OBLIGATIONS - Book-Entry-Only System" herein.

Interest on the Obligations shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest shall be paid (i) by check sent United States Mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Obligations will be paid to the registered owner at their stated maturity or upon earlier redemption upon presentation to designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Obligations, all payments will be made as described under "THE OBLIGATIONS - Book-Entry-Only System" herein. If the date for any payment on the Obligations shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

AUTHORITY FOR ISSUANCE OF THE NOTES. . . The Bonds are being authorized and issued pursuant to the Constitution and general laws of the State, particularly Texas Government Code, Chapter 1431, as amended, and the Note Ordinance.

AUTHORITY FOR ISSUANCE OF THE CERTIFICATES. . . The Certificates are being issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and the Certificate Ordinance.

SECURITY AND SOURCE OF PAYMENT FOR THE NOTES. . . The Notes are payable from a combination of (i) a continuing direct annual ad valorem tax levied by the City, within the limits prescribed by law, on all taxable property within the City sufficient to provide for the payment of principal of and interest on the Notes and (ii) a pledge of the Pledged Revenues consisting of (a) a limited pledge (\$2,500) of the tax increment received by the City from property located within the Tax Increment Financing Reinvestment Zone Number One, City of Grand Prairie, Texas (the "Zone") and (b) a pledge of 100 percent of the refund of any state hotel occupancy taxes imposed under Chapter 156 of the Texas Tax Code, as amended, that are paid by the hotel operator and all businesses within 1,000 feet of the City's convention center facility for the use or possession of or the right to use possession of a room or space at the hotel project which are available to the City pursuant to the provisions of Section 351.102(c) Texas Tax Code, as amended, during the first 10 years after such hotel project is open for initial occupancy (the "State Hotel Occupancy Tax"), as provided in the Note Ordinance. No information is provided in this Official Statement about the State Hotel Occupancy Tax, including its collection or the related hotel projects. Accordingly, potential investors in the Notes should not rely to any extent on the pledge of the State Hotel Occupancy Tax securing the Notes.

SECURITY AND SOURCE OF PAYMENT FOR THE CERTIFICATES. . . The Certificates are payable from a combination of (i) a continuing direct annual ad valorem tax levied by the City, within the limits prescribed by law, upon all taxable property located within the City and (ii) a limited pledge of \$2,500 of the net revenues of the City's water and wastewater system, as provided in the Certificate Ordinance.

OPTIONAL REDEMPTION OF THE NOTES. . . The City reserves the right, at its option, to redeem Notes having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Notes are to be redeemed, the City may select the maturities of the Notes to be redeemed. If less than all of the Notes of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Notes are in Book-Entry-Only form) shall determine by lot the Notes, or portions thereof, within such maturity to be redeemed. If a Note (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Note (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

EXTRAORDINARY OPTIONAL REDEMPTION OF THE NOTES. . . In addition to the optional redemption provisions specified above under "- Optional Redemption of the Notes," if the City elects not to proceed with the development of a convention center facility for the City, the City will have the right to extraordinarily optionally redeem the Notes prior to maturity, from and to the extent there remains on deposit in the Tax Increment Fund (as defined in the Note Ordinance) unexpended Note proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

OPTIONAL REDEMPTION OF THE CERTIFICATES. . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2029, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Certificates are to be redeemed, the City may select the maturities of the Certificates to be redeemed. If less than all of the Certificates of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Certificates are in Book-Entry-Only form) shall determine by lot the Certificates, or portions thereof, within such maturity to be redeemed. If a Certificate (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Certificate (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

EXTRAORDINARY OPTIONAL REDEMPTION OF THE CERTIFICATES. . . In addition to the optional redemption provisions specified above under "- Optional Redemption of the Certificates," if the City elects not to proceed with any of the projects for which the Certificates were issued, the City will have the right to extraordinarily optionally redeem the Certificates prior to maturity, from and to the extent there remains on deposit in the project fund established in the Certificate Ordinance unexpended Certificate proceeds, on any day up to and including August 15, 2022, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

NOTICE OF REDEMPTION. . . Not less than 30 days prior to a redemption date for the Obligations, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Obligations to be redeemed, in whole or in part, at the address of each registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE OBLIGATIONS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY OBLIGATION OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH OBLIGATION OR PORTION THEREOF SHALL CEASE TO ACCRUE.

With respect to any optional redemption, including the extraordinary optional redemption, of the Obligations, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Obligations to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Obligations and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Obligations have not been redeemed.

DEFEASANCE. . . The Ordinances provide for the defeasance of the Notes or the Certificates, as the case may be, when the payment of the principal of and premium, if any, on the Notes or the Certificates, as the case may be, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar, or other authorized escrow agent, in trust (1) money sufficient to make such payment or (2) Government Securities to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Notes or the Certificates, as the case may be. The Ordinances provide that “Government Securities” means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, and (d) any other then authorized securities or obligations that may be used to defease obligations such as the Obligations under applicable laws of the State of Texas. The City has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Obligations. Because the Ordinances do not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Government Securities or that for any other Government Security will be maintained at any particular rating category.

Upon such deposit as described above, the applicable Obligations shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment of the Obligations have been made as described above, all rights of the City to initiate proceedings to call the Obligations for redemption or take any other action amending the terms of the Obligations are extinguished; provided, however, that the right to call the Obligations for redemption is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Obligations for redemption; (ii) gives notice of the reservation of that right to the owners of the Obligations immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

AMENDMENTS. . . The City may, without the consent of or notice to any Holders of the Notes or the Certificates, from time to time and at any time, amend the Bond Ordinance or the Certificate Ordinance in any manner not detrimental to the interests of the Holders of the Notes or the Certificates, as applicable, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the City may, with the written consent of Holders of a majority in aggregate principal amount of the Notes or Certificates, as applicable, then Outstanding, amend, add to, or rescind any of the provisions of the Bond Ordinance or Certificate Ordinance; provided that, without the consent of all Holders of Outstanding Notes or Certificates, as applicable, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Obligations, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Obligations, (2) give any preference to any Bond or Certificate over any other Bond or Certificate, respectively, or (3) reduce the aggregate principal amount of Notes or Certificates, as applicable, required to be held by Holders for consent to any such amendment, addition, or rescission.

BOOK-ENTRY-ONLY SYSTEM. . . This section describes how ownership of the Obligations is to be transferred and how the principal of, premium, if any, and interest and redemption payments on the Obligations are to be paid to and credited by DTC while the Obligations are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City, the Financial Advisor and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The City, the Financial Advisor and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Obligations, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Obligations), or redemption or other notices, to

the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered certificate will be issued for each stated maturity of the Obligations in the aggregate principal amount of each such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Obligations under the DTC system must be made by or through DTC Participants, which will receive a credit for such purchases on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Direct or Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Obligations are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. **Beneficial Owners will not receive certificates representing their ownership interests in the Obligations, except in the event that use of the book-entry system described herein is discontinued.**

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Obligations, unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the Record Date (hereinafter defined). The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Obligations are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

All payments on the Obligations will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be

the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent/Registrar, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to one or both series of the Obligations at any time by giving reasonable notice to the City or Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Obligations are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered.

Effect of Termination of Book-Entry-Only System. . . In the event that the Book-Entry-Only System is discontinued, printed Obligation certificates will be issued to the holders and the Obligations will be subject to transfer, exchange and registration provisions as set forth in the Ordinances and summarized under "THE OBLIGATIONS - Transfer, Exchange and Registration" herein.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement it should be understood that while the Obligations are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Obligations, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinances will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City, the Financial Advisor or the Underwriters.

PAYING AGENT/REGISTRAR. . . The initial Paying Agent/Registrar for the Obligations is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. In the Ordinances, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Obligations are duly paid and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Obligations, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of such Obligations by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of the Obligations will be payable to the registered owner at maturity or prior redemption upon presentation at the principal office of the Paying Agent/Registrar. Interest on the Obligations shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (see "THE OBLIGATIONS – Record Date for Interest Payment" herein), and such interest shall be paid (i) by check sent by United States Mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Obligations shall be a Saturday, Sunday, legal holiday or day when banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. So long as Cede & Co. is the registered owner of the Obligations, payments of principal and interest on the Obligations will be made as described in "THE OBLIGATIONS - Book-Entry-Only System" herein.

TRANSFER, EXCHANGE AND REGISTRATION. . . In the event the Book-Entry-Only System should be discontinued with respect to the Notes or the Certificates, printed Notes or Certificates, as the case may be, will be delivered to the registered owners thereof, and thereafter the Notes or Certificates, as the case may be, may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar, and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Obligations may be assigned by the execution of an assignment form on the respective Obligations or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Obligations will be delivered by the Paying Agent/Registrar, in lieu of the Obligations being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Obligations issued in an exchange or transfer of Obligations will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Obligations to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Obligations registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Obligations surrendered for exchange or transfer. See "THE OBLIGATIONS - Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Obligations. Neither the City nor the Paying Agent/Registrar

shall be required to transfer or exchange any Obligation called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation on transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of an Obligation.

RECORD DATE FOR INTEREST PAYMENT. . . The record date (“Record Date”) for the interest payable on the Obligations on any interest payment date means the close of business on the last business day of the preceding month.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of an Obligation appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

OBLIGATIONHOLDERS’ REMEDIES. . . If the City defaults in the payment of principal, interest or redemption price, as applicable, on the Obligations when due, or if it fails to make payments into any fund or funds created in the Ordinances, or defaults in the observation or performance of any other covenants, conditions or obligations set forth in the Ordinances, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Obligations if there is no other available remedy at law to compel performance of the Obligations or the Ordinances and the City’s obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Obligations in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinances do not provide for the appointment of a trustee to represent the interest of the holders of the Obligations upon any failure of the City to perform in accordance with the terms of the Ordinances, or upon any other condition and, accordingly, all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners.

On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W. 3d 427 (Tex. 2016) (“Wasson”) that sovereign immunity does not imbue a city with derivative immunity when it performs proprietary, as opposed to governmental, functions in respect to contracts executed by a city. The Texas Supreme Court reviewed *Wasson* again in June 2018 and clarified that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore in regard to municipal contract cases (as in tort claims) it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under the authority or for the benefit of the state. If sovereign immunity is determined by a court to exist, then the Texas Supreme Court has ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in “clear and unambiguous” language. Because it is unclear whether the Texas legislature has effectively waived the City’s sovereign immunity from a suit for money damages, holders of the Obligations may not be able to bring such a suit against the City for breach of the Obligations or the covenants in the Ordinances. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City’s property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Obligations.

Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code (“Chapter 9”). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or holders of the Obligations of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce remedies would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinions of Bond Counsel will note that all opinions relative to the enforceability of the Ordinances and the Obligations are qualified with respect to the customary rights of debtors relative to their creditors.

TAX INFORMATION

AD VALOREM TAX LAW. . . The appraisal of property within the City is the responsibility of the Dallas Central Appraisal District, the Tarrant Appraisal District and the Ellis Appraisal District (collectively the “Appraisal District”). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under V.T.C.A., Title 1, Tax Code, as amended (the “Property Tax Code”), to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. State law requires the appraised value of a

residence homestead to be based solely on the property's value as a residence homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a residence homestead for a tax year to an amount not to exceed the lesser of (1) the property's market value for the most recent tax year in which the market value was determined by the appraisal office or (2) the sum of (a) 10% of the property's appraised value for the preceding tax year, plus (b) the property's appraised value for the preceding tax year, plus (c) the market value of all new improvements to the property. The value placed upon property within the Appraisal District is subject to review by an Appraisal Review Board within each Appraisal District, consisting of members appointed by the Board of Directors of each respective Appraisal District. Each respective Appraisal District is required to review the value of property within each respective Appraisal District at least every three years. The City may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the City by petition filed with the appropriate Appraisal Review Board.

Reference is made to the Property Tax Code for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Under Section 1-b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant an exemption of not less than \$3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision. Once authorized, such exemption may be repealed or decreased or increased in amount (i) by the governing body of the political subdivision or (ii) by a favorable vote of a majority of the qualified voters at an election called by the governing body of the political subdivision, which election must be called upon receipt of a petition signed by at least 20% of the number of qualified voters who voted in the preceding election of the political subdivision. In the case of a decrease, the amount of the exemption may not be reduced to less than \$3,000 of the market value.

The surviving spouse of an individual who qualifies for the foregoing exemption for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

In addition to any other exemptions provided by the Property Tax Code, the governing body of a political subdivision, at its option, may grant an exemption of up to 20% of the market value of residence homesteads, with a minimum exemption of \$5,000.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces. The exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from \$5,000 a maximum of \$12,000; provided, however, that a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. Furthermore, and subject to certain conditions, surviving spouses of a deceased veteran who had received a disability rating of 100% will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries.

A partially disabled veteran or the surviving spouse of a partially disabled veteran is entitled to an exemption equal to the percentage of the veteran's disability, if the residence was donated at no cost to the veteran by a charitable organization.

The surviving spouse of a member of the armed forces who is killed in action is entitled to a property tax exemption for all or part of the market value of such surviving spouse's residence homestead, if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption is transferable to a different property of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received. Additionally, following the approval by the voters at a November 7, 2017 statewide election (with an effective date of January 1, 2018), the surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to a property tax exemption for all or part of the market value of such surviving spouse's residence homestead, if the surviving spouse has not remarried since the first responder's death and said property was the first responder's residence homestead at the time of death. Such exemption is transferable to a different property of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

Under Article VIII and State law, the governing body of a county, municipality, or junior college district may freeze the total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older to the amount of taxes

imposed in the year such residence qualified for such exemption. Also, upon receipt of a petition signed by five percent of the registered voters of the county, municipality, or junior college district, an election must be held to determine by majority vote whether to establish such a limitation on taxes paid on residence homesteads of persons 65 years of age or who are disabled. Upon providing for such exemption, such freeze on ad valorem taxes is transferable to a different residence homestead. Also, a surviving spouse of a taxpayer who qualifies for the freeze on ad valorem taxes is entitled to the same exemption so long as the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse and the spouse was at least 55 years of age at the time of the death of the individual's spouse. If improvements (other than repairs or improvements required to comply with governmental requirements) are made to the property, the value of the improvements is taxed at the then current tax rate, and the total amount of taxes imposed is increased to reflect the new improvements with the new amount of taxes then serving as the ceiling on taxes for the following years. Once established, the tax rate limitation may not be repealed or rescinded.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Sections 1-d and 1-d-1.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

Article VIII, Section 1-j, provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

Effective for tax years 2008 and thereafter, Article VIII, Section 1-n of the Texas Constitution provides for an exemption from taxation for "goods-in-transit," which are defined as personal property acquired or imported into the State and transported to another location inside or outside the State within 175 days of the date the property was acquired or imported into the State. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy equipment and manufactured housing inventory. After holding a public hearing, a taxing unit may take action by January 1 of the year preceding a tax year to tax goods-in-transit during the following year. A taxpayer may obtain only a freeport exemption or a goods-in-transit exemption, but not both, for items of personal property.

A city or a county may utilize tax increment financing, pursuant to the Tax Increment Financing Act, Texas Tax Code, Chapter 311, to encourage development and redevelopment within a designated tax increment reinvestment zone ("TIRZ"). Taxes collected from increases in valuation above the base value (the "captured appraised value") by each taxing unit that levies ad valorem taxes on real property in the TIRZ may be used to pay costs of infrastructure or other public improvements in the TIRZ and to supplement or act as a catalyst for private development in the defined area of the TIRZ. The tax increment base value for a taxing unit is the total appraised value of all real property taxable by the taxing unit and located in the TIRZ as of January 1 of the year in which the city created the TIRZ. Each taxing unit can choose to dedicate all, any portion or none of its taxes collected from the captured appraised value to the costs of improvements in the TIRZ. The amount of a taxing unit's tax increment for a year is the amount of property taxes levied by the taxing unit for that year on the captured appraised value of real property taxable by the taxing unit and located in the TIRZ, multiplied by the taxing unit's percentage level of participation.

The City also may enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The City in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

The City is also authorized, pursuant to Chapter 380, Texas Local Government Code, as amended ("Chapter 380"), to establish programs to promote state or local economic development and to stimulate business and commercial activity in the City. In accordance with a program established pursuant to Chapter 380, the City may make loans or grants of public funds for economic development purposes, however no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the City. The City may contract with the federal government, the State, another political subdivision, a nonprofit organization or any other entity, including private entities, for the administration of such a program.

TAX RATE LIMITATION. . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$2.50 per each \$100 of Taxable Assessed Valuation for all City purposes. The Home Rule Charter of the City adopts the constitutionally authorized maximum tax rate of \$2.50 per each \$100 of Taxable Assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all general obligation debt, based on a 90% tax collection rate as calculated at the time of issuance.

Public Hearing and Maintenance and Operation Tax Rate Limitations

The following terms as used in this section have the meanings provided below:

“adjusted” means lost values are not included in the calculation of the prior year’s taxes and new values are not included in the current year’s taxable values.

“de minimis rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted), plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year’s taxable value, plus the debt service tax rate.

“effective tax rate” means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year’s total tax levy (adjusted) from the current year’s total taxable values (adjusted).

“no-new-revenue tax rate” means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year’s total tax levy (adjusted) from the current year’s total taxable values (adjusted).

“rollback tax rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted) multiplied by 1.08, plus the debt service tax rate.

“special taxing unit” means a city for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value.

“unused increment rate” means the cumulative difference between a city’s voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a city’s tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

“voter-approval tax rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the “unused increment rate”.

The City’s tax rate consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the “maintenance and operations tax rate”), and (2) a rate for funding debt service in the current year (the “debt service tax rate”). Under State law, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the City to the City Council by August 1 or as soon as practicable thereafter.

For the 2019 tax year, the procedures in this paragraph apply. After the assessor submits the appraisal roll, a designated officer or employee of the City is required to calculate its “rollback tax rate” and “effective tax rate”. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, and may not adopt a tax rate that exceeds the lower of its “rollback tax rate” or “effective tax rate” (as such terms are defined below) until it has held two public hearings on the proposed increase following notice to the taxpayers and otherwise complied with the Property Tax Code. The Property Tax Code provides that if the adopted tax rate exceeds the rollback tax rate, qualified voters of the city, by petition, may require that an election be held to determine whether or not to reduce the adopted tax rate to the rollback tax rate. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-effective tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

Effective January 1, 2020, the terms rollback tax rate and effective tax rate will be replaced, respectively, with the terms “voter-approval tax rate” and “no-new-revenue tax rate”. Beginning with the 2020 tax year, the procedures in this paragraph and the following paragraphs apply. A city must annually calculate its “voter-approval tax rate” and “no-new-revenue tax rate” (as such terms are defined above) in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

As described below, the Property Tax Code provides that if a city adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its “de minimis rate”, an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A city may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until each appraisal district in which such city participates has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase.

For cities with a population of 30,000 or more as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the voter-approval tax rate, that city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its “voter-approval tax rate” using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city’s total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City’s ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City’s tax-supported debt obligations, including the Obligations.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

City and Taxpayer Remedies

Under certain circumstances, the City and its taxpayers may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the City may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value of at least \$50 million and situated in a county with a population of one million or more as of the most recent federal decennial census may additionally protest the determinations of appraisal district directly to a three-member special panel of the appraisal review board, selected by a State district judge, consisting of highly qualified professionals in the field of property tax appraisal.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the City and provides for taxpayer referenda that could result in the repeal of certain tax increases (See “– Public Hearing and Maintenance and Operation Tax Rate Limitations”). The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Reference is made to the Property Tax Code and Tex. S.B. 2, 86th Leg. RS (2019) for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

2019 LEGISLATIVE SESSION . . . The 86th Regular Legislative Session convened on January 8, 2019 and adjourned on May 27, 2019. Legislation that changes current laws affecting ad valorem tax matters, including calculation of the rollback tax rate and rollback election process for maintenance tax increases, was adopted on May 27, 2019 and signed by the Texas Governor on June 12, 2019. This legislation will impact the City’s future budgeting and the levy and collection of ad valorem taxes for maintenance and operations purposes. The City does not anticipate that this legislation will impact its ability to levy and collect ad valorem taxes for debt service purposes.

PROPERTY ASSESSMENT AND TAX PAYMENT. . . Property within the City is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Oil and gas reserves are assessed on the basis of a valuation process which uses either the most recently published edition of the Annual Energy Outlook or the Short-Term Energy Outlook report, both published by the United States Energy Information Administration, as well as appraisal formulas developed by the State Comptroller of Public Accounts. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1.

PENALTIES AND INTEREST. . . Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Cumulative Penalty	Cumulative Interest ⁽¹⁾	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	32 ⁽²⁾	6	38

(1) Interest continues to accrue after July 1 at the rate of 1% per month until paid.

(2) Includes an amount of up to 20% which may be assessed after July 1 to defray attorney expenses. Since 1987, the City has employed an outside attorney to collect its delinquent ad valorem taxes.

After July, the penalty remains at 12%, and interest accrues at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. A delinquent tax continues to accrue interest as long as the tax remains unpaid, regardless of whether a judgment for the delinquent tax has been rendered. The purpose of imposing such interest penalty is to compensate the taxing unit for revenue lost because of the delinquency. In addition, if an account is delinquent in July, an attorney’s collection fee of up to 20% may be added to the total tax, penalty and interest charge. Under certain circumstances, taxes which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the City’s lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

CITY APPLICATION OF TAX CODE . . . The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of \$45,000; the disabled are also granted an exemption of \$30,000.

The City has granted an additional exemption of 7.5% of the market value of residence homesteads; minimum exemption of \$5,000.

See Table 1 for a listing of the amounts of the exemptions described above.

The City has adopted the tax freeze for citizens who are disabled or are 65 years of age or older, which became a local option and subject to local referendum on January 1, 2004.

Ad valorem taxes are not levied by the City against the exempt value of residence homesteads for the payment of debt.

The City does not tax nonbusiness personal property.

Dallas County collects taxes for the City by contract.

The City does permit split payments, and discounts are not allowed.

The City does not tax freoport property.

The City does not collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The City has adopted partial tax abatement guidelines. See “DEBT INFORMATION – TAX ABATEMENT” herein. The City granted partial tax abatements to seven companies. See “TAX ABATEMENTS” below.

The City has created three tax increment financing zones, but at this time only two are active.

TAX ABATEMENTS..... As of the 2017 certified roll (used for 2018 fiscal year) the City’s abatement agreements with seven companies resulted in \$54,157,220 in appraised values being exempt from taxation, totaling \$232,425 in taxes abated on the 2017 certified tax roll (used for the 2018 fiscal year).

TAX INCREMENT FINANCING ZONES..... Three TIRZs have been created within the City, with two being currently active, TIRZ No. 1 and TIRZ No. 3. TIRZ No. 1 was recently expanded to include more land mass within the City. Both active TIRZs are expected to have combined property tax increments of approximately \$2,556,361 for Fiscal Year 2019. For the Fiscal Year 2020, the City anticipates property tax revenue increments of \$3,399,770. Both active TIRZs are still being developed.

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

Tax Year 2019 (FY 19-20) Market Valuation Established by Dallas Central Appraisal District, Tarrant Appraisal District, and Ellis Appraisal District		\$ 20,325,673,616
Less Exemptions/Reductions		
Homestead	\$ 459,022,839	
Over 65 & Disabled	373,156,804	
Disabled Veterans	138,427,888	
Agricultural Use Reductions	34,372,699	
Non-Taxable/Totally Exempt	1,436,365,414	
Tax Abatements	38,649,813	
Freeport Property	965,572,510	
Pollution Control	2,676,177	
Under \$500	550,935	
Com HSE DEV	12,303,303	
Capped Value Loss	539,452,126	
Total Exemptions/Reductions	<u>4,000,550,508</u>	\$ 4,000,550,508
2019/2020 Taxable Assessed Valuation		\$ 16,325,123,108
Outstanding General Obligation Debt as of 8/30/2019 ⁽¹⁾		\$ 236,570,000
The Series 2019 Bonds ⁽²⁾		19,475,000
The Series 2019A Certificates ⁽²⁾		34,910,000
The Taxable Series 2019B Certificates		34,305,000
The Taxable Series 2019 Notes		<u>7,105,000</u>
Total Outstanding General Obligation Debt as of 8/30/2019		\$ 332,365,000
Less Self-Supporting General Obligation Debt		
Airport	\$ 885,000	
Tax Increment Financing District No. 1	7,430,000	
Public Improvement Districts	450,000	
Crime Control Prevention District	15,880,000	
Total General Obligation Self-Supporting Debt	<u>24,645,000</u>	\$ 24,645,000
Net General Obligation Debt Payable from Ad Valorem Taxes as of 8/30/2019		\$ 307,720,000
Interest and Sinking Fund balance as of June 1, 2019		\$ 9,090,910
Ratio General Obligation Tax Debt to Taxable Assessed Valuation		1.88%
2019 Estimated Population -	194,000	
Per Capita Taxable Assessed Valuation -	\$ 84,150	
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes -	<u>\$ 1,586</u>	

(1) Excludes the Refunded Obligations relating to the Series 2019 Bonds.

(2) Being offered concurrently with the Obligations under a separate Official Statement.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

	Taxable Appraised Value for Fiscal Year Ended September 30, ⁽¹⁾					
	2020		2019		2018	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 8,702,702,995	42.82%	\$ 8,170,636,070	44.14%	\$ 7,205,616,896	42.51%
Real, Residential, Multi-Family	588,113,327	2.89%	1,445,719,187	7.81%	1,195,400,186	7.05%
Real, Vacant Platted Lots/Tracts	295,614,469	1.45%	292,948,871	1.58%	254,817,282	1.50%
Real, Acreage (Land Only)	74,627,276	0.37%	80,528,897	0.44%	41,567,047	0.25%
Real, Farm and Ranch Improvements	785,322	0.00%	6,500,357	0.04%	5,527,965	0.03%
Real, Commercial and Industrial	5,352,103,009	26.33%	3,474,724,125	18.77%	3,179,117,750	18.75%
Oil, Gas Mineral Reserves	37,733,271	0.19%	18,860,928	0.10%	17,500,902	0.10%
Real and Tangible Personal, Utilities	217,058,489	1.07%	197,390,503	1.07%	180,239,772	1.06%
Tangible Personal, Business	3,475,124,423	17.10%	3,223,646,846	17.41%	3,194,539,962	18.85%
Tangible Personal, Other	2,657,940	0.01%	10,116,667	0.05%	10,620,787	0.06%
Special Inventory	56,371,520	0.28%	65,354,817	0.35%	27,949,740	0.16%
Certified values in dispute	411,654,898	2.03%	200,811,716	1.08%	451,951,792	2.67%
Non-Taxable Property	1,111,126,677	5.47%	1,324,853,428	7.16%	1,186,206,863	7.00%
Total Appraised Value Before Exemptions	\$ 20,325,673,616	100.00%	\$ 18,512,092,412	100.00%	\$ 16,951,056,944	100.00%
Less Exemptions:						
Homestead	\$ 459,022,839		\$ 309,413,678		\$ 303,360,667	
Over 65 & Disabled	373,156,804		363,401,064		348,917,131	
Disabled Veterans	138,427,888		116,731,369		89,178,560	
Agricultural/Open Spaces	34,372,699		77,724,519		58,841,508	
Non-Taxable	1,436,365,414		1,324,853,428		1,188,530,014	
Tax Abatements	38,649,813		30,822,819		33,750,575	
Freeport Property	965,572,510		1,001,108,814		977,034,125	
Pollution Control	2,676,177		2,593,394		2,796,427	
Under \$500	550,935		380,851		331,081	
Com HSE DEV	12,303,303 ⁽²⁾		91,880 ⁽²⁾		11,800,000 ⁽²⁾	
Foreign Trade Zone	0		85,674,719		83,934,151	
Capped Value Loss	539,452,126		444,280,284		330,975,497	
Total Exemptions	\$ 4,000,550,508		\$ 3,757,076,819		\$ 3,429,449,736	
Taxable Assessed Value	\$ 16,325,123,108		\$ 14,755,015,593		\$ 13,521,607,208	

	Taxable Appraised Value for Fiscal Year Ended September 30, ⁽¹⁾			
	2017		2016	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 6,438,258,351	41.71%	\$ 5,598,320,712	41.35%
Real, Residential, Multi-Family	1,040,598,212	6.74%	956,544,517	7.06%
Real, Vacant Platted Lots/Tracts	257,414,968	1.67%	298,300,767	2.20%
Real, Acreage (Land Only)	39,674,804	0.26%	66,809,237	0.49%
Real, Farm and Ranch Improvements	5,933,552	0.04%	-	0.00%
Real, Commercial and Industrial	2,666,907,843	17.28%	2,309,898,408	17.06%
Oil, Gas Mineral Reserves	19,990,442	0.13%	69,596,184	0.51%
Real and Tangible Personal, Utilities	155,867,326	1.01%	106,212,689	0.78%
Tangible Personal, Business	2,963,382,157	19.20%	2,638,575,290	19.49%
Tangible Personal, Other	12,778,481	0.08%	11,105,760	0.08%
Special Inventory	33,571,160	0.22%	27,974,640	0.21%
Certified values in dispute	641,814,478	4.16%	617,099,036	4.56%
Non-Taxable Property	1,158,856,652	7.51%	839,031,138	6.20%
Total Appraised Value Before Exemptions	\$ 15,435,048,426	100.00%	\$ 13,539,468,378	100.00%
Less Exemptions:				
Homestead	\$ 153,810,211		\$ 152,148,129	
Over 65 & Disabled	339,969,033		322,141,545	
Disabled Veterans	67,853,915		50,856,893	
Agricultural/Open Spaces	58,399,630		45,634,536	
Non-Taxable	1,160,499,872		837,424,401	
Tax Abatements	39,794,679		42,528,834	
Freeport Property	987,345,764		895,937,112	
Pollution Control	3,356,858		3,012,520	
Under \$500	368,758		401,420	
Com HSE DEV	11,100,000		-	
Foreign Trade Zone	79,997,426		78,504,679	
Capped Value Loss	214,661,472		15,268,309	
Total Exemptions	\$ 3,117,157,618		\$ 2,443,858,378	
Taxable Assessed Value	\$ 12,317,890,808		\$ 11,095,610,000	

(1) Valuations shown are certified taxable assessed values reported by the three Appraisal Districts to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal Districts updates records. Regarding variances between the three districts require some estimates or adjustments to these categories' details.

(2) Under review by City staff.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	Net G.O. Tax Debt Outstanding at End of Year ⁽³⁾	Ratio of Net G.O. Tax Debt to Taxable Assessed Valuation	Net G.O. Tax Debt Per Capita
2014	181,230	\$ 9,842,362,530 ⁽⁴⁾	\$ 54,309	\$ 148,553,000	1.51%	\$ 820
2015	181,230	10,558,457,782 ⁽⁵⁾	58,260	161,857,000	1.53%	893
2016	182,610	11,095,610,000 ⁽⁶⁾	60,761	175,810,000	1.58%	963
2017	184,620	12,317,890,808 ⁽⁷⁾	66,720	191,200,000	1.55%	1,036
2018	187,000	13,521,607,208 ⁽⁸⁾	72,308	211,985,000	1.57%	1,134
2019	194,000	14,755,015,593 ⁽⁹⁾	76,057	307,720,000 ⁽¹⁰⁾	2.09%	1,586

(1) Source: City Staff.

(2) As reported by the Dallas Central Appraisal District, Tarrant Appraisal District, and Ellis Central Appraisal District on the City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Projected excludes revenue-supported general obligation debt. See "TABLE 9 - Computation of Self-Supporting Debt"

(4) Includes taxable incremental value of approximately \$487,063,500 that is not available for the City's general use.

(5) Includes taxable incremental value of approximately \$528,935,423 that is not available for the City's general use.

(6) Includes taxable incremental value of approximately \$147,301,648 that is not available for the City's general use.

(7) Includes taxable incremental value of approximately \$214,042,756 that is not available for the City's general use.

(8) Includes taxable incremental value of approximately \$281,406,819 that is not available for the City's general use.

(9) Includes taxable incremental value of approximately \$381,547,594 that is not available for the City's general use.

(10) Includes the Obligations, as well as the Series 2019A Certificates and the Series 2019 Bonds being offered concurrently under a separate Official Statement. Excludes the Refunded Obligations relating to the Series 2019 Bonds.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2015	\$ 0.669998	\$ 0.484892	\$ 0.185106	\$ 70,741,456	98.10%	98.81%
2016	0.669998	0.484892	0.185106	74,340,365	98.92%	100.23%
2017	0.669998	0.473549	0.196449	82,529,622	98.08%	98.85%
2018	0.669998	0.471196	0.198802	88,709,078	98.77%	98.77%
2019	0.669998	0.463696	0.206302	98,858,309	99.80% ⁽¹⁾	100.40% ⁽¹⁾

(1) Collections through February 28, 2019.

(THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY)

TABLE 5 - TEN LARGEST TAXPAYERS ⁽¹⁾

Name of Taxpayer	Nature of Property	Tax Year 2018	% of Total
		Taxable Assessed Valuation	Taxable Assessed Valuation
Lockheed Martin	Defense Industry	\$ 121,053,438	0.82%
Duke Realty LTD PS	Real Estate	117,894,403	0.80%
Poly America LP	Manufacturing	107,626,258	0.73%
Grand Prairie Outlets LLC	Outlet Mall	100,248,779	0.68%
Bell Helicopter-Textron Inc.	Defense Industry	96,810,273	0.66%
Oncor Electric Delivery	Utility	89,916,171	0.61%
CHI/Wildlife 5 LP	Real Estate	83,173,050	0.56%
2803 Riverside Apt Investors LLC	Real Estate	59,390,000	0.40%
Mars Partners LTD	Real Estate	53,345,234	0.36%
Haier US Appliance Solutions Inc.	Manufacturing	49,913,243	0.34%
		<u>\$ 879,370,849</u>	<u>5.96%</u>

(1) Source: The Appraisal District.

GENERAL OBLIGATION DEBT LIMITATION. . . No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter (see "TAX INFORMATION – Tax Rate Limitation").

TABLE 6 - ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt ("Tax Debt") was developed from information contained in "Texas Municipal Reports" (the "MAC Reports") published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued Tax Debt since the date of the MAC Reports, and such entities may have programs requiring the issuance of substantial amounts of Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Body	2018/2019		G.O. Debt as of 5/31/2019	Estimated % Overlapping	Overlapping G.O. Debt
	Taxable Assessed Valuation	2018/2019 Tax Rate			
Arlington Independent School District	\$ 27,332,963,659	\$ 1.3687	\$ 766,072,018	18.70%	\$ 143,255,467
Cedar Hill Independent School District	3,599,590,013	1.3760	108,705,013	4.82%	5,239,582
Dallas County	243,677,733,215	0.2431	166,685,000	2.81%	4,683,849
Dallas County Community College District	250,711,265,787	0.1242	182,800,000	2.81%	5,136,680
Dallas County Flood Control District #1	167,070,378	1.8000	23,355,000	0.79%	184,505
Parkland Hospital District	244,186,272,009	0.2794	687,775,000	2.83%	19,464,033
Dallas County Schools	207,228,323,960	0.0090	33,815,000	2.83%	956,965
Ellis County	15,355,774,687	0.3710	35,325,000	0.07%	24,728
Grand Prairie Independent School District	7,290,227,263	1.5950	478,515,000	90.96%	435,257,244
Irving Independent School District	13,439,011,068	1.4011	407,935,000	0.72%	2,937,132
Mansfield Independent School District	13,804,138,953	1.5400	773,725,000	13.49%	104,375,503
Midlothian Independent School District	4,499,126,313	1.5400	356,066,373	0.21%	747,739
Tarrant County	180,110,821,859	0.2340	294,500,000	4.07%	11,986,150
Tarrant County Hospital District	180,270,255,261	0.2244	17,735,000	4.07%	721,815
			<u>\$ 4,333,008,404</u>		<u>\$ 734,971,389</u>
City of Grand Prairie	\$ 14,755,015,593	\$ 0.6699	\$ 332,365,000 ⁽¹⁾	100.00%	\$ 332,365,000
Total Direct and Overlapping Debt.....					\$ 1,067,336,389
Total Direct and Overlapping Debt to City's Taxable Assessed Value.....					7.23%

(1) Includes the Obligations, as well as the Series 2019A Certificates, and the Series 2019 Bonds being offered concurrently under a separate Official Statement. Excludes the Refunded Obligations relating to the Series 2019 Bonds.

DEBT INFORMATION

TABLE 7 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 9/30	Outstanding Debt Service ⁽¹⁾			The Series 2019 Bonds			The Series 2019A Certificates			The Taxable Series 2019B Certificates			The Taxable Series 2019 Notes			Less: Self- Supporting Debt Service	Net General Obligation Debt Service	% of Principal Retired		
	Principal	Interest	Total D/S	Principal	Interest	Total D/S	Principal	Interest	Total D/S	Principal	Interest	Total D/S	Principal	Interest	Total D/S					
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
2019	27,195,000	13,345,313	40,540,313	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,201,969	28,338,343	
2020	28,960,000	11,299,110	40,259,110	-	719,493	719,493	1,800,000	1,393,557	3,193,557	-	769,156	769,156	-	147,402	147,402	-	-	11,651,563	33,437,154	
2021	25,105,000	9,488,041	34,593,041	3,790,000	879,000	4,669,000	1,815,000	1,379,100	3,194,100	-	800,278	800,278	-	153,366	153,366	-	-	10,468,582	32,941,203	
2022	23,225,000	7,704,281	30,929,281	4,005,000	684,125	4,689,125	1,880,000	1,305,200	3,185,200	2,310,000	778,749	3,088,749	460,000	149,079	609,079	8,084,885	609,079	8,084,885	34,416,549	
2023	16,520,000	6,110,971	22,630,971	2,855,000	512,625	3,367,625	1,950,000	1,235,350	3,185,350	2,350,000	734,942	3,084,942	465,000	140,383	605,383	282,325	605,383	282,325	32,591,947	40.24%
2024	17,180,000	5,455,134	22,635,134	2,365,000	382,125	2,747,125	2,035,000	1,156,725	3,191,725	2,395,000	688,762	3,083,762	475,000	131,235	606,235	285,475	606,235	285,475	31,978,505	
2025	12,200,000	4,865,368	17,065,368	1,250,000	291,750	1,541,750	1,285,000	1,078,225	2,363,225	2,445,000	639,432	3,084,432	485,000	121,450	606,450	82,000	606,450	82,000	24,579,225	
2026	12,115,000	4,349,709	16,464,709	855,000	239,125	1,094,125	1,350,000	1,015,350	2,365,350	2,500,000	586,754	3,086,754	5,220,000	58,203	5,278,203	-	5,278,203	-	28,289,141	
2027	11,885,000	3,832,590	15,717,590	890,000	195,500	1,085,500	1,315,000	951,725	2,266,725	2,555,000	530,300	3,085,300	-	-	-	-	-	-	22,155,115	
2028	9,765,000	3,362,265	13,127,265	940,000	149,750	1,089,750	1,380,000	884,350	2,264,350	2,615,000	470,553	3,085,553	-	-	-	-	-	-	19,566,918	66.80%
2029	10,170,000	2,942,640	13,112,640	800,000	106,250	906,250	1,455,000	813,475	2,268,475	2,680,000	408,038	3,088,038	-	-	-	-	-	-	19,375,403	
2030	9,055,000	2,555,887	11,610,887	840,000	65,250	905,250	1,525,000	738,975	2,263,975	2,745,000	342,357	3,087,357	-	-	-	-	-	-	17,867,469	
2031	9,015,000	2,216,380	11,231,380	885,000	22,125	907,125	1,605,000	660,725	2,265,725	2,815,000	273,095	3,088,095	-	-	-	-	-	-	17,492,325	
2032	9,360,000	1,880,479	11,240,479	-	-	-	1,680,000	587,000	2,267,000	2,885,000	199,950	3,084,950	-	-	-	-	-	-	16,592,428	
2033	9,720,000	1,514,528	11,234,528	-	-	-	1,745,000	518,500	2,263,500	2,965,000	122,835	3,087,835	-	-	-	-	-	-	16,585,863	86.81%
2034	9,280,000	1,125,369	10,405,369	-	-	-	1,820,000	447,200	2,267,200	3,045,000	41,656	3,086,656	-	-	-	-	-	-	15,759,224	
2035	7,700,000	772,906	8,472,906	-	-	-	1,895,000	372,900	2,267,900	-	-	-	-	-	-	-	-	-	10,740,806	
2036	6,095,000	490,700	6,585,700	-	-	-	1,970,000	295,600	2,265,600	-	-	-	-	-	-	-	-	-	8,851,300	
2037	3,995,000	288,900	4,283,900	-	-	-	2,050,000	215,200	2,265,200	-	-	-	-	-	-	-	-	-	6,549,100	
2038	2,560,000	157,800	2,717,800	-	-	-	2,135,000	131,500	2,266,500	-	-	-	-	-	-	-	-	-	4,984,300	98.64%
2039	2,665,000	53,300	2,718,300	-	-	-	2,220,000	44,400	2,264,400	-	-	-	-	-	-	-	-	-	4,982,700	100.00%
	\$ 263,765,000	\$ 83,811,670	\$ 347,576,670	\$ 19,475,000	\$ 4,247,118	\$ 23,722,118	\$ 34,910,000	\$ 15,225,057	\$ 50,135,057	\$ 34,305,000	\$ 7,386,856	\$ 41,691,856	\$ 7,105,000	\$ 901,117	\$ 8,006,117	\$ 43,056,799	\$ 428,075,018			

(1) Interest on the Combination Tax & Tax Increment Revenue Certificates of Obligation, Series 2001 and Tax & Revenue Certificates of Obligation, Series 2008 is calculated at the maximum rate of 15%. Excludes the Refunded Obligations relating to the Series 2019 Bonds.

TABLE 8 - INTEREST AND SINKING FUND BUDGET PROJECTION ⁽¹⁾

Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/2019		\$ 31,634,008
Interest and Sinking Fund 9/30/2018	\$ 5,535,816	
Budgeted 2019 Interest and Sinking Fund Tax Levy @ 98% Collection	29,779,463	
Prior year taxes and refunds	200,000	
TIFF Contribution	(579,138)	
Transfer from Section 8/Cemetery	50,000	
Total Available		<u>\$ 34,986,141</u>
Estimated Balance, Fiscal Year Ending 9/30/2019		\$ 3,352,133

(1) Data provided by the City.

TABLE 9 - COMPUTATION OF SELF-SUPPORTING DEBT

	Crime Control		TIF #1	Westchester		Forum Estates	
	District	Airport Fund		PID 1	PID 5		
Resources Available for Debt Service Fiscal Year Ended 9/30/2018	\$ 16,185,875	\$ 453,389	\$ 12,192,267	\$ 520,570	\$ 330,201		
Less: Revenue Bond Requirements, Fiscal Year Ended 9/30/2018	-	-	-	-	-		
Balance Available for payment of Self-Supporting General Obligation Debt	\$ 16,185,875	\$ 453,389	\$ 12,192,267	\$ 520,570	\$ 330,201		
General Obligation Bonds and Certificates of Obligation Debt Service Requirements, Fiscal Year Ended 9/30/2019	5,185,959	196,979	3,965,520	183,600	83,600		
Balance	\$ 10,999,916	\$ 256,410	\$ 8,226,748	\$ 336,970	\$ 246,601		
Percentage of System General Obligation Bonds and Certificates of Obligation Self-Supporting	100.00%	100.00%	100.00%	100.00%	100.00%		

TABLE 10 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Purpose	Date Authorized	Amount		
		Authorized Amount	Previously Issued	Unissued Balance
Solid Waste	12/08/90	\$ 180,000	\$ 75,000	\$ 105,000
Streets/Signal	11/06/01	56,000,000	55,959,773	40,227
Storm Drainage	11/06/01	8,200,000	6,576,573	1,623,427
Public Safety	11/06/01	11,800,000	11,800,000	-
		<u>\$ 76,180,000</u>	<u>\$ 74,411,346</u>	<u>\$ 1,768,654</u>

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT. . . . The City is issuing concurrently, under a separate Official Statement, \$19,475,000 General Obligation Refunding Bonds, Series 2019, which are estimated to close on November 19, 2019 and \$34,910,000 in Combination Tax and Revenue Certificates of Obligation, Series 2019A, which are estimated to close on August 29, 2019.

OTHER OBLIGATIONS. . . . The City has no other property tax-supported debt outstanding as of the date of this Official Statement except as described herein.

RETIREMENT PLAN. . . . All eligible employees of the City are members of the Texas Municipal Retirement System ("TMRS"). Members can retire at ages 60 and above with 5 or more years of service or with 25 years of service regardless of age. The Plan also provides death and disability benefits. A member is vested after 5 years, but he must leave his accumulated contributions in the Plan. If a member withdraws his own money, he is not entitled to the employer-financed monetary credits, even if he was vested. The Plan

provisions are adopted by the governing body of the City, within the options available in the State statutes governing TMRS and within the actual constraints also in the statutes.

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
2012	\$ 323,972,818	\$ 385,345,197	84.10%	\$ 61,372,379	\$ 64,693,060	94.87%
2013	349,460,132	405,074,405	86.30%	55,614,273	66,435,664	83.70%
2014	376,082,419	450,523,220	83.50%	74,440,801	68,769,035	108.25%
2015	401,667,459	470,075,530	85.40%	68,408,071	77,244,326	88.56%
2016	426,404,111	496,727,015	85.80%	70,322,904	82,113,476	85.64%
2017	444,611,622	525,359,395	90.84%	80,747,733	88,720,932	91.01%

OTHER POST-EMPLOYMENT BENEFITS

In addition to providing pension benefits through the Texas Municipal Retirement System, the City has opted to provide eligible retired employees with the following post-employment benefits:

Eligible retirees may purchase health insurance from the City's healthcare provider. The cost of insurance varies based on date retired, plan selected, and years of Grand Prairie service. The cost of coverage is shared between the City and the retiree in varying increments based on the above factors.

Eligible retirees may purchase health insurance from the City's healthcare provider at the City's cost to cover current employees for dependents if the dependents were covered consecutively during the past two years prior to the retirement date. The cost of insurance varies based on date retired, plan selected, and years of Grand Prairie service. The cost of coverage is shared between the City and the retiree in varying increments based on the above factors.

The City recognizes its share of the costs of providing these benefits when paid, on a "pay-as-you-go" basis. These payments are budgeted annually. The appropriation for the fiscal year ending September 30, 2017 was \$3,091,028. The budgeted amount for such benefits in the fiscal year ending September 30, 2018 was \$3,833,909.

In fiscal 2007, the City implemented GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions." The City has performed an actuarial valuation of its post-retirement benefit liability. It has engaged an independent actuarial firm to prepare a valuation. The City reviewed the study and plans to comply with legal requirements to perform additional studies in the future at the required intervals. The actuarial liability is estimated at \$55,800,537 at September 30, 2018.

For more information concerning the City's post-employment benefits, see the financial statements of the City, and the notes thereto.

TABLE 11 - CHANGE IN NET POSITION

	Fiscal Year Ending, September 30,				
	2018	2017	2016	2015	2014
Revenues					
Fees, Fines and Charges for Services	\$ 47,831,146	\$ 50,349,054	\$ 45,025,523	\$ 34,849,122	\$ 37,100,501
Operating Grants and Contributions	36,511,876	35,572,942	37,024,064	33,329,097	34,980,362
Capital Grants and Contributions	3,971,782	8,305,146	8,807,012	1,232,805	4,020,110
General Revenues:					
Property Taxes	\$ 94,648,690	\$ 84,925,774	\$ 77,923,990	\$ 73,070,467	\$ 77,334,662
Sales Taxes	64,250,717	60,585,824	57,076,997	53,494,773	50,846,972
Other Taxes and Assessments	2,208,298	2,015,917	1,791,075	1,713,865	1,550,172
Franchise Fees	14,485,521	9,996,934	13,928,847	14,089,158	13,315,452
Investment Income	3,506,788	2,425,419	2,173,508	1,609,156	652,067
Other	-	-	-	-	-
Total Revenues	\$ 267,414,818	\$ 254,177,010	\$ 243,751,016	\$ 213,388,443	\$ 219,800,298
Expenses					
Support Services	\$ 27,614,430	\$ 26,731,588	\$ 23,045,026	\$ 22,102,591	\$ 20,400,867
Public Safety	101,033,502	100,253,923	91,860,495	80,359,190	80,333,290
Recreation and Leisure	33,942,742	32,962,890	29,709,690	26,746,861	25,255,982
Development and Other Services	97,241,362	90,088,069	88,963,122	77,263,159	75,473,057
Interest on Long-Term Debt	12,481,762	12,108,299	12,374,896	8,019,147	7,922,519
	\$ 272,313,798	\$ 262,144,769	\$ 245,953,229	\$ 214,490,948	\$ 209,385,715
Increase in net position before transfers	\$ (4,898,980)	\$ (7,967,759)	\$ (2,202,213)	\$ (1,102,505)	\$ 10,414,583
Transfers, net	6,272,419	5,271,645	5,346,108	2,403,135	4,286,373
Increase (decrease) in net assets	\$ 1,373,439	\$ (2,696,114)	\$ 3,143,895	\$ 1,300,630	\$ 14,700,956
Prior period adjustments	\$ (49,038,142)	\$ -	\$ -	\$ (37,358,089)	\$ -
Net position - beginning	405,407,435	408,103,549	404,959,654	441,017,113	426,316,157
Net position - ending	\$ 357,742,732	\$ 405,407,435	\$ 408,103,549	\$ 404,959,654	\$ 441,017,113

(THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY.)

TABLE 12 - GENERAL FUND REVENUES AND EXPENDITURES HISTORY

	Fiscal Year Ended September 30,				
	2018	2017	2016	2015	2014
Revenues:					
Property Taxes	\$ 61,122,847	\$ 56,275,511	\$ 53,681,627	\$ 50,336,919	\$ 45,315,907
Sales Taxes	31,532,937	29,804,519	27,922,103	26,407,761	25,162,422
Franchise Fees	14,485,521	13,805,938	13,928,847	14,089,158	13,315,452
Charges for Services	5,847,113	5,676,907	5,796,986	5,335,832	5,355,348
Fines and Forfeitures	7,337,547	7,633,756	7,740,514	7,279,318	7,312,495
Licenses and Permits	3,000,527	3,080,890	3,457,438	2,813,341	2,909,002
Interest	3,213,375	2,065,665	1,833,724	1,600,927	628,887
Other	8,372,846	8,377,136	8,156,437	6,252,157	6,220,640
Total Revenues	\$ 134,912,713	\$ 126,720,322	\$ 122,517,676	\$ 114,115,413	\$ 106,220,153
Expenditures:					
Administrative Services	\$ 22,333,632	\$ 20,899,884	\$ 18,145,433	\$ 16,574,203	\$ 14,690,989
Public Safety Services	84,283,161	78,678,246	73,478,242	70,907,083	68,546,747
Development Service and Other	12,947,245	12,686,050	12,391,453	12,273,830	12,102,508
Recreation and Leisure Services	2,760,622	2,591,734	2,398,214	1,958,463	1,931,941
Capital Outlays	1,086,949	1,305,324	1,668,480	1,287,895	848,634
Total Expenditures	\$ 123,411,609	\$ 116,161,238	\$ 108,081,822	\$ 103,001,474	\$ 98,120,819
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 11,501,104	\$ 10,559,084	\$ 14,435,854	\$ 11,113,939	\$ 8,099,334
Transfer in (Out) Net	(10,106,151)	(11,110,985)	(11,794,063)	(8,674,408)	(13,413,933)
Proceeds for sale of capital assets	1,003,393	886,711	621,458	556,696	613,163
Beginning Fund Balance	31,346,705	31,011,895	27,748,646	24,115,372	28,816,808
Prior period adjustments	-	-	-	637,047	-
Ending Fund Balance	\$ 33,745,051	\$ 31,346,705	\$ 31,011,895	\$ 27,748,646	\$ 24,115,372

(THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY.)

TABLE 13 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, V.T.C.A., Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Obligations. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly.

Fiscal Year Ended 9/30	City	Parks & Rec.	Streets	Baseball Stadium ⁽¹⁾	Senior Center ⁽¹⁾	Crime Control	Epic ⁽¹⁾	Total	Equivalent of Total Ad Valorem Tax Rate ⁽²⁾
2015	\$ 26,407,761	\$ 6,752,015	\$ 6,752,014	\$ 3,376,007	\$ 3,376,007	\$ 6,670,193	\$ -	\$ 53,333,997	\$0.2380
2016	27,922,103	7,268,076	7,268,076	-	-	7,189,890	7,268,076	56,916,221	0.2517
2017	29,804,519	7,667,736	7,667,736	-	-	7,717,930	7,667,736	60,525,657	0.2420
2018	31,532,937	8,207,902	8,207,902	-	-	8,094,074	8,207,902	64,250,717	0.2332
2019 ⁽³⁾	16,725,844	4,181,461	4,181,461	-	-	4,149,929	4,181,461	33,420,156	0.1110

(1) At an election held on May 10, 2014, voters abolished the City’s two additional 1/8% local sales and use taxes as authorized under Section 334.089, Local Government Code, effective September 30, 2015, and adopted a new additional ¼% City sales and use tax for the City’s Central Park project as permitted under the provisions of Chapter 334, Local Government Code, effective October 1, 2015. The additional sales tax receipts will be used to pay the cost associated with the project. The City began collecting the tax on October 1, 2015.

(2) City general fund only.

(3) Collections through May 2019 on a cash basis.

SALES TAX ELECTIONS

The voters approved a ¼% local sales and use tax rate at an election held on November 2, 1999 under Section 334.021 of Chapter 334, Local Government Code. The additional sales tax receipts are used exclusively for costs associated with the municipal parks and recreation system as defined in Section 334.001(4)(D). The City began collecting the tax in April 2000. The sales tax authorized by the November 2, 1999 election is not pledged to nor available for payment on the Obligations.

The voters approved a ¼% local sales and use tax rate at an election held on November 6, 2001 under Chapter 327 Subtitle C, Title 3, Tax Code. The additional sales tax receipts are used exclusively for street repair maintenance. The ¼ cent sales tax has a life of 4 years unless re-approved by the voters. The sales tax authorized by the November 6, 2001 election is not pledged to or available for payment of the Obligations. The sales tax was reauthorized in May 2009 and again in May 2017 for 8 years.

On May 12, 2007 voters approved a 1/2% sales tax to be utilized in a ¼% and two 1/8% increments for the following projects:

- A ¼% local sales and use tax under Section 363.054, Local Government Code for Crime Control and Prevention District to fund a new Police Center.
- A 1/8% local sales and use tax for a new Senior Center.
- A 1/8% local sales and use tax for a minor league baseball stadium.

The additional sales tax receipts were to be exclusively for costs associated with each of the projects. The City began collecting the tax on October 1, 2007. Such sales tax is not pledged to or available for payment of the Obligations.

At an election held on May 10, 2014, voters abolished the City’s two additional 1/8% local sales and use taxes for the Senior Center and the minor League Baseball Stadium as authorized in 2007 under Section 334.089, Local Government Code, effective September 30, 2015, and adopted a new additional ¼% city sales and use tax for the City’s Central Park project as permitted under the provisions of Chapter 334, Local Government Code, effective October 1, 2015. The additional sales tax receipts will be used to pay the costs associated with the City’s Central Park project. The City began collecting the tax on October 1, 2015. Such sales tax is not pledged to or available for payment of the Obligations.

At an election on May 12, 2012, the ¼% sales tax for the Crime Control and Prevention District was re-authorized for a period of ten years.

DEVELOPMENT FEES

The new impact fees will be used for water improvements and wastewater improvements and are not pledged to the payment of the debt service requirements of the Obligations. Impact fees for roadway improvements were eliminated in 2001. Each of the two types of fees are developed separately based upon excess capacity of existing infrastructure and projected construction of capital improvements over the next 10 years. Revenues generated by impact fees can only be used to finance the improvements identified in an adopted Capital Improvements Plan. The City must update land use assumptions and capital improvements plans every three years.

FYE	Impact Fee Revenues	
	Water	Wastewater
2015	\$ 1,409,396	\$ 380,484
2016	1,892,680	514,323
2017	1,403,218	404,663
2018	1,910,802	827,434
2019 ⁽¹⁾	1,075,784	427,744

(1) Through May 2019. Unaudited.

The City created a storm water utility under the Texas Municipal Drainage Utility Systems Act. Such Act provides for the creation of a storm water utility to provide storm water services including planning, operations, maintenance, and capital improvements for storm water runoff. Such Act also provides for collection of user fees based on storm water runoff volumes.

COMPENSATED ABSENCES

The City's accrued unfunded compensated absences liability is approximately \$18,549,050 as of September 30, 2018.

RISK MANAGEMENT

Property, liability, safety, workers' compensation and health and wellness insurance are accounted for in the Risk Management Fund, an internal service fund. Net expenses of these programs in property 2017-18 is \$4,715,378, liability and workers' compensation and \$16,192,378 for employee health and wellness insurance.

Beginning October 1, 1991, the City placed all of its property, liability and workers' compensation coverage with Texas Municipal League Intergovernmental Risk Pool. The limits of liability and retention vary according to type of coverage provided.

The operating funds are charged premiums for property, liability, workers' compensation and employee health coverage by the Risk Management Fund. Employees pay for dependent health coverage independently. The incurred but unreported claims for these programs as of September 30, 2018 were 3,971,327.

The City allows retired employees to continue participating in its group health insurance program after retirement with all premiums paid by the retirees.

FINANCIAL MANAGEMENT POLICIES

The City Council and staff make financial decisions throughout the year based upon financial guidelines. The Financial Management Policies (FMP) provides a framework, or master plan, within which to make operating and capital budget decisions, as well as other financial decisions. The primary objective of the FMP is to enable the City to achieve a long-term stable and positive financial condition.

The policies which were originally approved by City Council resolution on February 9, 1988 and are updated annually address the following subjects: accounting, auditing and financial reporting, internal controls, operating budget, capital budget and program, revenue management, expenditure control, asset management, financial condition and reserves, debt management, and staffing and training. Significant issues addressed by the policies include the following:

BASIS OF ACCOUNTING . . . The City policy is to adhere to the accounting principles established by the Governmental Accounting Standards Board, as amended.

GENERAL FUND BALANCE . . . The City's goal is to maintain between 50 and 60 days of expenditures of the General Fund expenditures budget in the General Fund resources balance.

DEBT SERVICE FUND BALANCE . . . The City policy is to maintain balances of no greater than one month of principal and interest requirements except that the City's revenue bond policy and bond ordinance requirement are to maintain revenue supported debt service reserves at the level of the average annual debt service plus an amount accrued for the debt service payment.

USE OF BOND PROCEEDS, GRANTS, ETC . . . The City policy is to use bond proceeds only for major assets with expected lives which equal or exceed the average life of the debt issue.

BUDGETARY PROCEDURES . . . The City policy is to pay for current expenditures with certain revenues and to utilize reserves only for emergencies. The annual operating budget shall provide for operation and maintenance of capital plant.

FUND INVESTMENTS . . . The City policy is to invest its cash with three objectives in mind listed in order of priority: safety, liquidity and yield. Unrestricted idle cash is pooled for short-term investment in government securities, money market mutual funds and local government investment pools. The mix and term of investments is determined based on the City's liquidity needs and the yield curve.

TAX ABATEMENT . . . The City policy is to grant tax abatement for the development of new facilities or the expansion of existing facilities for which the life of the facility exceeds the life of the abatement. For properties not in an enterprise zone, total investment must exceed \$5,000,000, total job creation must exceed 25 permanent positions, the abatement period may not exceed 10 years and the abatement percentage may not exceed 75%.

INVESTMENTS

The City invests its investable funds in investments authorized by State law in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change.

LEGAL INVESTMENTS....Available City funds are invested as authorized by Texas law and in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change. Under State law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025; or (ii) a depository institution with a main office or branch office in this State that the investing entity selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3); (9) certificates of deposit and share certificates (i) issued by a depository institution that has its main office or a branch office in the State of Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Insurance Fund or its successor, or are secured as to principal by obligations described in the clauses (1) through (8) or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a

primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (14) a no-load money market mutual fund registered with and regulated by the Securities and Exchange Commission that provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and complies with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAM or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pay no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bear no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES. . . Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the Public Funds Investment Act. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each funds' investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio; and (6) yield.

Under State law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest during the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

ADDITIONAL PROVISIONS. . . Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio and requires an interpretation of subjective investment standards) and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the City's designated Investment Officer; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds

held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

The City Manager designates the Chief Financial Officer as the City's chief investment officer. The Treasurer, Controller, and Treasury Analyst are designated as additional investment officers. The Chief Financial Officer is responsible for the City's comprehensive cash management program, including the administration of the Investment Policies. The Chief Financial Officer is responsible for considering the quality and capability of staff involved in investment management and procedures. The Chief Financial Officer shall be responsible for authorizing investments and the Treasurer shall account for investments and pledged collateral in order to maintain appropriate internal controls. The Controller shall be responsible for recording investments in the City's books of accounts. The Internal Audit staff shall audit records monthly and the external auditors will review for management controls on investments and adherence to policy as required by law.

INVESTMENT COMMITTEE

An Investment Committee consisting of the Deputy City Manager, Chief Financial Officer, Assistant CFO and Chief Accountant shall meet as frequently as necessary to review the City's investment portfolio. The Committee shall also meet as necessary to add or delete a financial institution or broker/dealer from the list of institutions with which the City may do business or to conduct other business. The committee shall also meet to review prospectuses, financial statements and other performance data on money market mutual funds and shall formulate recommendations on the advisability of investing in specific funds for the consideration of the City Council.

Any three of the five Investment Committee members constitute a quorum. The Treasurer shall serve as chairman of the committee, and written record of Investment Committee meetings shall be maintained.

A. Authorized Investments

The City may invest in:

1. Obligations of the United States or its agencies and instrumentalities (except for derivatives and mortgage pass-through securities).
2. Repurchase agreements whose underlying collateral consists of obligations of the United States or its agencies and instrumentalities, has a defined termination date, requires the securities being purchased by the entity or cash held by the entity to be pledged to the entity, held in the entity's name, and deposited at the time the investment is made with the entity or with a third party selected and approved by the entity, and is placed through a primary government securities dealer as defined by the Federal Reserve or a financial institution doing business in this state. Repurchase agreement means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date, obligations of the United States or its agencies and instrumentalities. The term may not exceed 90 days
3. Municipal Securities (State, City, County, school or road district general obligation or revenue bonds) (out-of-state bonds shall only be general obligation bonds) with a remaining maturity of three years or less which have received a rating by at least two nationally recognized credit rating agencies of at least A or its equivalent.
4. Commercial paper with a stated maturity of 90 days or less from the date of its issuance that is rated at least A-1, P-1, or the equivalent by at least one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof. The Sports Corp only allows this quality of commercial paper if managed through a local government investment pool.
5. Prime domestic bankers' acceptances meaning a bankers' acceptance with a stated maturity of 270 days or less from the date of its issuance that will be, in accordance with its terms, liquidated in full at maturity, that is eligible for collateral for borrowing from a Federal Reserve bank, and that is accepted by a bank organized and existing under the laws of the United States or any state the short-term obligations of which (or of a bank holding company of which the bank is the largest subsidiary) are rated at least A-1, P-1, or the equivalent by at least one nationally recognized credit rating agency. The Sports Corp only allows this investment as part of a local government investment pool.
6. Public Funds Investment Pool with a weighted average maturity of 90 days or less whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. An investment pool shall invest funds in authorized investments permitted by the Public Funds Investment Act. The pool must enter into a contract approved (by resolution) by the Grand Prairie City Council to provide investment services to the City or by the Sports Corporation Board to provide services to the Sports Corp.

The pool must be continuously rated no lower than AAA or AAAM or at an equivalent rating by at least one nationally recognized rating service. The pool must provide monthly reports that contain:

- the types and percentage breakdown of securities in which the pool is invested;
 - the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
 - the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
 - the book value versus the market value of the pool's portfolio, using amortized cost valuation;
 - the size of the pool;
 - the number of participants in the pool;
 - the custodian bank that is safekeeping the assets of the pool;
 - a listing of daily transaction activity of the entity participating in the pool;
 - the yield and expense ratio of the pool, including a statement regarding how yield is calculated;
 - the portfolio managers of the pool; and
 - any changes or addenda to the offering circular.
- a. To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool that uses amortize cost or fair value accounting must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a \$1.00 net asset value, when rounded and expressed to two decimal places. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, the governing body of the public funds investment pool shall take action as the body determines necessary to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing participants, including a sale of portfolio holdings to attempt to maintain the ratio between 0.995 and 1.005. In addition to the requirements of its investment policy and any other forms of reporting, a public funds investment pool that uses amortized cost shall report yield to its investors in accordance with regulations if the federal Securities and Exchange Commission applicable to reporting by money market funds.
- b. To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool must have an advisory board composed;
1. equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool created under Chapter 791 and managed by a state agency; or
 2. of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.
- c. To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must be continuously rated no lower than AAA or AAAM or at an equivalent rating by at least one nationally recognized rating service.
7. An SEC-registered, no-load money market mutual fund approved (by resolution) by the City Council with a dollar-weighted average portfolio maturity of 90 days or less whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. By state law the City is not authorized to invest in the aggregate more than 80 percent of its monthly average fund balance, excluding bond proceeds, in money market mutual funds described in this subsection or to invest its funds or funds under its control, excluding bond proceeds, in any one money market mutual fund in an amount that exceeds 10 percent of the total assets of the money market mutual fund.
8. Collateralized or insured certificates of deposit and other evidences of deposit at federally insured banks, fully guaranteed or insured by the FDIC (Federal Deposit Insurance Corporation)\ in the State of Texas.

B. Diversification

Investments shall be diversified to reduce the risk of loss resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities.

The asset mix of the City's portfolio is expressed in terms of maximum commitment so as to allow flexibility to take advantage of market conditions.

The asset mix requirements are as follows:

	<u>% Maximum</u>
1. U.S. Treasury Bills and Notes	100
2. U.S. Agency or Instrumentality Obligations (each type)	25 *
3. Repurchase Agreements	20
4. Municipal Securities (total)	40
5. Municipal Securities (out-of-state)	20
6. Certificates of Deposit (per institution)	20
7. Money Market Mutual Fund	50 **
8. Public Funds Investment Pool	50

* Total Agency investments limited to no more than 100% of the total portfolio.

** Limited by State law to 80% of monthly average fund balance, excluding bond proceeds.

C. Qualifying Institutions

Financial institutions (Federally insured banks) with and through which the City invests in certificates of deposit shall be located in the State of Texas. Broker/dealers through whom the City purchases U.S. Government securities may include only those dealers reporting to the Market Reports Division of the Federal Reserve Bank of New York, also known as the "primary government securities dealers" and First Southwest Company except that repurchase agreements shall not be executed through First Southwest Company. In addition, other regional brokers/dealers may be considered by the Investment Committee.

D. Collateral Securities for Certificates of Deposit and Demand Accounts

The City will accept as collateral for its certificates of deposit and demand accounts and other evidences of deposit the following securities:

- FDIC Coverage
- U.S. Treasury Bills
- U.S. Treasury Notes and Bonds
- State, city, county, school, or road district general obligation or revenue bonds*, except that out-of-state bonds shall be limited to general obligation bonds
- City of Grand Prairie revenue bonds or general obligation bonds, time warrants, and certificates of obligation
- U.S. Government Agency and Instrumentality obligations (except for mortgage pass-through securities).

*The securities must be rated at least "A" by one of the nationally recognized rating services. Collateral consisting of out-of-state bonds shall be limited to 10% of the total collateral pledged by a financial institution.

The securities shall be marked-to-market no less frequently than monthly, and the ratio of collateral market value to amount invested plus accrued interest shall be no less than 105%.

TABLE 14 - CURRENT INVESTMENTS

As of March 31, 2019, the City's investable funds were invested in the following categories:

Type of Investment	Percentage	Total Cost
Local Government Pools and Money Market Funds	35.70%	\$ 130,200,107
Federal Agency and Instrumentality Notes	64.30%	234,518,442
		<u>\$ 364,718,549</u>

TAX MATTERS – THE OBLIGATIONS

The following is a general summary of the United States federal income tax consequences of the purchase and ownership of the Obligations. The discussion is based upon laws, Treasury Regulations, rulings and decisions now in effect, all of which are subject to change or possibly differing interpretations. No assurances can be given that future changes in the law will not alter the conclusions reached herein. The discussion below does not purport to deal with United States federal income tax consequences applicable to all categories of investors. Further, this summary does not discuss all aspects of United States federal income taxation that may be relevant to a particular investor in the Obligations in light of the investor's particular personal investment circumstances or to certain types of investors subject to special treatment under United States federal income tax laws (including insurance companies, tax exempt organizations, financial institutions, brokers-dealers, and persons who have hedged the risk of owning the Obligations). The summary is therefore limited to certain issues relating to initial investors who will hold the Obligations as "capital assets" within the meaning of section 1221 of the Code, and acquire such Obligations for investment and not as a dealer or for resale. This summary addresses certain federal income tax consequences applicable to beneficial owners of the Obligations who are United States persons within the meaning of Section 7701(a)(30) of the Code ("U.S. persons") and, except as discussed below, does not address any consequences to persons other than U.S. persons. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE OBLIGATIONS.

Payments of Stated Interest on the Obligations. The stated interest paid on the Obligations will be included in the gross income, as defined in section 61 of the Code, of the beneficial owners thereof and be subject to U.S. federal income taxation when received or accrued, depending on the tax accounting method applicable to the beneficial owners thereof.

Original Issue Discount. If a substantial amount of the Obligations of any series and stated maturity is purchased at original issuance for a purchase price (the "Issue Price") that is less than their face amount by more than one quarter of one percent times the number of complete years to maturity, the Obligations of such maturity will be treated as being issued with "original issue discount." The amount of the original issue discount will equal the excess of the principal amount payable on such Obligations at maturity over its Issue Price, and the amount of the original issue discount on the Obligations will be amortized over the life of the Obligations using the "constant yield method" provided in the Treasury Regulations. As the original issue discount accrues under the constant yield method, the beneficial owners of the Obligations, regardless of their regular method of accounting, will be required to include such accrued amount in their gross income as interest. This can result in taxable income to the beneficial owners of the Obligations that exceeds actual cash distributions to the beneficial owners in a taxable year.

The amount of the original issue discount that accrues on the Obligations each taxable year will be reported annually to the IRS and to the beneficial owners. The portion of the original issue discount included in each beneficial owner's gross income while the beneficial owner holds the Obligations will increase the adjusted tax basis of the Obligations in the hands of such beneficial owner.

Premium. If a beneficial owner purchases an Obligation for an amount that is greater than its stated redemption price at maturity, such beneficial owner will be considered to have purchased the Obligation with "amortizable bond premium" equal in amount to such excess. A beneficial owner may elect to amortize such premium using a constant yield method over the remaining term of the Obligation and may offset interest otherwise required to be included in respect of the Obligation during any taxable year by the amortized amount of such excess for the taxable year. Obligation premium on a Obligation held by a beneficial owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of an Obligation. However, if the Obligation may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Obligation. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of "modified adjusted gross income" of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Holders of the Obligations should consult with their tax advisor concerning this additional tax, as it may apply to interest earned on the Obligations as well as gain on the sale of an Obligation.

Disposition of Obligations and Market Discount. A beneficial owner of Obligations will generally recognize gain or loss on the redemption, sale or exchange of an Obligation equal to the difference between the redemption or sales price (exclusive of the amount paid for accrued interest) and the beneficial owner's adjusted tax basis in the Obligations. Generally, the beneficial owner's

adjusted tax basis in the Obligations will be the beneficial owner's initial cost, increased by the original issue discount previously included in the beneficial owner's income to the date of disposition. Any gain or loss generally will be capital gain or loss and will be long-term or short-term, depending on the beneficial owner's holding period for the Obligations.

Under current law, a purchaser of an Obligation who did not purchase the Obligations in the initial public offering (a "subsequent purchaser") generally will be required, on the disposition of the Obligations, to recognize as ordinary income a portion of the gain, if any, to the extent of the accrued "market discount." Market discount is the amount by which the price paid for the Obligations by a subsequent purchaser is less than the sum of Issue Price and the amount of original issue discount previously accrued on the Obligations. The Code also limits the deductibility of interest incurred by a subsequent purchaser on funds borrowed to acquire Obligations with market discount. As an alternative to the inclusion of market discount in income upon disposition, a subsequent purchaser may elect to include market discount in income currently as it accrues on all market discount instruments acquired by the subsequent purchaser in that taxable year or thereafter, in which case the interest deferral rule will not apply. The re-characterization of gain as ordinary income on a subsequent disposition of Obligations could have a material effect on the market value of the Obligations.

Legal Defeasance. If the City elects to defease the Obligations by depositing in escrow sufficient cash and/or obligations to pay when due outstanding Obligations (a "legal defeasance"), under current tax law, a beneficial owner of Obligations may be deemed to have sold or exchanged its Obligations. In the event of such a legal defeasance, a beneficial owner of Obligations generally would recognize gain or loss in the manner described above. Ownership of the Obligations after a deemed sale or exchange as a result of a legal defeasance may have tax consequences different from those described above, and each beneficial owner should consult its own tax advisor regarding the consequences to such beneficial owner of a legal defeasance of the Obligations.

Backup Withholding. Under section 3406 of the Code, a beneficial owner of the Obligations who is a U.S. person, as defined in section 7701(a)(30) of the Code, may, under certain circumstances, be subject to "backup withholding" on payments of current or accrued interest on the Obligations. This withholding applies if such beneficial owner of Obligations: (i) fails to furnish to payor such beneficial owner's social security number or other taxpayer identification number ("TIN"); (ii) furnishes the payor an incorrect TIN; (iii) fails to report properly interest, dividends, or other "reportable payments" as defined in the Code; or (iv) under certain circumstances, fails to provide the payor with a certified statement, signed under penalty of perjury, that the TIN provided to the payor is correct and that such beneficial owner is not subject to backup withholding.

Backup withholding will not apply, however, with respect to payments made to certain beneficial owners of the Obligations. Beneficial owners of the Obligations should consult their own tax advisors regarding their qualification for exemption from backup withholding and the procedures for obtaining such exemption.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations. Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the rate of 30% on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest received by the beneficial owners of the Obligations is not treated as effectively connected income within the meaning of section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as portfolio interest. Interest will be treated as portfolio interest if: (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is not a U.S. person and providing the name and address of such beneficial owner; (ii) such interest is treated as not effectively connected with the beneficial owner's United States trade or business; (iii) interest payments are not made to a person within a foreign country which the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) interest payable with respect to the Obligations is not deemed contingent interest within the meaning of the portfolio debt provision; (v) such beneficial owner is not a controlled foreign corporation, within the meaning of section 957 of the Code; and (vi) such beneficial owner is not a bank receiving interest on the Obligations pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments on the Obligations are treated as portfolio interest within the meaning of sections 871 and 881 of the Code, then no backup withholding under section 1441 and 1442 of the Code and no backup withholding under section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished Form W-8BEN, Form W-8BEN-E, Form W-8EXP or Form W-8IMY, as applicable, provided the payor does not have actual knowledge that such person is a U.S. person.

Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding

tax being imposed on payments of interest and principal under the Obligations and sales proceeds of Obligations held by or through a foreign entity. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

Reporting of Interest Payments. Subject to certain exceptions, interest payments made to beneficial owners with respect to the Obligations will be reported to the IRS. Such information will be filed each year with the IRS on Form 1099 which will reflect the name, address, and TIN of the beneficial owner. A copy of Form 1099 will be sent to each beneficial owner of an Obligation for U.S. federal income tax purposes.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinances, the City has made the following agreement for the benefit of the registered and beneficial owners of each series of the Obligations. The City is required to observe the agreements for so long as it remains obligated to advance funds to pay the Obligations. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the “MSRB”).

ANNUAL REPORTS. . . . The City will provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2019, financial information and operating data with respect to the City of the general type of information contained in Tables 1 through 5 and 7 through 14 and (2) within twelve months after the end of each fiscal year ending in or after 2019, audited financial statements of the City. Any financial statements so provided shall be prepared in accordance with the accounting principles described in Appendix B, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation. If audited financial statements are not available within 12 months after the end of any fiscal year, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the Securities and Exchange Commission (the “SEC”), as permitted by SEC Rule 15c2-12 (the “Rule”).

The City’s current fiscal year end is September 30. Accordingly, the City must provide updated information included in the above-referenced tables by March 31 in each year, and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) must be provided by September 30 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data.

NOTICE OF CERTAIN EVENTS. . . . The City will also provide timely notices of certain events to the MSRB. The City will provide notice of any of the following events with respect to the Obligations to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations; (7) modifications to rights of holders of the Obligations, if material; (8) Obligation calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Obligations, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material; (15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties. In addition, the City will provide to the MSRB, in a timely manner, notice of any failure by the City to provide the required annual financial information described above under “- Annual Reports” and any notices of events in accordance with this section.

For these purposes, (A) any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (B) the City intends the

words used in the immediately preceding clauses (15) and (16) and in the definition of Financial Obligation above to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

AVAILABILITY OF INFORMATION. . . The City has agreed to provide the foregoing financial and operating information only as described above. Investors may access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of material events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Obligations at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Obligations may seek a writ of mandamus to compel the City to comply with its agreement. The City may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Obligations in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the respective outstanding Obligations consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Obligations. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Obligations in the primary offering of the Obligations. If the City so amends its continuing disclosure agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS. . . During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule. However, certain CUSIPs were inadvertently omitted from certain continuing disclosure filings made by the City for Fiscal Years 2014 and 2015. The City corrected these clerical errors in 2016 and 2017.

(THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY)

OTHER INFORMATION

RATINGS

The Obligations have been rated “AAA” with a stable outlook by S&P Global Ratings, a division of S&P Global Inc. (“S&P”) and “AA+” with a positive outlook by Fitch Ratings, Inc. (“Fitch”) without regard to credit enhancement. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Obligations.

LITIGATION

City staff believes there is no pending litigation against the City that would have a material adverse financial impact upon the City or its operations.

REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE

The sale of the Obligations has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Obligations have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Obligations been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Obligations under the securities laws of any jurisdiction in which the Obligations may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Obligations shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (V.T.C.A., Chapter 1201, Government Code, as amended) provides that the Obligations are negotiable instruments, investment securities governed by V.T.C.A., Chapter 8, Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Obligations by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act, V.T.C.A., Government Code, Chapter 2256, as amended, requires that the Obligations be assigned a rating of not less than “A” or its equivalent as to investment quality by a national rating agency. See “OTHER INFORMATION – Ratings” herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Obligations are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Obligations are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Obligations are legal investments for various institutions in those states. No representation is made that the Obligations will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The City made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Obligations for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Obligations for such purposes.

LEGAL OPINIONS

The City will furnish to the Underwriters complete transcripts of proceedings had incident to the authorization and issuance of the Notes and the Certificates, including the unqualified approving legal opinions of the Attorney General of Texas approving the Initial Note and the Initial Certificate, respectively, to the effect that the Obligations are valid and legally binding obligations of the City, and based upon examination of such transcripts of proceedings, the approving legal opinions of Bond Counsel, to like effect. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information under the captions and subcaptions “PLAN OF FINANCING”, “THE OBLIGATIONS” (except for the information under the subcaptions “Book-Entry-Only System,” “Obligationholders’ Remedies” and the last sentence under “Tax Rate Limitations”), “TAX MATTERS – THE OBLIGATIONS” and “CONTINUING DISCLOSURE OF INFORMATION” (except for the information under the subcaption “Compliance with Prior Undertakings”), and the subcaptions “Registration and Qualification of Obligations for Sale,” “Legal Investments and Eligibility to Secure Public Funds in Texas” and “Legal Opinions” (except for the last sentence of the first paragraph thereof) under the caption “OTHER INFORMATION” and Appendix C in the Official Statement and such firm is of the opinion that the

information relating to the Obligations and the legal issues contained under such captions, subcaptions and appendix is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Obligations, such information conforms to the provisions of the respective Ordinances. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Obligations is contingent on the sale and delivery of the Obligations. The respective legal opinions will accompany the Obligations deposited with DTC or will be printed on the Obligations in the event of the discontinuance of the Book-Entry-Only System. Certain matters relating to the Obligations will be passed upon for the Underwriters by Locke Lord LLP, Dallas, Texas, Counsel to the Underwriters, whose fee is contingent upon the sale and delivery of the Obligations.

The legal opinions to be delivered concurrently with the delivery of the Obligations express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL ADVISOR

HilltopSecurities is employed as Financial Advisor to the City in connection with the issuance of the Obligations. The Financial Advisor's fee for services rendered with respect to the sale of the Obligations is contingent upon the issuance and delivery of the Obligations. HilltopSecurities, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Obligations, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

UNDERWRITING FOR THE OBLIGATIONS

The Note Underwriter has agreed, subject to certain conditions, to purchase the Notes from the City, at a price equal to the initial offering price to the public of \$7,105,000.00, less an underwriting discount of \$30,654.79. The Note Underwriter will be obligated to purchase all of the Notes if any Notes are purchased. The Notes to be offered to the public may be offered and sold to certain dealers (including the Note Underwriter and other dealers depositing Notes into investment trusts) at prices lower than the public offering prices of such Notes and such public offering prices may be changed, from time to time, by the Note Underwriter.

The Certificate Underwriters have agreed, subject to certain conditions, to purchase the Certificates from the City, at a price equal to the initial offering price to the public of \$34,305,000.00, less an underwriting discount of \$157,681.17. The Certificate Underwriters will be obligated to purchase all of the Certificates if any Certificates are purchased. The Certificates to be offered to the public may be offered and sold to certain dealers (including the Certificate Underwriters and other dealers depositing Certificates into investment trusts) at prices lower than the public offering prices of such Certificates and such public offering prices may be changed, from time to time, by the Certificate Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the City and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

BofA Securities, Inc., as an underwriter of the Obligations, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Obligations.

One of the Certificate Underwriters is BOK Financial Securities, Inc., which is not a bank, and the Certificates are not deposits of any bank and are not insured by the Federal Deposit Insurance Corporation.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City’s expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City’s actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

MISCELLANEOUS

The financial data and other information contained herein have been obtained from the City’s records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Each of the Ordinances authorizing the issuance of the Obligations has approved the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and has authorized its further use in the reoffering of the Notes by the Note Underwriter and the Certificates by the Certificate Underwriters.

/s/ RON JENSEN
Mayor
City of Grand Prairie, Texas

ATTEST:

/s/ CATHY DIMAGGIO
City Secretary
City of Grand Prairie, Texas

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

(This Page Intentionally Blank)

THE CITY

LOCATION

The City of Grand Prairie, Texas (the “City”), is centrally located amid the estimated 6 million people in the Dallas/Fort Worth Area. The City stretches 28 miles long by about eight miles at its widest point. The City covers about 80 square miles.

TRANSPORTATION

The City has access to four major interstate highway systems - I-20, I-30, I-35 & I-45 - five state highway systems - SH 360, SH 180, SH 303, SH 161, Loop 12 and FM 1382 - and U.S. 287 all run through the City, or are within 15-30 minutes of the City’s boundaries.

- IH 20: an eight-lane east-west expressway that passes through south of the City, linking the City to Dallas and Fort Worth. West of Fort Worth, IH 20 leads to Abilene and Odessa. Eastward destinations on IH 20 are Tyler, Longview and Shreveport, La.
- IH 30: a six-lane east-west expressway that passes through north of the City and also links the City to Dallas and Fort Worth. IH 30 links to IH 20 in west Fort Worth. Eastward destinations on IH 30 are Greenville, Texarkana and Arkansas.
- SH 360: a six-lane north-south expressway running along the western edge of the city, a key route to Dallas-Fort Worth International Airport.
- President George Bush Turnpike: a four and six-lane north-south tollway running 10.5 miles through Grand Prairie from the northern City limits to I-20.

The City’s Municipal Airport serves small piston planes to large business turboprop aircraft and helicopters. The airport has a 4,000-foot-long, 75-foot-wide lighted, concrete runway, repair service and cargo handling, a helipad, dining facilities, and support facilities for training, private aviation and business flying activities. The airport is designated in the FAA National Plan of Integrated Airport System and the Texas Aeronautical Facilities Plan. Hangar space is available for nearly 233 aircraft, with tie-down space and FBO services available.

The Dallas/Fort Worth International Airport, the 3rd largest airport in the world in terms of operations (8th in terms of passengers), lies about five miles north of the City’s northern border. It serves 57 million passengers and provides nonstop service to 191 domestic and international destinations (www.dfwairport.com).

POPULATION

The estimated population for 2019 is 194,000. From the 1990 Census to the 2010 Census, the City's population increased 38 percent.

DEMOGRAPHICS

2010 Census estimates of the City Non-Hispanic population breakdown were 29.1 percent white, 19.6 percent black, 6.5 percent Asian and Pacific Islander, 0.4 percent American Indian, 1.7 percent other; Hispanic of any race comprises 42.7% of the population.

Age distribution estimates of residents, according to the 2010 Census, are 64.7 percent ages 21 and older, 6.9 percent older than 65, and 30.9 percent younger than 18.

The 2010 median household income was estimated to be \$51,368 (*American Community Survey Census*).

INDUSTRIAL BASE

Wholesale trade (distribution), manufacturing and retail trade companies are the largest industrial sectors in the City.

INDUSTRY PROFILE

<u>Industry</u>	<u>Percent of Total gross sales</u>
Wholesale Trade	32.42%
Manufacturing	24.62%
Retail Trade	21.89%
Construction	9.12%
Accommodation/Food Services	2.30%
Admin/Support/Waste Mgmt/Remediation Services	2.03%
Other Services (except Public Administration)	1.97%
Real Estate/Rental/Leasing	1.18%
Transportation/Warehousing	0.91%
Professional/Scientific/Technical Services	0.90%
Arts/Entertainment/Recreation	0.70%
Information	0.68%
Agriculture/Forestry/Fishing/Hunting	0.48%
Finance/Insurance	0.25%
Educational Services	0.18%
Health Care/Social Assistance	0.13%

Source: Texas Comptroller. As of December 2018.

LABOR FORCE

<u>Year</u>	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2015	94,169	90,307	3,862	4.1%
2016	96,139	92,244	3,895	4.1%
2017	98,782	95,044	3,738	3.8%
2018	100,962	97,210	3,752	3.7%
2019 ⁽¹⁾	103,160	99,612	3,548	3.4%

Source: Texas Employment Commission.

(1) Data as of June 2019.

EMPLOYERS

<u>Company</u>	<u>Product-Service</u>	<u>Estimated Employees</u>
Grand Prairie Independent School District	Administration of Education Programs	4,100
Lockheed Martin Missiles and Fire Control	Research and Development in the Physical, Engineering, and Life	3,500
Poly-America Inc.	Unsupported Plastics Film and Sheet (except Packaging)	2,000
City of Grand Prairie	Public Administration	1,300
Bell Helicopter-Textron	Helicopter aircraft manufacturing	1,200
Lone Star Park at Grand Prairie	Racetracks	950
Forterra Pipe & Products, Inc.	Concrete Pipe Manufacturing	950
Republic National Distributing	Wine and Distilled Alcoholic Beverage Wholesalers	800
Flex-N-Gate	Auto Accessory Manufacturing	800
Arnold Transportation Services	General Freight Trucking	650

Source: The City. As of June 2019

RECREATION

Recreational facilities include the 7,500-acre Joe Pool Lake, championship-level Tangle Ridge Golf Club, Lone Star Park at Grand Prairie and more than 52 public parks on 4,900 acres.

Parks and Recreation facilities include an extreme skate park, two multipurpose recreation centers, an active adult center, a senior center, indoor pool, three outdoor pools, five softball and baseball complexes, two golf courses, 32 tennis courts, a soccer complex, a central park and the recently acquired lake parks on Joe Pool Lake.

Ripley's Believe It Or Not, The Palace of Wax and Trader's Village in the City are popular entertainment and shopping locations. Nearby are Six Flags over Texas in Arlington and zoos, art museums, symphonies and ballet in Dallas and Fort Worth.

- One of three Class 1 horse-racing tracks in Texas, Lone Star Park at Grand Prairie opened for live races in April 1997. The track's simulcast pavilion opened in mid-1996.
- Professional Sports: the Dallas Cowboys of the National Football League, the Texas Rangers of Major League Baseball, the Dallas Mavericks of the National Basketball Association, the Dallas Stars of the National Hockey League, the FC Dallas of Major League Soccer and the Grand Prairie Air Hogs of the American Associate of Independent Baseball. All have home games within 5-25 minutes of the City.
- NCAA-event schools: Southern Methodist University and Texas Christian University in Dallas and Fort Worth.

Cedar Hill State Park, just east of south of the City, offers 355, mostly wooded campsites in the Dallas-Fort Worth hill country. Among park facilities are two lighted fishing jetties and boat access to Joe Pool Lake.

EDUCATION

Seven public universities and eight independent universities, including health related education facilities, in the region totaled enrollment of 139,860 in 2010 (source: Texas Higher Education Coordinating Board). The universities, among them University of Texas campuses (Arlington and Dallas), offer programs from engineering to business and degrees from bachelor's to medical doctorates.

The Dallas and Tarrant counties public community colleges - the nearest of them Mountain View in Dallas, North Lake in Irving, Cedar Valley in Lancaster, the Southeast campus of Tarrant County College in Arlington, and El Centro in Dallas - counted over 140,000 students in 2010 (source: Texas Higher Education Coordinating Board). Additionally, three technically oriented post-secondary schools are within 30 minutes of the City.

In addition to their degree programs, many of these colleges and universities offer business consulting, employee training specific to a company's skill demands, community health care services, economic and land development research, computer and information services and library facilities open to the community.

Grand Prairie Independent School District (the "GPISD") and the Arlington Independent School District (the "AISD") predominate among the six school districts with boundaries in the City.

GPISD comprises 24 elementary schools, seven middle schools, two ninth grade centers, four senior high schools, one alternative education school and one early childhood center. Students whose residences are on the Dallas County side of the City attend GPISD.

Students who reside in Tarrant County and Grand Prairie attend AISD, which comprises of nine high schools, 13 junior high schools, and 52 elementary schools (six in the City). AISD has no junior high schools or high schools in the City.

APPENDIX B

EXCERPTS FROM THE
CITY OF GRAND PRAIRIE, TEXAS
ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2018

The information contained in this Appendix consists of excerpts from the City of Grand Prairie, Texas Annual Financial Report for the Year Ended September 30, 2018, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

(This Page Intentionally Blank)

Independent Auditor's Report

To the Honorable Mayor and
Members of City Council
City of Grand Prairie, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of City of Grand Prairie, Texas (the City) as of and for the year ended September 30, 2018, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the component unit financial statements for the Grand Prairie Housing Finance Corporation (a discretely presented component unit). Those financial statements were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Grand Prairie Housing Finance Corporation is based on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable Mayor and
Members of City Council
City of Grand Prairie, Texas

Opinions

In our opinion based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1.C., in 2018 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension which supersedes GASB Statement No. 45. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budget to actual schedules for the General Fund and Section 8 Fund, Schedule of Changes in Postemployment Benefits-Retiree Health Plan, Schedule of Changes in Postemployment Benefits-Texas Municipal Retirement System, Schedule of Contributions-Texas Municipal Retirement System, and Schedule of Changes in Net Pension Liability and Related Ratios- Texas Municipal Retirement System listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable Mayor and
Members of City Council
City of Grand Prairie, Texas

The combining and individual fund statements and schedules, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 14, 2019



THIS PAGE IS INTENTIONALLY LEFT BLANK

Management's Discussion and Analysis



THIS PAGE IS INTENTIONALLY LEFT BLANK

City of Grand Prairie, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2018
(Unaudited)

Management's discussion and analysis provides a narrative overview of the financial activities and changes in the financial position of the City of Grand Prairie, Texas (the City) for the fiscal year ended September 30, 2018. It is offered here by the management of the City to the readers of its financial statements. Readers are encouraged to consider the information presented here in conjunction with the information furnished in our letter of transmittal, the introductory section of the City's financial statement, and the accompanying notes.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at September 30, 2018 by \$616,178,581 (net position).
- The City's total net position increased \$16,246,175, for the fiscal year ended September 30, 2018, primarily due to increased property tax assessments and increased charge for services.
- At September 30, 2018, the City's governmental funds reported combined ending fund balances of \$170,492,326. The \$30,344,160 unassigned fund balance in the General Fund represents 22.7% of total General Fund expenditures and transfers.
- The City's total long-term liabilities of \$559,842,968 decreased by \$20,246,332 (3.5%) during the current fiscal year. In fiscal year 2018, the City issued \$36,515,000 in Combination Tax and Revenue Certificates and \$2,755,000 in Water and Wastewater System Revenue Refunding Bonds. See Table 4 in this report for further information regarding the City's long-term liabilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The reporting focus is on the City as a whole and on individual major funds. It is intended to present a more comprehensive view of the City's financial activities.

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide financial statements - The government-wide financial statements include the Statement of Net Position and Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to that of a private-sector business. Both are prepared using the economic resources focus and the accrual basis of accounting, meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, including capital assets and long-term liabilities, and deferred inflows of resources. The differences between these items are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the city's financial position should be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.), in order to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2018
(Unaudited)

The Statement of Net Position and Statement of Activities divide the City's activities into two types:

Governmental Activities - Most of the City's basic services are reported here, including general government, public safety, planning, public works, transportation, housing, community development, cultural events, and library. Property taxes, sales taxes, and franchise fees provide the majority of financing for these activities.

Business-Type Activities - Activities for which the City charges a fee to customers to pay most or all of the costs of a service it provides are reported here. The City's business-type activities include a water and wastewater system, a solid waste sanitary landfill, a storm water utility system, municipal airport, and municipal golf courses.

The government-wide financial statements include not only the City itself (known as the primary government), but also the Grand Prairie Sports Facilities Development Corporation, Inc. (the Sports Corporation) and the Grand Prairie Housing Finance Corporation (HFC) as component units. Both are legally, financially, and administratively autonomous separate corporations. HFC issues tax exempt revenue bonds to supply mortgage financing for low income home buyers and multi-family developments, and engages in other affordable housing activities. The Sports Corporation oversees Lone Star Park at Grand Prairie, a horse track facility.

The Crime Control and Prevention District (CCPD) is a legally separate entity that is financially accountable to the City. A blended presentation has been used to report the financial information of this component unit.

Fund financial statements - The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on the most significant funds and may be used to find more detailed information about the City's most significant activities. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for the majority of the City's activities, which are essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison. These reconciliations explain the differences between the government's activities as reported in the government-wide statements and the information presented in the governmental funds financial statements.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued

For the Fiscal Year Ended September 30, 2018

(Unaudited)

The City reports thirty individual governmental funds. Information is presented separately in the governmental fund's Balance Sheet and in the governmental fund's Statement of Revenues, Expenditures and Changes in Fund Balances for the City's six major funds - General Fund, Section 8 Fund, Streets CIP Fund, Grants Fund, Debt Service Fund, and the Epic CIP Fund. Data for other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds - The City maintains two different types of proprietary funds – enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities of the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater system, solid waste sanitary landfill, storm water utility, municipal airport, and municipal golf courses. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City has five enterprise funds of which two are major enterprise funds – the Water Wastewater Fund and the Solid Waste Fund. Data from other nonmajor enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle and equipment maintenance and the premiums, deductibles, and claims for all insurance programs (e.g. employee health, workers compensation, general liability, etc.). Because these services benefit both governmental and business-type functions, they have been allocated to both activities in the government-wide financial statements in proportion to services received. The City's two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the City's internal service funds is provided in the form of combining statements elsewhere in this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued

For the Fiscal Year Ended September 30, 2018

(Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Total assets of the City at September 30, 2018 were \$1,229,437,691, deferred outflows of resources were \$16,447,989, total liabilities were \$612,600,117, and deferred inflows of resources were \$17,106,982 resulting in a net position balance of \$616,159,296.

The largest portion of the City's net position, \$440,029,808 (71.4%), reflects its investment in capital assets (land, buildings and improvements, infrastructure, vehicles, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 below is a summary of the City's net position at year end compared to the prior year.

**Table 1
Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2017		9/30/2017		9/30/2017	
	As Restated	9/30/2018	As Restated	9/30/2018	As Restated	9/30/2018
Cash and investments	\$ 217,491,944	\$ 197,992,931	\$ 94,485,761	\$ 109,842,234	\$ 311,977,705	\$ 307,835,165
Other assets	20,928,321	21,559,545	8,877,980	9,942,867	29,806,301	31,502,412
Capital assets, net	615,207,846	656,874,694	232,935,130	233,225,420	848,142,976	890,100,114
Total assets	853,628,111	876,427,170	336,298,871	353,010,521	1,189,926,982	1,229,437,691
Deferred outflows of resources	30,091,673	14,636,899	3,650,570	1,811,090	33,742,243	16,447,989
Current liabilities	31,462,465	36,806,297	12,215,936	15,950,852	43,678,401	52,757,149
Long-term bonded debt	347,946,293	361,651,245	62,131,416	59,814,562	410,077,709	421,465,807
Other noncurrent liabilities	147,941,733	119,396,393	22,056,976	18,980,768	169,998,709	138,377,161
Total liabilities	527,350,491	517,853,935	96,404,328	94,746,182	623,754,819	612,600,117
Deferred inflows of resources	-	15,467,402	-	1,639,580	-	17,106,982
Net Position						
Net Investment in capital assets	278,750,450	266,214,537	174,505,410	173,815,271	453,255,860	440,029,808
Restricted	80,454,171	81,030,788	34,704,441	45,622,261	115,158,612	126,653,049
Unrestricted	(2,835,328)	10,497,407	34,335,262	38,998,317	31,499,934	49,495,724
Total net position	\$ 356,369,293	\$ 357,742,732	\$ 243,545,113	\$ 258,435,849	\$ 599,914,406	\$ 616,178,581

A portion of the City's net position totaling \$126,653,049, or 20.6%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$49,495,724 may be used to meet the government's ongoing obligations to citizen's and creditors.

The City's net position increased by \$16,264,175 from the prior fiscal year due to an increase in charges for services. While overall operating revenues and expenditures increased proportionately, overall water and wastewater rates increased 4.5%.

City of Grand Prairie, Texas
Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2018
(Unaudited)

The fiscal year 2018 compared to fiscal 2017 changes in the City's net position were as follows:

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2017	9/30/2018	9/30/2017	9/30/2018	9/30/2017	9/30/2018
	As Restated		As Restated		As Restated	
Revenues:						
Program revenues:						
Charges for services	\$ 50,349,054	\$ 49,663,004	\$ 96,324,864	\$ 102,321,210	\$ 146,673,918	\$ 151,984,214
Operating grants and contributor	35,572,942	35,266,428	47,918	67,537	35,620,860	35,333,965
Capital grants and contributions	8,305,146	3,971,782	12,892,511	11,983,724	21,197,657	15,955,506
General revenues:						
Property tax	84,925,774	94,648,690	-	-	84,925,774	94,648,690
Sales tax	60,585,824	64,250,717	-	-	60,585,824	64,250,717
Other tax	2,015,917	2,208,298	-	-	2,015,917	2,208,298
Franchise fees	9,996,934	14,485,521	-	-	9,996,934	14,485,521
Investment income	2,425,419	3,506,788	21,245	43,661	2,446,664	3,550,449
Total revenues	254,177,010	268,001,228	109,286,538	114,416,132	363,463,548	382,417,360
Expenses:						
Support services	26,731,588	27,614,430	-	-	26,731,588	27,614,430
Public safety services	100,253,923	101,033,502	-	-	100,253,923	101,033,502
Recreation and leisure services	32,962,890	34,529,152	-	-	32,962,890	34,529,152
Development services	90,088,069	97,241,362	-	-	90,088,069	97,241,362
Interest on long-term debt	12,108,299	12,481,762	-	-	12,108,299	12,481,762
Water and wastewater	-	-	70,569,705	72,412,983	70,569,705	72,412,983
Solid waste	-	-	12,317,620	12,339,638	12,317,620	12,339,638
Municipal airport	-	-	2,572,623	2,744,301	2,572,623	2,744,301
Municipal golf course	-	-	3,497,955	3,309,267	3,497,955	3,309,267
Storm water	-	-	2,425,177	2,446,788	2,425,177	2,446,788
Total expenses	262,144,769	272,900,208	91,383,080	93,252,977	353,527,849	366,153,185
Increases (decreases) in net position						
before transfers	(7,967,759)	(4,898,980)	17,903,458	21,163,155	9,935,699	16,264,175
Transfers	5,271,645	6,272,419	(5,271,645)	(6,272,419)	-	-
Capital asset reassignments	-	-	-	-	-	-
Change in net position	(2,696,114)	1,373,439	12,631,813	14,890,736	9,935,699	16,264,175
Net position - October 1	408,103,549	356,369,293	237,002,884	243,545,113	645,106,433	599,914,406
Net position - September 30	405,407,435	357,742,732	249,634,697	258,435,849	655,042,132	616,178,581
Cumulative effect of change in accounting principle	(49,038,142)	-	(6,089,584)	-	(55,127,726)	-
Net position - September 30 -restated	\$ 356,369,293	\$ 357,742,732	\$ 243,545,113	\$ 258,435,849	\$ 599,914,406	\$ 616,178,581

Governmental activities - Governmental activities increased the City's net position by \$1,373,439 in comparison with beginning net position, primarily due to an overall increase in property tax assessments, when compared to fiscal year 2017. Net position of governmental operations accounts for 60.6% of total net position.

Business-type activities - Business-type activities increased the City's net position by \$14,890,736 in comparison with beginning net position. Total revenue for the business-type activities increased from the previous year by \$5,129,594 due to an increase in charges for services. Net position for business-type activities represents 41.9% of total primary government net position.

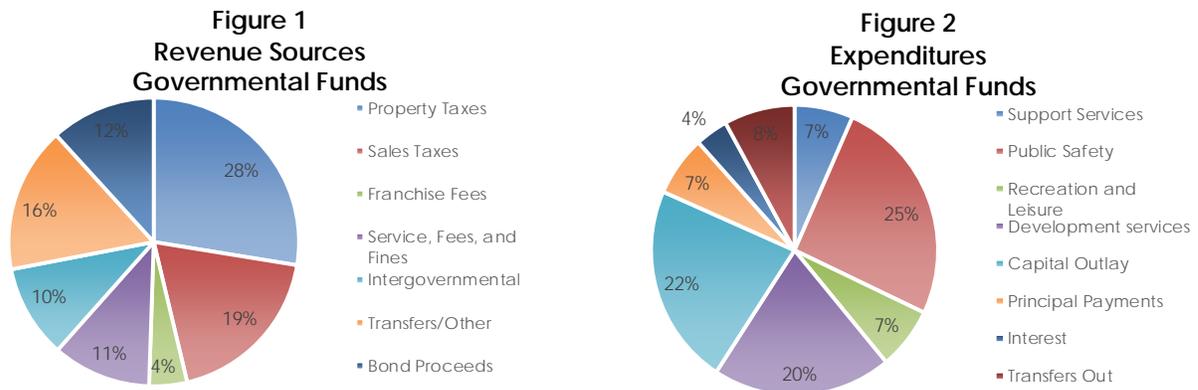
City of Grand Prairie, Texas

Management’s Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2018
 (Unaudited)

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Governmental funds - The focus of City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At fiscal year-end 2018, the City’s governmental funds (excluding internal service funds) reported combined ending fund balances of \$170,492,326, a decrease of \$29,154,291 in comparison with the prior year. The unassigned fund balance portion is 17.4% and is available for spending at the government’s discretion. The remainder is restricted for specific purposes and is not available for new spending. Specific purposes include non-spendable inventories and prepaid items (\$79,015); amounts restricted by statutes, bond covenants or granting agencies (\$84,925,272) either for debt service payments, grant-related use, special taxing districts, or for capital projects. In addition, committed funds (\$52,841,228) require formal action by City Council. Finally, funds may be assigned (\$2,931,849) by City Manager with the City Council’s delegated authority. Figures 1 and 2 that follow show the distribution of governmental funds’ sources of revenues and expenditures, \$266,209,582 and \$342,662,367, respectively, for fiscal year 2018.



The General Fund is the chief operating fund of the City. At fiscal year-end, unassigned fund balance of the General Fund was \$30,344,160, while total fund balance was \$33,745,051. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24.6% of total general fund operating expenditures, while total fund balance represents 27.3% of that same amount. General Fund’s fund balance increased in the amount of \$2,398,346 from the prior fiscal year.

Other major funds with significant changes in fund balance include Streets CIP, Debt Service and Epic CIP. The Streets CIP Fund decreased by \$6,805,619 due to an overall increase in activity including street maintenance and construction. Increased activity was funded from bond proceeds issued for this purpose.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued

For the Fiscal Year Ended September 30, 2018

(Unaudited)

The Debt Service Fund decreased by \$3,218,380 due to payment toward principal and interest retirement for Crime Control and Prevention District.

The Epic CIP Fund decreased by \$18,428,123 due to continued construction and capital outlay for EPIC project.

Proprietary funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net position of the City's enterprise funds and internal service funds were \$256,335,404 and \$14,299,735, respectively, at September 30, 2018. The enterprise funds' net investment in capital assets represented 67.8% of total enterprise fund's net position. The internal service funds' net investment in capital assets represented 11.3% of total internal service funds' net position. The enterprise funds' unrestricted net position was 14.4% of their total net position, and internal service funds' unrestricted net position was 88.7% of their total funds' net position. The City's enterprise funds and the internal service funds reported income before contributions and transfers of \$8,389,902 and \$5,449,130, respectively. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the government-wide financial statements and business-type activities. The following Figures 3 and 4 show the proprietary funds' revenues of \$102,388,747 and expenses of \$91,540,977 (excluding non-operating revenues and expenses, and contributions and transfers) by activity.

Figure 3
Revenues by Activity
Proprietary Funds

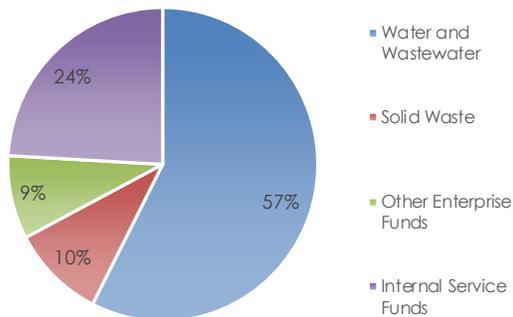
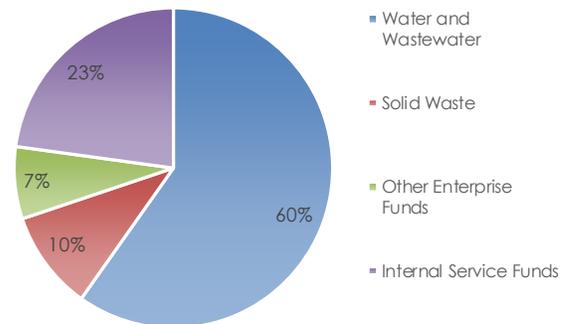


Figure 4
Expenses by Activity
Proprietary Funds



City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2018
 (Unaudited)

General Fund Budgetary Highlights

Actual General Fund revenues were \$3,492,094, or 2.7%, higher than final budgeted revenues for fiscal year 2018. Property taxes, sales taxes, hotel/motel taxes, and franchise fees were 81.1% of General Fund budgeted revenues. Actual General Fund expenditures were \$394,353, or 0.3%, lower than final budgeted expenditures for fiscal year 2018. Budgeted excess of revenues over expenditures before other financing sources and uses was \$7,614,657 compared to actual of \$11,501,104, resulting in a net positive budget variance of \$3,886,997. The City traditionally budgets revenue conservatively and this practice frequently results in positive budgetary variances.

Net change in fund balances of the General Fund, including other financing sources and uses such as transfers, resulted in a net positive budget variance of \$4,289,152.

Capital Asset and Debt Administration

Capital Assets - The City's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities at fiscal year-end amounted to \$890,100,114. This investment includes land, buildings, improvements other than buildings (includes infrastructure), machinery and equipment, and construction in progress. The City's capital assets increased from prior year by \$41,957,138.

Major capital projects occurring during the fiscal year included the following:

- Continued construction of Grand Central Park's Epic Center
- Construction of two relocated fire stations: Fire Stations #4 and #3
- Continued construction of frontage roads along Interstates 30 and 20
- Continued expansion of Warmack Library
- Continued storm utility projects on Great Southwest Parkway
- Continued expansion of several city facilities including Service Center and City Hall
- Continued installation of large water meters, pump stations and water main replacements

The City's capital assets, net of accumulated depreciation, at fiscal year-end was as follows:

**Table 3
 Capital Assets**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2017	9/30/2018	9/30/2017	9/30/2018	9/30/2017	9/30/2018
Land	\$ 45,603,692	\$ 46,573,694	\$ 4,476,296	\$ 4,717,011	\$ 50,079,988	\$ 51,290,705
Construction in progress	132,532,699	163,246,220	33,801,497	24,493,829	166,334,196	187,740,049
Depreciable capital assets	881,710,595	929,414,228	436,099,617	461,444,005	1,317,810,212	1,390,858,233
Accumulated depreciation	(444,639,140)	(482,359,448)	(241,442,280)	(257,429,425)	(686,081,420)	(739,788,873)
Total capital assets, net	\$ 615,207,846	\$ 656,874,694	\$ 232,935,130	\$ 233,225,420	\$ 848,142,976	\$ 890,100,114

Additional information regarding capital assets can be found on page 55 in Note 2.D.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2018
 (Unaudited)

Long-term debt - At September 30, 2018, the City had the following long-term liabilities:

**Table 4
 Long-Term Debt**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2017	9/30/2018	9/30/2017	9/30/2018	9/30/2017	9/30/2018
	As Restated		As Restated		As Restated	
Bonded debt	\$ 347,946,293	\$ 361,651,245	\$ 62,131,416	\$ 59,814,562	\$ 410,077,709	\$ 421,465,807
Compensated absences	17,345,505	18,085,656	487,664	463,394	17,833,169	18,549,050
Other post employment benefits	56,350,253	53,746,401	5,971,887	5,697,240	62,322,140	59,443,641
Net pension liability	72,615,231	46,045,042	8,132,502	4,880,877	80,747,733	50,925,919
Pollution liability	182,709	58,375	-	-	182,709	58,375
Closure and post closure liability	-	-	7,464,921	7,939,257	7,464,921	7,939,257
Other liabilities	1,460,919	1,460,919	-	-	1,460,919	1,460,919
Total long-term debt	\$ 495,900,910	\$ 481,047,638	\$ 84,188,390	\$ 78,795,330	\$ 580,089,300	\$ 559,842,968
Long-term debt to net position percentage	139%	134%	35%	30%	97%	91%

Of the total bonded debt, \$361,651,245, or 85.8%, is backed by the full faith and credit of the City with a property tax pledge.

During this fiscal year, the City issued \$39,270,000 in new bonded debt, and retired principal on outstanding bonded debt totaling \$30,585,893. The City's total interest expense for all bonded debt was \$15,988,028.

Additional information is detailed in the Note 2.H to the Basic Financial Statements, pages 60 - 73.

The City's bond ratings by Fitch and Standard & Poor's are currently as follows:

	<u>Fitch</u>	<u>Standard & Poor's</u>
General obligation bonds	AA+	AAA
Sales tax revenue bonds (taxable)	AA	A
Sales tax revenue bonds (tax-exempt)	AA+	AA-
Water and wastewater revenue bonds	AAA	AAA

Economic Factors and Next Year's Budget and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2019 budget including tax rates and fees that will be charged for business-type activities. One of the biggest factors continued to be the national economy. Building and development growth rates continue to increase overall; and indicate healthy activities in the residential sector and commercial type permitting. Although the City is largely built out and mature, there are still several areas available, mainly in the south sector with higher end residential areas along Joe Pool Lake. In addition, there is a leveling of multi-family developments, but a major increase in retail construction, in large part due to toll road 161 with IKEA's presence.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2018
(Unaudited)

The City population as of September 2018 was 189,400 which is a 1.27% increase over prior year. Grand Prairie's population continues to increase annually with even more growth expected as a result of continued development and mobility through the City. New and improved roadways among I20, I30, and SH161 continue to make additional demands on the City for increased services. Our diverse economy, the overall DFW metroplex economy and major transportation access all serve to create a synergy.

The following indicators were taken into account when adopting the budget for fiscal year 2019:

- 9.12% increase in assessed property values;
- A 2.3% increase in budgeted sales tax collections as compared to prior fiscal year collections. There was no change in the City's sales tax rate.
- The City's very strong financial position, favorable bond ratings, and continued low interest rates.

These indicators resulted in an increase in budgeted property tax revenues of \$4,658,157 for the General Fund and \$3,768,430 for the General obligation Debt Service Fund. The City maintained the same property tax rate of \$0.669998 per \$100 valuation for fiscal year 2019.

Budgeted sales tax revenues across all funds were increased by \$875,542, or 1.4% over prior fiscal year collections with no change in the sales tax rate.

Overall, the City expects a steady increase in other general revenues of governmental activities due to continued population growth and further developments.

The City's total approved operating appropriations for fiscal year 2019 is \$382,991,946, an increase of \$24,942,208, or 7%, as compared to prior fiscal year projected expenditures. General Fund approved appropriations for fiscal year 2019 is \$138,695,486, an increase of \$6,502,951, or 5%, over fiscal year 2018. Personnel services attributes to 75% of the total operating budget. This increase follows suit with additional staffing (full-time and part-time) to support public safety, a 3% merit increase and an increase in healthcare costs. Other changes in total budgeted operating appropriations include increases of \$3,583,447 in the Water/Wastewater Fund, and \$796,208 in the Epic Operating Fund. In addition, the City adopted a 20-year retirement program in TMRS.

Fiscal year 2019 budgeted appropriations for the General Obligation Debt Service Fund increased by \$1,779,310, or 6%, over fiscal year 2018 due to Cemetery, Airport, Parks Venue and next debt issue.

The City's approved appropriations for capital projects in fiscal year 2019 totals \$91,999,563. Planned capital projects include:

- \$17,688,648 in street and signal projects
- \$14,603,000 in water and wastewater requests
- \$45,510,640 in municipal facilities and infrastructure projects
- \$5,514,145 in storm drainage projects
- \$3,770,317 in fire equipment and stations' relocations
- \$7,100,000 in EPIC Central projects

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued

For the Fiscal Year Ended September 30, 2018

(Unaudited)

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Controller, City of Grand Prairie, Texas, 326 W. Main Street, P.O. Box 534045, Grand Prairie, Texas, 75053-4045.



THIS PAGE IS INTENTIONALLY LEFT BLANK

Basic Financial Statements



THIS PAGE IS INTENTIONALLY LEFT BLANK

City of Grand Prairie, Texas
Statement of Net Position
September 30, 2018

	Primary Government			Grand Prairie Sports Facilities Development	Grand Prairie Housing Finance Corporation
	Governmental Activities	Business-Type Activities	Total		
ASSETS					
Cash and cash equivalents	\$ 49,349,454	\$ 13,503,610	\$ 62,853,064	\$ 2,060,019	\$ 708,108
Investments	39,643,824	80,115,401	119,759,225	9,410,852	-
Receivables, net	20,350,910	7,210,884	27,561,794	939,999	-
Intergovernmental receivables	2,694,539	19,285	2,713,824	-	-
Inventories and supplies	131,776	586,198	717,974	-	-
Prepays	462,765	46,055	508,820	2,605	24,189
Restricted assets:					
Cash and cash equivalents	3,775,501	6,348,418	10,123,919	-	1,391,682
Investments	105,224,152	9,874,805	115,098,957	-	-
Internal balances	(2,080,445)	2,080,445	-	-	-
Lease payments receivable	-	-	-	10,674,754	-
Estimated unguaranteed residual value	-	-	-	32,801,531	-
Capital assets:					
Nondepreciable	209,819,914	29,210,840	239,030,754	-	1,612,851
Depreciable, net	447,054,780	204,014,580	651,069,360	-	11,557,291
Total assets	876,427,170	353,010,521	1,229,437,691	55,889,760	15,294,121
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refundings	2,631,194	538,458	3,169,652	-	-
Related to OPEB	243,965	25,862	269,827	-	-
Related to TMRS pension	11,761,740	1,246,770	13,008,510	-	-
Total deferred outflows of resources	14,636,899	1,811,090	16,447,989	-	-
LIABILITIES					
Accounts payable	14,651,353	9,025,487	23,676,840	167	146,535
Retainage payable	5,819,277	134,045	5,953,322	-	-
Accrued liabilities	11,311,023	799,937	12,110,960	-	286,181
Unearned revenue	2,876,608	1,052,044	3,928,652	-	-
Current liabilities payable from restricted assets:					
Accrued interest	2,111,036	362,985	2,474,021	-	-
Customer deposits	37,000	4,576,354	4,613,354	-	85,883
Unearned revenue	-	-	-	-	-
Noncurrent liabilities:					
Due within one year:					
Compensated absences	8,292,305	373,856	8,666,161	-	-
Environmental remediation obligation	58,375	-	58,375	-	-
Other liabilities	160,776	-	160,776	-	-
Current portion of long-term debt	31,085,000	5,420,129	36,505,129	-	293,011
Due in more than one year:					
Compensated absences	9,793,351	89,538	9,882,889	-	-
Other postemployment benefits	53,746,401	5,697,240	59,443,641	-	-
Closure and postclosure liability	-	7,939,257	7,939,257	-	-
Net pension liability	46,045,042	4,880,877	50,925,919	-	-
Other liabilities	1,300,143	-	1,300,143	-	-
Long-term debt	330,566,245	54,394,433	384,960,678	-	15,209,105
Total liabilities	517,853,935	94,746,182	612,600,117	167	16,020,715
DEFERRED INFLOWS OF RESOURCES					
Related to OPEB	3,899,795	413,387	4,313,182	-	-
Related to TMRS pension	11,567,607	1,226,193	12,793,800	-	-
Total deferred outflows of resources	15,467,402	1,639,580	17,106,982	-	-
NET POSITION					
Net investment in capital assets	266,214,537	173,815,271	440,029,808	-	(1,148,187)
Restricted for:					
Debt service	3,886,771	7,292,951	11,179,722	-	-
Capital projects	23,435,298	38,329,310	61,764,608	-	-
Support Services	13,062,784	-	13,062,784	-	-
Public safety	19,749,801	-	19,749,801	-	-
Recreation and leisure	10,526,452	-	10,526,452	-	-
Development services	9,961,907	-	9,961,907	-	-
Other specific purposes	407,775	-	407,775	-	-
Facility lease	-	-	-	44,352,297	-
Unrestricted	10,497,407	38,998,317	49,495,724	11,537,296	421,593
Total net position	\$ 357,742,732	\$ 258,435,849	\$ 616,178,581	\$ 55,889,593	\$ (726,594)

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
Statement of Activities
For the Year Ended September 30, 2018

Functions/Activity	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Support services	\$ 27,614,430	\$ 5,539,941	\$ 263,022	\$ -
Public safety services	101,033,502	17,180,107	3,794,382	-
Recreation and leisure services	34,529,152	13,029,253	863,703	-
Development services and other	97,241,362	13,913,703	30,345,321	3,971,782
Interest on long-term debt	12,481,762	-	-	-
Total governmental activities	272,900,208	49,663,004	35,266,428	3,971,782
Business-type activities:				
Water and wastewater	72,412,983	77,556,058	-	9,908,148
Solid waste	12,339,638	13,208,778	-	-
Municipal airport	2,744,301	2,238,508	67,537	-
Municipal golf course	3,309,267	2,453,543	-	-
Storm water	2,446,788	6,864,323	-	2,075,576
Total business-type activities	93,252,977	102,321,210	67,537	11,983,724
Total primary government	\$ 366,153,185	\$ 151,984,214	\$ 35,333,965	\$ 15,955,506
Component units:				
Grand Prairie Sports Facilities Development	\$ 3,957,555	\$ 1,203,476	\$ -	\$ 312,362
Grand Prairie Housing Finance Corporation	6,019,850	6,088,248	-	-
Total component units	\$ 9,977,405	\$ 7,291,724	\$ -	\$ 312,362
General revenues:				
Taxes				
Property taxes				
Sales taxes				
Hotel/motel and other taxes				
Franchise fees (and those based on gross receipts)				
Investment income				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year				
Cumulative effect of change in accounting principle				
Net position - beginning-restated				
Net position - end of year				

The Notes to the Basic Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position Primary Government			Grand Prairie Sports Facilities Development	Grand Prairie Housing Finance Corporation
Governmental Activities	Business-Type Activities	Total		
\$ (21,811,467)	\$ -	\$ (21,811,467)	\$ -	\$ -
(80,059,013)	-	(80,059,013)	-	-
(20,636,196)	-	(20,636,196)	-	-
(49,010,556)	-	(49,010,556)	-	-
(12,481,762)	-	(12,481,762)	-	-
(183,998,994)	-	(183,998,994)	-	-
-	15,051,223	15,051,223	-	-
-	869,140	869,140	-	-
-	(438,256)	(438,256)	-	-
-	(855,724)	(855,724)	-	-
-	6,493,111	6,493,111	-	-
-	21,119,494	21,119,494	-	-
(183,998,994)	21,119,494	(162,879,500)	-	-
			(2,441,717)	-
			-	68,398
			(2,441,717)	68,398
94,648,690	-	94,648,690	-	-
64,250,717	-	64,250,717	-	-
2,208,298	-	2,208,298	-	-
14,485,521	-	14,485,521	-	-
3,506,788	43,661	3,550,449	136,651	3,302
6,272,419	(6,272,419)	-	-	-
185,372,433	(6,228,758)	179,143,675	136,651	3,302
1,373,439	14,890,736	16,264,175	(2,305,066)	71,700
405,407,435	249,634,697	655,042,132	58,194,659	(798,294)
(49,038,142)	(6,089,584)	(55,127,726)	-	-
356,369,293	243,545,113	599,914,406	58,194,659	(798,294)
\$ 357,742,732	\$ 258,435,849	\$ 616,178,581	\$ 55,889,593	\$ (726,594)

City of Grand Prairie, Texas
 Balance Sheet
 Governmental Funds
 September 30, 2018

	General	Section 8	Streets CIP
ASSETS			
Cash and cash equivalents	\$ 7,896,978	\$ 432,058	\$ 2,232,460
Investments	22,643,824	533,109	25,360,381
Property tax receivable, net	1,253,588	-	-
Sales tax receivable	5,691,264	-	-
Franchise fees receivable	2,595,603	-	-
Other receivables, net	2,386,892	-	-
Intergovernmental receivables	1,657,840	-	-
Due from other funds	1,500,000	-	-
Inventory	-	-	-
Prepays	2,743	-	-
	<hr/>	<hr/>	<hr/>
Total assets	45,628,732	965,167	27,592,841
LIABILITIES			
Accounts payable	3,831,520	55,294	1,771,005
Retainage payable	-	-	524,769
Accrued liabilities	5,542,848	85,980	-
Due to other funds	-	-	-
Customer deposits	-	-	-
Unearned revenue	682,237	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	10,056,605	141,274	2,295,774
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	1,827,076	-	-
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	1,827,076	-	-
FUND BALANCES			
Nonspendable	2,743	-	-
Restricted	466,299	823,893	8,511,522
Committed	-	-	16,785,545
Assigned	2,931,849	-	-
Unassigned	30,344,160	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	33,745,051	823,893	25,297,067
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 45,628,732</u>	<u>\$ 965,167</u>	<u>\$ 27,592,841</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Grants	Debt Service	Epic CIP	Nonmajor Governmental Funds	Total Governmental Funds
\$ 470,586	\$ 973,441	\$ 10,609,956	\$ 28,842,756	\$ 51,458,235
-	4,500,000	-	74,830,662	127,867,976
-	513,273	-	-	1,766,861
-	-	-	5,674,914	11,366,178
-	-	-	67,086	2,662,689
41,577	11,093	-	2,115,620	4,555,182
1,036,699	-	-	-	2,694,539
-	-	-	3,493,636	4,993,636
-	-	-	60,333	60,333
-	-	-	15,939	18,682
1,548,862	5,997,807	10,609,956	115,100,946	207,444,311
302,803	-	889,911	6,853,821	13,704,354
-	-	4,316,278	978,230	5,819,277
85,010	-	-	1,518,205	7,232,043
1,500,000	-	3,402,683	90,953	4,993,636
-	-	-	37,000	37,000
290,247	-	-	1,904,124	2,876,608
2,178,060	-	8,608,872	11,382,333	34,662,918
-	461,991	-	-	2,289,067
-	461,991	-	-	2,289,067
-	-	-	76,272	79,015
-	5,535,816	2,001,084	67,586,658	84,925,272
-	-	-	36,055,683	52,841,228
-	-	-	-	2,931,849
(629,198)	-	-	-	29,714,962
(629,198)	5,535,816	2,001,084	103,718,613	170,492,326
\$ 1,548,862	\$ 5,997,807	\$ 10,609,956	\$ 115,100,946	\$ 207,444,311

City of Grand Prairie, Texas
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 September 30, 2018

Total fund balance - total governmental funds		\$ 170,492,326
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds (excluding internal service funds' capital assets of \$1,617,301).		655,257,393
Certain revenues are not available to pay for current-period expenditures; therefore, these revenues are deferred in the funds.		2,289,067
Certain assets and liabilities do not provide or require the use of current financial resources; therefore, these assets and liabilities are not reported in the governmental funds.		
Accrued interest on long-term debt	(2,111,036)	
Unamortized loss of bond refundings	2,631,194	
Deferred pension and OPEB contributions, and investment and actuarial experience (excluding internal service fund totals of \$47,393).	<u>(3,414,304)</u>	(2,894,146)
Internal service funds are used by management to charge cost of certain activities, such as employee health insurance, risk management insurance, and fleet services, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position (net of amount allocated to business-type activities of \$2,201,418).		12,219,290
Noncurrent liabilities are not due and payable in the current period; therefore, they are not reported in the governmental fund balance sheet. These noncurrent liabilities are as follows:		
Long-term debt	(340,950,000)	
Unamortized bond premium/discount, net	(20,701,245)	
Compensated absences (excluding internal service fund totals of \$60,250)	(18,025,406)	
Other post employment benefits (excluding internal service fund totals of \$735,813)	(53,010,588)	
Net pension liability (excluding internal service fund totals of \$630,377)	(45,414,665)	
Environmental remediation obligation	(58,375)	
Other liabilities	<u>(1,460,919)</u>	<u>(479,621,198)</u>
Net position of governmental activities		\$ <u>357,742,732</u>

The Notes to the Basic Financial Statements are an integral part of this statement.



THIS PAGE IS INTENTIONALLY LEFT BLANK

City of Grand Prairie, Texas
Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2018

	<u>General</u>	<u>Section 8</u>	<u>Streets CIP</u>
REVENUES			
Property taxes	\$ 61,122,847	\$ -	\$ -
Sales taxes	31,532,937	-	-
Other taxes	292,966	-	-
Franchise fees	14,485,521	-	-
Charges for goods and services	5,847,113	5,779,637	23,242
Licenses and permits	3,000,527	218,421	-
Fines and forfeitures	7,337,547	-	-
Intergovernmental	2,335,924	27,786,641	-
General and administrative	4,712,539	-	-
Rents and royalties	875	-	-
Investment income	3,213,375	-	-
Contributions	176,042	-	-
Other	854,500	39,476	617,081
	<u>134,912,713</u>	<u>33,824,175</u>	<u>640,323</u>
Total revenues			
EXPENDITURES			
Current operations:			
Support services	22,333,632	-	-
Public safety services	84,283,161	-	-
Recreation and leisure services	2,760,622	-	-
Development services and other	12,944,045	34,784,590	6,221,308
Capital outlay	1,086,949	-	12,867,399
Debt service:			
Principal retirement	-	-	-
Interest and other charges	3,200	-	99,186
	<u>123,411,609</u>	<u>34,784,590</u>	<u>19,187,893</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	11,501,104	(960,415)	(18,547,570)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	33,812	1,480,000
Transfers out	(10,106,151)	(50,000)	(2,662,296)
Bonds issued	-	-	11,731,193
Premium on bonds issued	-	-	1,193,054
Proceeds from sale of capital assets	1,003,393	15,813	-
	<u>(9,102,758)</u>	<u>(375)</u>	<u>11,741,951</u>
Total other financing sources (uses)			
Net change in fund balances	2,398,346	(960,790)	(6,805,619)
Fund balances - beginning of year	31,346,705	1,784,683	32,102,686
Fund balances - end of year	<u>\$ 33,745,051</u>	<u>\$ 823,893</u>	<u>\$ 25,297,067</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Grants	Debt Service	Epic CIP	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 25,802,801	\$ -	\$ 7,741,648	\$ 94,667,296
-	-	-	32,717,780	64,250,717
-	-	-	1,915,332	2,208,298
-	-	-	-	14,485,521
54,343	-	-	13,132,839	24,837,174
-	-	-	210,493	3,429,441
-	-	-	4,004,791	11,342,338
5,263,274	-	-	454,534	35,840,373
-	-	-	-	4,712,539
-	-	-	4,383,279	4,384,154
5,786	-	281,327	6,300	3,506,788
167,688	-	-	803,553	1,147,283
-	-	117,145	355,868	1,984,070
5,491,091	25,802,801	398,472	65,726,417	266,795,992
-	-	-	2,328,652	24,662,284
1,799,099	-	-	8,650,325	94,732,585
201,880	-	1,121,029	22,252,892	26,336,423
2,555,061	-	-	18,812,969	75,317,973
3,123,791	-	21,405,566	44,936,781	83,420,486
-	19,970,000	-	5,035,000	25,005,000
-	8,877,065	-	4,794,575	13,774,026
7,679,831	28,847,065	22,526,595	106,811,194	343,248,777
(2,188,740)	(3,044,264)	(22,128,123)	(41,084,777)	(76,452,785)
4,037,110	50,000	3,700,000	26,529,392	35,830,314
(1,531,226)	(224,116)	-	(15,208,912)	(29,782,701)
-	-	-	24,783,807	36,515,000
-	-	-	2,520,496	3,713,550
1,350	-	-	1,775	1,022,331
2,507,234	(174,116)	3,700,000	38,626,558	47,298,494
318,494	(3,218,380)	(18,428,123)	(2,458,219)	(29,154,291)
(947,692)	8,754,196	20,429,207	106,176,832	199,646,617
\$ (629,198)	\$ 5,535,816	\$ 2,001,084	\$ 103,718,613	\$ 170,492,326

City of Grand Prairie, Texas
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of the
 Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2018

Net change in fund balances - total governmental funds	\$	(29,154,291)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.		
This is the amount of capital assets recorded in the current period.		83,420,486
Depreciation on capital assets is reported in the government-wide statement of activities but does not require the use of current financial resources. Therefore, depreciation is not reported as expenditures in the governmental funds (except for internal service fund depreciation of \$135,147).		(42,252,812)
Governmental funds do not report capital contributions.		1,536,808
The net effect of various transactions involving capital assets (i.e., disposals, sales, and reassignments) are not reported in the governmental funds.		(883,543)
The issuance of long-term debt (i.e., bonds) provides current financial resources to the governmental funds, while repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Bonds issued	(36,515,000)	
Bond principal retirement	25,005,000	
Bond premium issued	(3,713,550)	
Amortization of bond premiums/discounts	1,518,598	
Amortization of loss on refundings	(264,781)	(13,969,733)
Some expense accruals reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued interest	38,447	
Compensated absences	(728,670)	
Pollution remediation obligation	124,334	
Postemployment benefit obligation	2,555,497	
Pension liability	26,169,917	
Deferred pension and OPEB contributions, and investment and actuarial experience	(30,224,019)	
Other liabilities	(81,089)	(2,145,583)
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(134,350)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net operating loss of the internal service funds is reported with governmental activities (net of the amount allocated to business-type activities of \$104,424).		
		4,956,457
Change in net position of governmental activities	\$	1,373,439

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
Statement of Net Position
Proprietary Funds
September 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental
	Water Wastewater	Solid Waste	Nonmajor Enterprise Funds	Total	Activities Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 10,296,096	\$ 3,259,134	\$ (51,620)	\$ 13,503,610	\$ 1,666,720
Investments	62,618,432	13,624,536	3,872,433	80,115,401	17,000,000
Accounts receivable, net	5,855,367	648,496	707,021	7,210,884	-
Intergovernmental receivable	-	-	19,285	19,285	-
Inventories and supplies	514,213	-	71,985	586,198	71,443
Prepays	-	-	46,055	46,055	444,083
Restricted assets:					
Cash and cash equivalents	6,348,418	-	-	6,348,418	-
Investments	9,801,419	-	73,386	9,874,805	-
Total current assets	95,433,945	17,532,166	4,738,545	117,704,656	19,182,246
Noncurrent assets:					
Capital assets:					
Land	2,208,926	1,748,378	759,707	4,717,011	737,566
Buildings	2,848,430	1,905,218	15,137,593	19,891,241	1,477,875
Equipment	25,670,655	9,949,230	2,329,746	37,949,631	2,198,866
Infrastructure	355,110,305	10,613,146	37,879,682	403,603,133	-
Construction in progress	22,374,315	2,085,267	34,247	24,493,829	227,700
Less: accumulated depreciation	(219,509,383)	(11,621,534)	(26,298,508)	(257,429,425)	(3,024,706)
Total noncurrent assets	188,703,248	14,679,705	29,842,467	233,225,420	1,617,301
Total assets	284,137,193	32,211,871	34,581,012	350,930,076	20,799,547
DEFERRED OUTFLOWS OF RESOURCES					
Debt refundings	538,458	-	-	538,458	-
Related to OPEB	15,530	5,283	5,049	25,862	3,339
Related to TMRS pension	748,716	254,684	243,370	1,246,770	161,024
Total deferred outflows of resources	1,302,704	259,967	248,419	1,811,090	164,363
LIABILITIES					
Current liabilities:					
Accounts payable	8,115,728	489,973	419,786	9,025,487	946,999
Retainage payable	134,045	-	-	134,045	-
Accrued interest	347,905	8,774	6,306	362,985	-
Accrued liabilities	472,808	219,594	107,535	799,937	4,078,980
Compensated absences	232,538	56,148	85,170	373,856	60,250
Unearned revenue	905,606	-	146,438	1,052,044	-
Current portion of long-term debt	4,940,000	330,129	150,000	5,420,129	-
Current liabilities payable from restricted assets:					
Customer deposits	4,502,968	-	73,386	4,576,354	-
Total current liabilities	19,651,598	1,104,618	988,621	21,744,837	5,086,229
Noncurrent liabilities:					
Compensated absences	55,693	13,447	20,398	89,538	-
Other postemployment benefits	3,421,332	1,163,804	1,112,104	5,697,240	735,813
Closure and postclosure liability	-	7,939,257	-	7,939,257	-
Net pension liability	2,931,087	997,042	952,748	4,880,877	630,377
Long-term debt	53,509,433	-	885,000	54,394,433	-
Total noncurrent liabilities	59,917,545	10,113,550	2,970,250	73,001,345	1,366,190
Total liabilities	79,569,143	11,218,168	3,958,871	94,746,182	6,452,419
DEFERRED INFLOWS OF RESOURCES					
Related to OPEB	248,249	84,445	80,693	413,387	53,390
Related to TMRS pension	736,359	250,481	239,353	1,226,193	158,366
Total deferred inflows of resources	984,608	334,926	320,046	1,639,580	211,756
NET POSITION					
Net investment in capital assets	130,658,228	14,349,576	28,807,467	173,815,271	1,617,301
Restricted for:					
Debt service	7,292,951	-	-	7,292,951	-
Capital projects	38,329,310	-	-	38,329,310	-
Unrestricted	28,605,657	6,569,168	1,743,047	36,917,872	12,682,434
Total net position	\$ 204,886,146	\$ 20,918,744	\$ 30,550,514	\$ 256,355,404	\$ 14,299,735
Reconciliation to government-wide Statement of Net Position:					
Adjustments to reflect the consolidation of internal service fund activities related to Enterprise Funds				2,080,445	
Net position of business-type activities				\$ 258,435,849	

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
Statement of Revenues, Expenses,
And Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental
	Water Wastewater	Solid Waste	Nonmajor Enterprise Funds	Total	Activities Internal Service Funds
OPERATING REVENUES					
Water sales	\$ 44,893,468	\$ -	\$ -	\$ 44,893,468	\$ -
Wastewater services	28,328,868	-	-	28,328,868	-
Water and wastewater fees	2,743,483	-	-	2,743,483	-
Wastewater surcharges	846,222	-	-	846,222	-
Solid waste fees	-	13,094,301	-	13,094,301	-
Charges for services	-	-	10,626,085	10,626,085	5,983,290
Intergovernmental revenue	-	-	67,537	67,537	-
Insurance premiums	-	-	-	-	26,506,330
Miscellaneous	744,017	114,477	930,289	1,788,783	41,541
Total operating revenue	77,556,058	13,208,778	11,623,911	102,388,747	32,531,161
OPERATING EXPENSES					
Salaries and benefits	8,072,319	2,676,545	2,700,670	13,449,534	1,901,861
Supplies and miscellaneous purchases	1,202,427	547,366	1,366,201	3,115,994	2,594,067
Purchased services	6,236,044	5,701,457	1,760,996	13,698,497	1,128,243
Insurance costs	-	-	-	-	20,908,318
Water purchases	16,917,148	-	-	16,917,148	-
Wastewater treatment	15,644,623	-	-	15,644,623	-
General and administrative costs	3,895,242	341,938	144,552	4,381,732	-
Franchise fees	2,927,443	364,438	275,062	3,566,943	-
Miscellaneous	1,552,920	817,255	674,016	3,044,191	426,958
Depreciation	14,512,955	1,482,530	1,726,830	17,722,315	135,147
Total operating expenses	70,961,121	11,931,529	8,648,327	91,540,977	27,094,594
Operating income	6,594,937	1,277,249	2,975,584	10,847,770	5,436,567
NONOPERATING REVENUES (EXPENSES)					
Investment income	43,661	-	-	43,661	-
Gain (loss) on property disposition	117,576	(473,453)	68,350	(287,527)	12,563
Interest expense	(2,140,109)	(20,863)	(53,030)	(2,214,002)	-
Total nonoperating revenues (expenses)	(1,978,872)	(494,316)	15,320	(2,457,868)	12,563
Income (loss) before contributions and transfers	4,616,065	782,933	2,990,904	8,389,902	5,449,130
CONTRIBUTIONS AND TRANSFERS					
Capital contributions-impact fees	2,573,638	-	-	2,573,638	-
Capital contributions	7,406,560	-	2,075,576	9,482,136	-
Transfers in	143,008	-	654,116	797,124	300,000
Transfers out	(1,386,922)	(307,621)	(5,375,000)	(7,069,543)	(75,194)
Total contributions and transfers	8,736,284	(307,621)	(2,645,308)	5,783,355	224,806
Change in net position	13,352,349	475,312	345,596	14,173,257	5,673,936
Net position - beginning of year	195,118,591	21,662,839	31,370,154	248,151,584	9,396,767
Cumulative effect of change in accounting principle	(3,584,794)	(1,219,407)	(1,165,236)	(5,969,437)	(770,968)
Net position - beginning of year (restated)	191,533,797	20,443,432	30,204,918	242,182,147	8,625,799
Net position - end of year	\$ 204,886,146	\$ 20,918,744	\$ 30,550,514	\$ 256,355,404	\$ 14,299,735
Reconciliation to government-wide Statement of Activities:					
Total change in net position				\$ 14,173,257	
Adjustments to reflect the consolidation of internal service fund activities related to Enterprise Funds				717,479	
Change in net position of business-type activities				<u>\$ 14,890,736</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2018

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Water Wastewater	Solid Waste	Other Nonmajor		Activities Internal Service Funds
Cash flows from operating activities:					
Cash receipts from customers	\$ 76,977,582	\$ 13,077,606	\$ 10,503,459	\$ 100,558,647	\$ -
Cash receipts from city and employee contributions	-	-	-	-	26,506,330
Cash receipts from interfund services provided	-	-	-	-	5,983,290
Cash receipts from other governments	-	-	96,170	96,170	-
Other operating cash receipts	744,017	114,477	930,289	1,788,783	41,541
Cash payments to suppliers for goods and services	(40,916,336)	(5,965,045)	(3,583,714)	(50,465,095)	(3,438,673)
Cash payments to employees for services	(8,117,462)	(2,776,624)	(2,693,419)	(13,587,505)	(1,747,199)
Cash payments for interfund services used	-	-	(275,062)	(275,062)	(20,908,318)
Other operating cash payments	(4,480,363)	(1,181,693)	(144,552)	(5,806,608)	-
Net cash provided by (used in) operating activities	24,207,438	3,268,721	4,833,171	32,309,330	6,436,971
Cash flows from noncapital financing activities:					
Transfers from other funds	143,008	-	654,116	797,124	300,000
Transfers to other funds	(1,386,922)	(307,621)	(5,375,000)	(7,069,543)	(75,194)
Contributions to other governments	-	-	-	-	-
Net cash (used in) provided by noncapital financing activities	(1,243,914)	(307,621)	(4,720,884)	(6,272,419)	224,806
Cash flows from capital and related financing activities:					
Proceeds from issuance of bonds	2,755,000	-	-	2,755,000	-
Capital impact fees from developers	2,573,638	-	-	2,573,638	-
Proceeds from disposition of capital assets	69,794	15,734	11,752	97,280	12,563
Acquisition and construction of capital assets	(4,592,125)	(3,338,390)	(761,321)	(8,691,836)	(62,145)
Principal paid on debt	(4,810,000)	(625,893)	(145,000)	(5,580,893)	-
Interest paid on debt	(1,702,265)	(28,587)	(53,891)	(1,784,743)	-
Bond issuance costs	(92,545)	-	-	(92,545)	-
Net cash used in capital and related financing activities	(5,798,503)	(3,977,136)	(948,460)	(10,724,099)	(49,582)
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	-	-	-	-	-
Purchase of investment securities	(16,800,000)	-	-	(16,800,000)	(7,000,000)
Interest received on investments	43,661	-	-	43,661	-
Net cash (used in) provided by investing activities	(16,756,339)	-	-	(16,756,339)	(7,000,000)
Net (decrease) increase in cash and equivalents	408,682	(1,016,036)	(836,173)	(1,443,527)	(387,805)
Cash and cash equivalents - beginning of year	16,235,832	4,275,170	784,553	21,295,555	2,054,525
Cash and cash equivalents - end of year	\$ 16,644,514	\$ 3,259,134	\$ (51,620)	\$ 19,852,028	\$ 1,666,720
Reconciliation of operating income (loss) from operations to net cash from operating activities:					
Operating income (loss)	\$ 6,594,937	\$ 1,277,249	\$ 2,975,584	\$ 10,847,770	\$ 5,436,567
Adjustments to operating income (loss) to net cash from operating activities:					
Depreciation	14,512,955	1,482,530	1,726,830	17,722,315	135,147
Provisions for uncollectible accounts	(146,209)	(56,139)	(12,069)	(214,417)	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(57,088)	39,444	(114,338)	(131,982)	-
(Increase) decrease in intergovernmental receivable	-	-	-	-	-
(Increase) decrease in due from other governments	-	-	28,633	28,633	-
(Increase) decrease in inventories and supplies	(8,484)	-	11,134	2,650	49,710
(Increase) decrease in prepaids	-	-	(32,292)	(32,292)	-
Increase (decrease) in accounts payable	3,354,279	96,066	235,345	3,685,690	660,885
Increase (decrease) in retainage payable	(366,786)	-	-	(366,786)	-
Increase (decrease) in accrued liabilities	139	529,650	14,254	544,043	145,548
Increase (decrease) in customer deposits	368,838	-	3,781	372,619	-
Increase (decrease) in unearned revenue	-	-	(10,942)	(10,942)	-
Increase (decrease) in compensated absences	(12,970)	(17,469)	6,169	(24,270)	11,481
Increase (decrease) in OPEB liability	69,257	23,559	22,512	115,328	14,896
Increase (decrease) in pension liability	(101,430)	(106,169)	(21,430)	(229,029)	(17,263)
Net cash provided by (used in) operating activities	\$ 24,207,438	\$ 3,268,721	\$ 4,833,171	\$ 32,309,330	\$ 6,436,971
Noncash investing, capital and financing activities:					
Capital contributions from developers/granting agencies	\$ 7,406,560	\$ -	\$ 2,075,576	\$ 9,482,136	\$ -
Reconciliation of ending cash and cash equivalents to Statement of Net Position:					
Unrestricted cash and cash equivalents - end of year	\$ 10,296,096	\$ 3,259,134	\$ (51,620)	\$ 13,503,610	\$ 1,666,720
Restricted cash and cash equivalents - end of year	6,348,418	-	-	6,348,418	-
Total cash and cash equivalents - end of year	\$ 16,644,514	\$ 3,259,134	\$ (51,620)	\$ 19,852,028	\$ 1,666,720

The Notes to the Basic Financial Statements are an integral part of this statement.



THIS PAGE IS INTENTIONALLY LEFT BLANK

Notes to the Basic Financial Statements



THIS PAGE IS INTENTIONALLY LEFT BLANK

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Note 1. Summary of Significant Accounting Policies

A. Introduction

The City of Grand Prairie (City) is one of the Mid-Cities in the Dallas-Fort Worth Metroplex, 12 miles west of downtown Dallas, 18 miles east of downtown Fort Worth and six miles south of DFW International Airport. The City was incorporated in 1909, and adopted the Council-Manager form of government in 1948.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accounts as published in Audits of State and Local Governments.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including legally separate entities as component units within the City's reporting entity are set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. Based on this criterion, the City reports the following component units as part of the financial reporting entity:

Blended Component Units

Grand Prairie Crime Control and Prevention District

The City of Grand Prairie Crime Control and Prevention District (CCPD) was created in May 2007 under the provisions of the Crime Control and Prevention Act and authority of Chapter 363, Texas Local Government Code, as amended (Act) by Resolution No. 2007-02 of the Grand Prairie City Council. The purpose of the CCPD is to provide crime control and crime prevention strategies, specific treatment and prevention programs, and court and prosecution services including the cost of personnel, administration, expansion, enhancement, and capital expenditures, and any other programs as authorized by Chapter 363.

Under the authority of the Act, the voters of Grand Prairie approved a proposition to levy and collect an additional quarter-cent sales and use tax for the purpose of funding the CCPD which became effective October 1, 2007. In 2012, citizens voted to continue/renew the quarter-cent sales and use tax for this same purpose.

The CCPD's governing body is substantively the same as the governing body of the City as the seven members of the CCPD's Board of Directors are all City council members. The City has operational responsibility for the CCPD, and the CCPD provides all of its services to the City. If the District is dissolved, its assets will become the City's property. For these reasons, the CCPD is reported as a blended component unit of the City and is reported as a special revenue fund within the City's governmental activities. This special revenue fund was established specifically to account for the accumulation and use of the quarter-cent sales tax revenue collected for the CCPD.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Discretely Presented Component Units

Grand Prairie Sports Facilities Development Corporation

The Sports Corporation was incorporated on June 10, 1992, under the provisions of the Development Corporation Act of 1979, as amended, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended (Act) by Resolution No. 2841 of the Grand Prairie City Council. The purpose of the Sports Corporation is to promote economic development within the City in order to reduce unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City by developing, implementing, providing and financing projects authorized under the Act.

The Act provides that the City may levy a one-half cent sales and use tax for the benefit of the Sports Corporation if the tax is authorized by a majority of the qualified voters in an election. On January 18, 1992, a majority of the voters approved a proposition to levy and collect an additional one-half cent sales and use tax for the purpose of constructing a horse racetrack. The one-half cent sales and use tax increase became effective April 1, 1993 to cover the costs of the project or the principal, interest and other costs relating to any bonds or obligations issued to pay the costs of the project or to refund bonds or obligations issued to pay the costs of the project. All bonds were redeemed on September 15, 2007. The sales tax was discontinued on September 30, 2007.

The City continues to receive significant financial benefits from the Sports Corporation as excess earnings of the Sports Corporation are paid to the City; and, if dissolved, all assets of the Sports Corporation become the City's property. Although the Sports Corporation is a legally separate entity, the City has the ability to impose its will upon the Sports Corporation as its Board of Directors are all appointed by the City Council, and four of the seven-member board are actual City Council members. For this reason, the Sports Corporation is presented as part of the City's reporting entity as a discretely presented component unit. Discretely presented component units are presented in a separate column alongside the City's financial information.

Grand Prairie Housing Finance Corporation

The Grand Prairie Housing Finance Corporation (HFC) was created to issue tax-exempt revenue bonds to supply mortgage financing for low income home buyers and multi-family development. While the entity is legally, financially and administratively autonomous, the governing body of the City of Grand Prairie may, at its sole discretion, and at any time, amend HFC's Articles of Incorporation, and alter or change its structure, programs or activities, or terminate or dissolve it. Additionally, members of the Board of Directors are appointed by and may be removed by the City Council. However, the City is not financially obligated for any debt of the HFC. For these reasons, the HFC is presented as part of the City's reporting entity as a discretely presented component unit.

The HFC's financial information, for its calendar year ended December 31, 2017, is included in the City's financial statements in a separate column alongside the City's. Separate audited financial statements may be obtained by writing Grand Prairie Housing Finance Corporation, Attn: Executive Director, P. O. Box 532758, Grand Prairie, Texas 75053-2758.

Related Autonomous Entities

Grand Prairie Health Facilities Development Authority

The Grand Prairie Health Facilities Development Authority (HFDA) was created to issue tax-exempt revenue bonds to finance medical facilities. While the HFDA's revenue bonds were defeased, the HFDA continues to exist only to make decisions from time to time regarding the defeased bonds. The City exercises no control over the HFDA or its budget.

Grand Prairie Industrial Development Authority

The Grand Prairie Industrial Development Authority (GPIDA) was created to issue tax-exempt industrial revenue bonds to assist in the City's economic development and to evaluate tax abatement applications. The City exercises no control over the GPIDA's management, budget or operations.

C. Implementation of New Accounting Standards

For fiscal year ended September 30, 2018, the City implemented the following new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* is effective for fiscal years beginning after June 15, 2017. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

With this implementation, the City's financial statements were restated to reflect the beginning OPEB liability, deferred outflows and inflows of resources and the recognition of OPEB expense and contributions made between the start of the measurement period and the City's prior fiscal year. The restatement to beginning net position is noted below and reflected on the statements:

	Government-Wide		Fund Level	
	Statement of Activities		Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	
	Governmental Activities	Business-Type Activities	Business-Type Enterprise Funds	Governmental Internal Service Funds
Net position - beginning of year	\$ 405,407,435	\$ 249,634,697	\$ 248,151,584	\$ 9,396,767
Change in reporting for OPEB	(49,038,142)	(6,089,584)	(5,969,437)	(770,968)
Net position - beginning of year (restated)	\$ 356,369,293	\$ 243,545,113	\$ 242,182,147	\$ 8,625,799

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, is effective for periods beginning after December 15, 2016, and pertains to a type of a giving agreement used by donors to provide resources to two or more beneficiaries, including governments. The adoption of Statement No. 81 has no impact on the City's financial statements.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

GASB Statement No. 82, *Pension Issues – an amendment of GASB statements No. 67, No. 68, and No. 73*, is effective for periods beginning after June 15, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

GASB Statement No. 85, *Omnibus 2017*, is effective for periods beginning after June 15, 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues relating to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, is effective for periods beginning after June 15, 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt. The adoption of Statement No. 86 has no impact on the City's financial statements.

C. Basis of Presentation

Government-Wide Financial Statements

The two government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information on all activities of the City, including component units. Governmental activities, which include those activities primarily supported by taxes or intergovernmental revenue, are reported separately from business-type activities which generally rely on fees and charges for support. Significant revenues generated from business-type activities include charges to customers for water and wastewater services, golf course fees, airport user charges, solid waste collection services, and storm water utility fees. As a general rule, the internal activity between governmental activities and business-type activities is eliminated from the government-wide financial statements except that charges for administrative overhead services provided by the governmental activities to the business-type activities are included as revenues to the governmental activities and expenses to the business-type activities.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

The Statement of Activities reports the change in the City's net position from October 1, 2017 to September 30, 2018. This statement demonstrates the degree to which the direct expenses of a given function of the government are offset by program revenues. Specifically, the City has identified the following functions of government – support services, public safety services, recreation and leisure services, development services, water and wastewater services, solid waste services, storm water services, airport operations, and golf course operations. *Direct expenses* are those that are clearly identifiable with a specific function of City government. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as *general revenues* in the statement of activities.

Fund Financial Statements

In addition to the government-wide financial statements, the City also reports separate financial statements for major functions or activities of the government. These financial statements are organized on the basis of funds with governmental resources allocated to and accounted for based upon the purposes for which they are spent and the means by which spending activities are controlled. Separate statements are presented for governmental activities and proprietary activities.

Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenditures/expenses, and fund balances. The fund financial statements present each major fund as a separate column, while all nonmajor funds are aggregated and presented in a single column. Major funds are calculated using specific methods outlined in GASB Statement No. 34, or City management may also deem funds as major for presentation purposes.

At September 30, 2018, major governmental funds include the following:

General Fund

The General Fund is the primary operating fund of the City. This fund is used to account for all financial resources of the general government, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs not paid through other funds are paid from the General Fund.

Section 8 Fund

This special revenue fund accounts for grant and contract revenue received from the federal government for providing housing assistance to low income families and for the administration of the program.

Street CIP Fund

This capital project fund accounts for the construction and renovation of thoroughfares and arterial streets and roads financed through general obligation bond proceeds and other dedicated sources.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Grants Fund

This special revenue fund accounts for the various federal, state and local grant revenue received by the City. All grants included in this fund are for specific projects with limited duration.

Debt Service Fund

The City's Debt Service Fund accounts for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted exclusively for debt service expenditures.

Epic CIP Fund

This capital project fund accounts for the proceeds from sales tax revenue bonds, current lending/borrowing arrangements, and other dedicated sources to be used in the construction of The Epic.

At September 30, 2018, major enterprise funds include the following:

Water/Wastewater Fund

This fund accounts for water and wastewater system services provided for residents of the City, including administration, operations, maintenance, debt service, billing and collection. The City purchased treated water from surrounding cities, and water is pumped from City-owned wells. Although the City owns the wastewater collection system, it has no treatment facilities. Wastewater treatment is provided by the Trinity River Authority. Contracts relating to purchased water and wastewater treatment are discussed in Note 2M. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Solid Waste Fund

This fund accounts for the City's landfill, garbage/recycling collection service, brush and litter collection, street sweeping, illegal dumping cleanup, Keep Grand Prairie Beautiful, and auto-related business programs, as well as a number of special purpose transfers related to reserves for landfill closure, post-closure costs and environmental remediation. All costs are financed through charges to sanitation customers.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide financial statements and the fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position, and the operating statement presents increases (revenues) and decreases (expenses) in the net position. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when both *measurable* and *available*. *Measurable* means knowing, or being capable of calculating or estimating the amount to be received. *Available* means collectible within the current period or soon enough thereafter to pay current liabilities (generally sixty days). Also, under the modified accrual basis of accounting, expenditures (including capital outlay) are recorded in the period when the related fund liability is incurred, except for general obligation bond principal and interest and expenditures related to compensated absences, which are recorded when due rather than when incurred.

Major revenue sources susceptible to accrual in the governmental funds include property taxes, sales taxes, franchise fees, charges for services, and intergovernmental revenues. Revenue is accrued when it is deemed available except for intergovernmental revenues.

Grant revenues are recognized not just when available, but when the qualifying expenditures have been incurred, and all other grant requirements have been met.

The City also reports *unavailable* and *unearned* revenues in its governmental funds. *Unavailable* revenues arise when potential revenue does not meet both the *measurable* and *available* criteria for recognition in the current period. *Unearned* revenues arise when the City receives revenue resources before it has legal claim to it, as when grant money is received prior to the incidence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the City has a legal claim to the resource, the revenue is recognized.

Proprietary Funds

As mentioned earlier, proprietary funds use the economic resources measurement focus and the accrual basis of accounting. The accounting objectives for proprietary funds are the determination of net income, financial position, and cash flows. Proprietary fund equity is segregated into (1) net investment in capital assets; (2) restricted net position, and (3) unrestricted net position. Proprietary funds distinguish operating revenues and expenses from the non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports two types of proprietary funds – enterprise funds and internal services funds.

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is 1) that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or 2) where the City Council has decided that periodic determination of revenues earned, expenses incurred and/or operating income generated is appropriate for the purposes of capital maintenance, public policy, management control, and/or accountability. The City maintains five enterprise funds – water and wastewater services, solid waste services, storm water services, airport operations, and golf course operations. These enterprise funds are classified as business-type activities in both the government-wide and governmental fund financial statements.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments within the City, on a cost-reimbursement basis. The City has two internal service funds:

- **Fleet Services Fund** – accounts for a full range of services in managing and maintaining the City's fleet of vehicles and equipment.
- **Risk Management Fund** – accounts for premiums, deductibles and claims for the City's property, liability, workers compensation, and employee health and life insurance programs. The City reports all risk financing activities in the Risk Management Fund.

D. Assets, Liabilities, Deferred Outflows/Inflows Resources, and Net Position/Fund Balances

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Interest earnings are recorded in the General Fund unless it is required by regulations or agreements to allocate to certain funds. In fiscal year 2018, the funds receiving allocation of interest earnings were the Grants Fund, Epic CIP Fund, Police Seizure Funds and the Water/Wastewater Fund. For purposes of the statements of cash flows, the City considers cash on hand, demand deposits, and investments with original maturities of three months or less to be cash equivalents.

Receivables and Payables

Major revenue sources susceptible to accrual are recorded as receivables when they become both measurable and available. Expenditures incurred during the current fiscal year but not yet paid are recorded as payables at fiscal year-end.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at fiscal year-end are referred to as due to/from other funds.

Inventories and Prepaid Items

Inventory consists primarily of supplies and material and is recorded at cost when purchased and expensed when consumed. For the General Fund, inventory is expensed on an actual specific-cost basis. Special Revenue and Enterprise Funds' inventory is charged out on a first-in, first-out basis, except for fuel inventory which is charged out on a moving-average basis. Prepaid balances are for payment made by the City in the current year to provide services occurring in the subsequent fiscal year. The cost of prepaid items is expensed when consumed rather than when purchased.

Accordingly, for both inventories and prepaid items, fund balance is classified as nonspendable for an amount equal to the cost to signify those funds are not available for spending.

Capital Assets and Depreciation

Capital assets (i.e. land, buildings, equipment, improvements other than buildings, infrastructure, and construction in progress) of all the funds are stated at historical cost or estimated historical cost if historical cost is not known. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value on the date donated. An item is classified as an asset if the initial, individual cost is \$5,000 or greater. Capital assets of the City are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Assets subject to depreciation are depreciated using the straight-line method.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

The estimated useful lives of all depreciable assets are as follows:

Buildings	20 - 40 years
Machinery and Equipment	5 - 15 years
Improvements other than Buildings	20 - 40 years
Infrastructure	20 - 40 years

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position by the City that is applicable to a future reporting period, and as so will not be recognized as an outflow of resources (expenses/expenditures) until then. Deferred outflows of resources are reported in the government-wide Statement of Net Position for governmental and business-type activities and in the Statement of Net Position in the fund financial statements only for proprietary funds. The City has the following items that qualify for reporting in this category.

- **Deferred charges on debt refunding** – results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- **Pension and OPEB Employer contributions** – contributions made from the measurement date of the plans to the current fiscal year end (January to September). These contributions are deferred and recognized in the subsequent fiscal year.
- **Pension and OPEB investment experience** – the difference between projected and actual earnings of plan investments. The difference is deferred and recognized as pension plan expense over a closed five-year period as required by GASB No. 68 and 75.
- **Pension and OPEB assumption changes** – the difference resulting from a change in assumptions used to measure the underlying net pension and OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members as of the beginning of the measurement period.

Deferred inflows of resources represents an acquisition of net position that is applicable to a future reporting period, and as so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflow of resources are reported in the basic financial statements the same as deferred outflows of resources. The City has the following items that qualify for reporting in this category.

- **Unavailable revenue** – at the governmental fund level, property tax and ambulance receivables recorded but not expected to be collected within than sixty days after fiscal year end are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.
- **Pension and OPEB actuarial experience** – the difference between the expected and actual experience in the actuarial measurement of the total pension and OPEB liability not recognized in the current year. This amount is deferred and amortized over a period of years determined by the plan actuary. The amortization period is based on the estimated average remaining service lives of employees that are provided with a pension or OPEB through the plans (active and inactive employees) for the City determined at the beginning of the measurement date.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

- **OPEB assumption changes** – the difference resulting from a change in assumptions used to measure the underlying net pension and OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members as of the beginning of the measurement period.
- **Pension investment experience** – the difference between projected and actual earnings of plan investments. The difference is deferred and recognized as pension plan expense over a closed five-year period as required by GASB No. 68.

Compensated Absences

Employees are granted vacation benefits in varying amounts, depending on tenure with the City. These benefits accumulate pro rata by pay period. Payment for unused vacation will be made at upon separation of employment. Fire and police civil service employees who have completed their introductory period are paid up to 90 days sick leave upon separation of employment, excluding indefinite suspensions. The valuation of the civil service sick leave is at current pay rates. The valuation of accrued compensated absences includes salary-related payments such as the City's share of taxes and contributions to the retirement plan in accordance with GASB 16.

Accrued compensated absence liabilities are reported in the respective columns in the government-wide financial statements and in the proprietary fund financial statements. Compensated absences are only reported in governmental funds if they are owed to separated employees at the end of the fiscal year.

Pensions

For purposes of measuring net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the Fiduciary Net Position of TMRS, and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Postemployment Benefits

The City provides postemployment healthcare benefits to all vested employees upon retirement from the City. Employees are vested in the City's pension plan with twenty-five years or more of service, regardless of age, or five years or more of service at age sixty and above. Coverage is also available to dependents or surviving spouses of retirees. The City subsidizes medical, dental, and hospitalization costs incurred by retirees and their dependents. Recommendations for plan benefits are presented to City Council for their approval during the annual budget process. The City's plan qualifies as a single-employer, defined benefit plan. Complete details of the plan are listed in Note K starting on page 78.

Long-Term Debt

General obligation bonds and other debt issued for general government capital projects and acquisitions that are repaid from tax revenues are recorded in the governmental activities column in the government-wide Statement of Net Position. Debt issued to fund capital projects in the proprietary funds is recorded in both the business-type activities column in the government-wide Statement of Net Position and in the proprietary fund Statement of Net Position. Bond premiums and discounts, as well as deferred charges on refunded debt obligations, are deferred and amortized over the life of the bonds using the effective interest method in the government-wide financial statements and in the proprietary funds. Bonds payable are reported net of applicable bond premiums and discounts.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Nature and Purpose of Classifications of Fund Equity

Restricted fund balances in the governmental funds are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments for specific purposes.

Committed fund balances can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution, which are considered equally restrictive for the purpose of committing fund balances. To remove or change the constraint, the City Council must take the same level of action.

Assigned fund balances are determined by City management based on City Council direction, in accordance with financial policies adopted by resolution. Assigned fund balances are constrained by the intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance represents the amount that does not meet the criteria for restricted, committed, or assigned.

Nonspendable fund balances represent inventories and prepaid items.

The City considers expenditures to be made from the most restrictive classification when more than one classification is available.

Minimum Fund Balance Policy

It is the desire of the City to maintain an adequate fund balance in the General Fund in order to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial policy to maintain a minimum unassigned fund balance of 50 to 60 days of budgeted General Fund expenditures.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Restricted net position represents the difference between restricted assets and liabilities payable from these assets that is externally imposed by enabling legislation.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, plus deferred outflows from bond refundings, reduced by retainage payable and the outstanding balance of any debt used for acquisition, construction, or improvements of those assets, plus any unspent bond proceeds.

E. Budgetary Control

As set forth by the City Charter, the City Manager submits annual budgets to the City Council in August for the upcoming fiscal year. In September, the City Council adopts budgets for all governmental funds except for the Grants Fund, Police Seizure Funds, Public Improvement District Funds (PIDs), Tax Increment Financing District Funds (TIFs), and the Verizon Theatre Fund. For each governmental fund, budgeted appropriations (expenditures) may not exceed budgeted revenues plus beginning fund balances.

Capital project funds are controlled on a project basis and budgeted appropriations are carried forward each year until the project is completed.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Note 2. Detailed Notes

A. Deposits and Investments

Cash and Cash Equivalents

At September 30, 2018, the City reported cash and cash equivalents in the Statement of Net Position as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash	\$ 2,900,230	\$ 7,171,164	\$ 10,071,394
Pooled investments	<u>59,952,834</u>	<u>2,952,755</u>	<u>62,905,589</u>
Total cash and cash equivalents	<u><u>\$ 62,853,064</u></u>	<u><u>\$ 10,123,919</u></u>	<u><u>\$ 72,976,983</u></u>

Of this amount, the City's cash carrying amount (book) and bank balances were as follows:

<u>Financial Institution</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Wells Fargo	\$ 10,045,422	\$ 14,219,954
Petty Cash	<u>25,972</u>	<u>-</u>
Total cash	<u><u>\$ 10,071,394</u></u>	<u><u>\$ 14,219,954</u></u>

Chapter 2257 Collateral for Public Funds of the Government Code requires that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. Per Wells Fargo Bank, N.A. and BNY Mellon's contractual obligation to the City, the collateral value held at the Federal Reserve Bank in the City's name at September 30, 2018 was \$10,268,232.

Grand Prairie Sports Facilities Development

At September 30, 2018, the carrying amount of the Sports Corporation's deposits included in cash and cash equivalents was \$397,926 while the bank balance of the Sports Corporation's deposits was \$398,106. The bank balance was entirely covered by collateral held by the Sports Corporation's agent in the Sports Corporation's name.

Grand Prairie Housing Finance Corporation

The bank balance of HFC at December 31, 2017, including restricted cash, totaled \$806,877 all of which was covered by FDIC insurance and collateral held by the depository institution in HFC's name. HFC's unrestricted cash and cash equivalents had a balance of \$708,108. Restricted cash of \$98,769 (tenant security deposits) represents cash held on deposit by HFC for insurance proceeds received for damages to federally funded assets. The liability is recorded until final disposition of the proceeds is requested by HUD. Other assets include reserves of \$109,126 and bonds held by a trustee of \$1,183,787 as a debt service reserve.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Investments

The City and the Sports Corporation categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted for identical assets or liabilities in active markets that a government can access at the measurement date.)
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has recurring fair value measurements as presented in the table below. The City's investment balances and weighted average maturity of such investments are as follows:

	September 30, 2018	Fair Value Measurements Using:			Weighted Average Maturity (Days)	Credit Risk
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Cash	\$ 10,071,394	\$ -	\$ -	\$ -		
Investments measured at amortized cost:						
Investment Pools:						
Texpool	24,424,476	-	-	-	1	AAAm
Investments measured at net asset value (NAV):						
Investment Pools:						
TexStar	38,481,113	-	-	-	1	AAAm
Investments by fair value level:						
U.S. government agency securities:						
US Treasuries	4,936,892	-	4,936,892	-	3	AAA
FAMCA	39,485,540	-	39,485,540	-	676	Not Rated
FFCB	52,651,530	-	52,651,530	-	328	AAA
FHLB	56,578,540	-	56,578,540	-	368	AAA
FHLMC	34,634,660	-	34,634,660	\$ -	472	AAA
FNMA	46,571,020	-	46,571,020	-	447	AAA
Total	\$ 307,835,165	\$ -	\$ 234,858,182	\$ -		

The amounts for TexStar and TexPool (pooled investments) are reported as cash equivalents in the Statement of Net Position.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

The *Texpool* investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pool transacts at a net asset value of \$1.00 per share, has weighted average maturities of sixty days or less and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities) and can meet reasonably foreseeable redemptions. *Texpool* has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The *TexStar* investment pool is an external investment pool measured at NAV. *TexStar's* strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pools. *TexStar* has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity.

U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investment Policy

The City is required by Government Code Chapter 2256, the Public Funds Investment Act (Act), to adopt, implement, and publicize an investment policy. That policy must be written, primarily to emphasize safety of principal and liquidity; address 1) investment diversification, yield, and maturity, and 2) the quality and capability of investment management; include a list of the types of authorized investments in which the investing entity's funds may be invested; and, the maximum allowable stated maturity of any individual investment owned by the entity.

The City Council has adopted investment policies (policies) which are in accordance with the laws of the State of Texas, where applicable. The policies identify authorized investments and investment terms, collateral requirements, safekeeping requirements for collateral and investments and certain investment practices.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establish appropriate polices. Authorized investments include obligations of the United States or its agencies and instrumentalities (except for mortgage pass-through securities), repurchase agreements, municipal securities, public funds investment pools, SEC regulated money market mutual funds and collateralized or insured certificates of deposit. The City adheres to the requirements of the Act. Additionally, investment practices of the City are in accordance with local policies.

City Of Grand Prairie, Texas
 Notes to the Basic Financial Statements
 September 30, 2018

The investment policies require that repurchase agreements be made pursuant to a master agreement, the collateral is a U. S. Treasury bill, note or bond; the security is held in safekeeping by the City's custodial agent; and the investment is transacted "delivery vs. payment" so that the City's interest in the underlying security is perfected. The City does not invest in reverse repurchase agreements. No City monies were invested in repurchase agreements at September 30, 2018.

Investment Risk

Interest rate risk – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investments portfolio to less than twelve months.

Credit risk – State law limits investments in commercial paper if the commercial paper is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state. The City's policy does not allow investments in commercial paper.

Concentration of credit risk – Investments shall be diversified to reduce the risk of loss resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities.

The asset mix of the City's portfolio is expressed in terms of maximum commitment so as to allow flexibility to take advantage of market conditions. The asset mix requirements are as follows:

	<u>% Maximum</u>
1. U.S. Treasury bills and notes	100
2. U.S. agency or instrumentality obligations (each type)	25 ^a
3. Repurchase agreements	20
4. Municipal securities (total)	40
5. Municipal securities (out-of-state)	20
6. Certificates of deposit (per institution)	20
7. Money market mutual fund	50 ^b
8. Public funds investment pool	50

^a Total agency investments limited to no more than 100% of the total portfolio.

^b State law allows up to 80% of monthly average fund balance, excluding bond proceeds. The City limits its exposure to 50% to reduce risk.

In addition, the City may invest in callable securities but shall limit the total amount to no more than 50% of the portfolio. The City did not invest in any securities different from the categories mentioned above during the 2017-2018 fiscal year.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Grand Prairie Sports Facilities Development

The Corp has recurring fair value measurements as presented in the table below. The Corp's investment balances and weighted average maturity of such investments are as follows:

	September 30, 2018	Fair Value Measurements Using			Weighted Average Maturity (Days)	Credit Risk
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Cash	\$ 397,926	\$ -	\$ -	\$ -		
Investments measured at amortized cost:						
Investment Pools:						
Texpool	1,661,925	-	-	-	1	AAAm
Investments by fair value level:						
U.S. government agency securities:						
US Treasuries	987,482	-	987,482	-	484	Not Rated
FFCB	2,971,544	-	2,971,544	-	579	AAA
FHLB	1,996,566	-	1,996,566	-	54	AAA
FNMA	3,455,428	-	3,455,427	-	367	AAA
Total	\$ 11,470,871	\$ -	\$ 9,411,019	\$ -		

The Sports Corporation is authorized to invest in obligations of the U.S. or its agencies and instrumentalities, certain repurchase agreements, municipal securities with a rating of at least A, collateralized or insured certificates of deposit, and SEC-registered, no-load money market mutual funds comprised of securities allowed under the Public Funds Investments Act and public funds investment pools. At year-end, all investments of the Sports Corporation were held by the Sports Corporation's agent in the Sports Corporation's name. The fair value of investments owned at September 30, 2018 was \$1,661,925 in the Public Funds Investment Pool (TexPool) and \$9,410,852 in U.S. agency instrumentalities.

B. Receivables

At September 30, 2018, receivables, including applicable allowances for uncollectible accounts, consisted of the following:

Governmental Activities	General	Grants	Debt Service	Nonmajor Governmental	Total Governmental
Receivables:					
Property taxes	\$ 2,131,222	\$ -	\$ 855,199	\$ -	\$ 2,986,421
Sales taxes	5,691,264	-	-	6,541,361	12,232,625
Franchise fees	2,595,603	-	-	67,086	2,662,689
Other	2,485,983	41,577	11,093	1,249,173	3,787,826
Total receivables, gross	12,904,072	41,577	866,292	7,857,620	21,669,561
Less:					
Allowance for uncollectibles	(976,725)	-	(341,926)	-	(1,318,651)
Total receivables, net	\$ 11,927,347	\$ 41,577	\$ 524,366	\$ 7,857,620	\$ 20,350,910
Business-Type Activities:	Water Wastewater	Solid Waste	Other Nonmajor	Total Business-Type	
Receivables:					
Trade accounts	\$ 10,205,840	\$ 1,745,387	\$ 925,791	\$ 12,877,018	
Less:					
Allowance for uncollectibles	(4,350,473)	(1,096,891)	(218,770)	(5,666,134)	
Total receivables, net	\$ 5,855,367	\$ 648,496	\$ 707,021	\$ 7,210,884	

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

C. Restricted Assets

At September 30, 2018, restricted assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 3,775,501	\$ 6,348,418	\$ 10,123,919
Investments	105,224,152	9,874,805	115,098,957
	<u>\$ 108,999,653</u>	<u>\$ 16,223,223</u>	<u>\$ 125,222,876</u>

Assets were restricted for the following purposes:

Purpose	Governmental Activities	Business-Type Activities	Total
Customer deposits	\$ 37,000	\$ 4,576,354	\$ 4,613,354
Debt service	5,997,807	7,641,214	13,639,021
Capital projects	48,705,428	4,005,655	52,711,083
Support services	13,613,483	-	13,613,483
Public safety	19,749,801	-	19,749,801
Recreation and leisure	10,526,452	-	10,526,452
Development services	9,961,907	-	9,961,907
Other specific purposes	407,775	-	407,775
Total restricted assets	<u>\$ 108,999,653</u>	<u>\$ 16,223,223</u>	<u>\$ 125,222,876</u>

D. Capital Assets

Capital asset activity for the year ended September 30, 2018 was as follows:

Governmental Activities	Balance October 1, 2017	Additions	Transfers/ Disposals/ Reclassification	Balance September 30, 2018
Non-depreciable capital assets:				
Land	\$ 45,603,692	\$ 952,817	\$ 17,185	\$ 46,573,694
Construction in progress	132,532,699	67,938,601	(37,225,080)	163,246,220
Total non-depreciable capital assets	178,136,391	68,891,418	(37,207,895)	209,819,914
Depreciable capital assets:				
Buildings	200,369,592	2,594,412	5,869,282	208,833,286
Equipment	103,522,189	11,627,219	8,426,940	123,576,348
Infrastructure	577,818,814	1,839,249	17,346,531	597,004,594
Total depreciable capital assets	881,710,595	16,060,880	31,642,753	929,414,228
Less accumulated depreciation for:				
Buildings	(71,749,780)	(6,714,599)	63,455	(78,400,924)
Equipment	(63,943,074)	(11,036,105)	4,461,311	(70,517,868)
Infrastructure	(308,946,286)	(24,637,255)	142,885	(333,440,656)
Total accumulated depreciation	(444,639,140)	(42,387,959)	4,667,651	(482,359,448)
Total depreciable capital assets, net	437,071,455	(26,327,079)	36,310,404	447,054,780
Total capital assets, net	<u>\$ 615,207,846</u>	<u>\$ 42,564,339</u>	<u>\$ (897,491)</u>	<u>\$ 656,874,694</u>

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Business-Type Activities	Balance October 1, 2017	Additions	Transfers/ Disposals/ Reclassification	Balance September 30, 2018
Non-depreciable capital assets:				
Land	\$ 4,476,296	\$ 107,781	\$ 132,934	\$ 4,717,011
Construction in progress	33,801,497	9,298,257	(18,605,925)	24,493,829
Total non-depreciable capital assets	38,277,793	9,406,038	(18,472,991)	29,210,840
Depreciable capital assets:				
Buildings	19,394,365	94,502	402,374	19,891,241
Equipment	37,000,558	2,759,947	(1,810,874)	37,949,631
Infrastructure	379,704,694	6,066,993	17,831,446	403,603,133
Total depreciable capital assets	436,099,617	8,921,442	16,422,946	461,444,005
Less accumulated depreciation for:				
Buildings	(8,287,264)	(622,606)	6,666	(8,903,204)
Equipment	(21,637,380)	(2,677,286)	1,446,355	(22,868,311)
Infrastructure	(211,517,636)	(14,422,423)	282,149	(225,657,910)
Total accumulated depreciation	(241,442,280)	(17,722,315)	1,735,170	(257,429,425)
Total depreciable capital assets, net	194,657,337	(8,800,873)	18,158,116	204,014,580
Total capital assets, net	\$ 232,935,130	\$ 605,165	\$ (314,875)	\$ 233,225,420

Depreciation expense was charged to governmental and business-type activities as follows:

Governmental activities:		Business-type activities:	
Support services	\$ 3,369,780	Water and wastewater	\$ 14,512,955
Public safety services	8,149,056	Solid waste	1,482,530
Recreation and leisure services	8,672,637		
Development services	22,061,339	Other business-type activities	1,726,830
Internal services funds (see note below)	135,147		
Total governmental activities	\$ 42,387,959	Total business-type activities	\$ 17,722,315

Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets.

At September 30, 2018, a summary of changes in capital assets of the Sports Corporation was as follows:

	Balance October 1, 2017	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance September 30, 2018
Equipment	\$ 310,078	\$ -	\$ -	\$ 310,078
Less accumulated depreciation	(310,078)	-	-	(310,078)
Total	\$ -	\$ -	\$ -	\$ -

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

At September 30, 2018, a summary of changes in capital assets of the Housing Finance Corporation was as follows:

	Balance January 1, 2017	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance December 31, 2017
Non-depreciable capital assets:				
Land	\$ 1,612,851	\$ -	\$ -	\$ 1,612,851
Total non-depreciable capital assets	1,612,851	-	-	1,612,851
Depreciable capital assets:				
Buildings	20,203,170	751,057	(369,831)	20,584,396
Less accumulated depreciation	(8,444,239)	(952,697)	369,831	(9,027,105)
Total depreciable capital assets, net	11,758,931	(201,640)	-	11,557,291
Housing Finance Corporation assets, net	<u>\$ 13,371,782</u>	<u>\$ (201,640)</u>	<u>\$ -</u>	<u>\$ 13,170,142</u>

E. Interfund Transactions

Interfund Receivables and Payables

Interfund receivables and payables are reported in the City's financial statements as due to/from other funds. At September 30, 2018, interfund balances existed between the Capital Lending Reserve Fund and the Park Venue CIP Fund for \$90,953, between the Capital Lending Reserve Fund and Epic CIP/Sales Tax Fund for \$3,493,636, and between the General Fund and Grants Fund for \$1,500,000. In May 2014, citizens approved a quarter-cent sales tax to construct The Epic Center. Through an interfund borrowing agreement approved by the City Council, funds were loaned to the Epic CIP Fund to begin planning for this project. A portion of the funds loaned remain outstanding at September 30, 2018.

Cost Reimbursements

The cost of the City's central general and administrative services is allocated to the designated special revenue and enterprise funds. These costs are reported as interfund services provided and used rather than interfund transfers. Interfund services provided and used are arms-length transactions between departments or funds that would be treated as revenues, expenditures or expenses if they were with an external organization. The distinguishing aspect of interfund services provided and used are that each department or fund both gives and receives consideration.

Cost reimbursements for general and administrative services (indirect costs) are recorded as general and administrative revenue in the City's General Fund. Indirect costs are recorded as general and administrative expenses in the funds receiving these services.

For the year ended September 30, 2018, cost reimbursements were as follows:

Fund	Amount
Water and wastewater funds	\$ 3,895,242
Solid waste funds	341,938
Storm water funds	75,412
Airport fund	69,140
Other nonmajor governmental funds	330,807
Total to general fund	<u><u>\$ 4,712,539</u></u>

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Franchise Fees

The City's enterprise funds, which use public right-of-way, pay franchise fees to the General Fund as if they were organizations separate from the City. These fees are not taxes, but are compensation to the City for the use of the City's right-of-way. These payments, 4% of gross revenues, are reported as interfund services provided and used rather than interfund transfers, and are reported as revenue (franchise fees) in the General Fund and expenses in the enterprise funds.

For the year ended September 30, 2018, franchise fees paid to the General Fund were as follows:

Fund	Amount
Water and wastewater funds	\$ 2,927,443
Solid waste funds	364,438
Storm water funds	275,062
Total	\$ 3,566,943

Interfund Transfers

Interfund transfers are made to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, 3) move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, and 4) make payments in lieu of property taxes.

Two of the City's enterprise funds, the Water and Wastewater Fund and the Solid Waste Fund, make payments in lieu of property taxes to the Street Maintenance Fund, which is a Nonmajor Governmental Fund to provide funding for street repairs. The payments are calculated by applying the City's property tax rate to the net book value of the enterprise funds' capital assets. Since the calculation methodology is not the same as that applied to similar activities in the private sector in several respects, these payments are recorded as transfers in/out rather than as operating revenues/expenses.

At September 30, 2018, transfers between the City's governmental activities and the City's business-type activities consisted of the following:

Transfers out	Transfers In					
	General Fund	Section 8 Fund	Streets CIP Fund	Grants Fund	Debt Service Fund	Epic CIP Fund
General Fund	\$ -	\$ 33,812	\$ -	\$ 796,144	\$ -	\$ -
Section 8 Fund	-	-	-	-	50,000	-
Streets CIP Fund	-	-	-	2,662,296	-	-
Grants Fund	-	-	1,480,000	-	-	-
Debt Service Fund	-	-	-	-	-	-
Nonmajor Governmental Funds	-	-	-	578,670	-	3,700,000
Internal Service Funds	-	-	-	-	-	-
Water & Wastewater Fund	-	-	-	-	-	-
Solid Waste Fund	-	-	-	-	-	-
Nonmajor Enterprise Funds	-	-	-	-	-	-
Total	\$ -	\$ 33,812	\$ 1,480,000	\$ 4,037,110	\$ 50,000	\$ 3,700,000

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Transfers out	Transfers In					Total
	Nonmajor Governmental Funds	Water Wastewater Fund	Solid Waste Fund	Other Nonmajor Enterprise Funds	Internal Service Fund	
General Fund	\$ 9,018,574	\$ -	\$ -	\$ -	\$ 257,621	\$ 10,106,151
Section 8 Fund	-	-	-	-	-	50,000
Streets CIP Fund	-	-	-	-	-	2,662,296
Grants Fund	51,226	-	-	-	-	1,531,226
Debt Service Fund	-	-	-	224,116	-	224,116
Nonmajor Governmental Funds	10,357,234	143,008	-	430,000	-	15,208,912
Internal Service Funds	75,194	-	-	-	-	75,194
Water & Wastewater Fund	1,356,253	-	-	-	30,669	1,386,922
Solid Waste Fund	295,911	-	-	-	11,710	307,621
Nonmajor Enterprise Funds	5,375,000	-	-	-	-	5,375,000
Total	\$ 26,529,392	\$ 143,008	\$ -	\$ 654,116	\$ 300,000	\$ 36,927,438

From Governmental Activities to Business-Type Activities:

- \$16,000 from PID Fund to Water and Wastewater Fund for capital project funding
- \$430,000 from Park Venue Sales Tax Fund to Municipal golf Fund for fiscal operations

From Business-Type Activities to Governmental Activities:

- \$200,000 from Solid Waste Fund to Street Maintenance Fund for payments in lieu of property taxes
- \$5,327,000 from Storm Water Utility Fund to Storm Drainage CIP Fund for capital project funding
- \$200,000 from Solid Waste to Street Maintenance Fund for capital project funding
- \$150,000 from Water and Wastewater Fund to IT Acquisition Fund for technology services
- \$48,000 from Airport Fund to Capital Lending Reserve for repayment of inter fund loan
- \$11,710 from Solid Waste Fund to Risk Management Fund for fiscal operations
- \$30,669 from Water and Wastewater Fund to Risk Management Fund for operations

Other significant transfers made between governmental funds included the following:

- \$6,568,574 General to Park Venue, along with other sources, for fiscal operations
- \$3,700,000 from Epic Sales Tax Fund to Epic CIP for capital project funding
- \$950,000 from General to IT & Equipment Acquisition funds (annual appropriation)
- \$796,144 from General to Grants to fund matching requirements related to operating grants
- \$257,621 from General to Risk Management for fiscal operations
- \$1,500,000 from General to Fleet Services funds for maintenance and equipment
- \$2,462,600 from Park Venue to Park Capital Fund for improvements to infrastructure and equipment at city wide parks
- \$450,000 from Lake Parks to Lake Parks CIP for improvements to park amenities
- \$2,000,000 from Municipal Facilities CIP to Parks CIP to replace and improve aging infrastructure
- \$600,000 from Capital Reserve and Capital & Lending Funds to Municipal Facilities for building improvements & equipment

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

F. Deferred Outflows/Inflows of Resources

Deferred Inflows of Resources - Unavailable Revenue

The governmental funds report unavailable revenues from the following sources:

	General Fund	Debt Service Fund	Total
Property taxes	\$ 1,141,088	\$ 461,991	\$ 1,603,079
Ambulance	685,988	-	685,988
Total	\$ 1,827,076	\$ 461,991	\$ 2,289,067

In the government-wide Statement of Activities, these amounts were reported as revenue in the period in which they were earned.

G. Unearned Revenue

Unearned revenue is a liability for resources obtained prior to revenue recognition. Below is a summary of the City's unearned revenue as of September 30, 2018.

	Governmental Activities	Business-Type Activities	Total
Prepaid pipeline lease	\$ 1,042,432	\$ 146,438	\$ 1,188,870
Prepaid arrangements - Cemetery Fund	1,364,431	-	1,364,431
Unspent grant funds - Texas Water Development Board	-	905,606	905,606
Prepaid rental deposits - Parks	155,666	-	155,666
Park Venue Fund deposits on events to be held	23,832	-	23,832
Unspent program revenue - CDBG Program	290,247	-	290,247
Total unearned revenue	\$ 2,876,608	\$ 1,052,044	\$ 3,928,652

H. Long-Term Obligations

Compensated Absences and Postemployment Benefits

Governmental activities record liabilities for compensated absences and retiree postemployment costs at the government-wide financial statement level. Generally, these liabilities are paid from the General Fund. Liabilities for business-type activities are recorded and liquidated in the fund that incurs the liability.

Long-Term Debt

Governmental Activities

Long-term debt in the governmental activities column of the government-wide Statement of Net Position consists of general obligation bonds (including refunding), certificates of obligation bonds, sales tax revenue bonds, and unamortized bond premium/discounts. The certificates of obligation bonds include bonds issued in 2010 for Tax Increment Financing Zones No. 2 project.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

General obligation bonds and certificates of obligation provide funds for the acquisition and construction of capital equipment and facilities. General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General obligation bonds and certificates of obligation require the City to compute, at the time other taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity.

Below is a summary of the changes in noncurrent liabilities of the City's primary government and component units:

	Balance October 1, 2017	Borrowings or Increase	Payments or Decrease	Balance September 30, 2018	Due Within One Year
Primary government:					
Governmental activities:					
General obligation bonds	\$ 79,130,000	\$ -	\$ (8,920,000)	\$ 70,210,000	\$ 9,390,000
Combination tax and revenue certificates of obligation	112,070,000	36,515,000	(6,810,000)	141,775,000	9,730,000
Tax increment and public district bonds	14,315,000	-	(3,160,000)	11,155,000	3,275,000
Sales tax revenue bonds - Epic	74,825,000	-	-	74,825,000	2,110,000
Sales tax revenue bonds - Crime	24,770,000	-	(4,240,000)	20,530,000	4,650,000
Sales tax revenue bonds - Park Venue	24,330,000	-	(1,875,000)	22,455,000	1,930,000
Issuance premiums/discounts, net	18,506,293	3,713,550	(1,518,598)	20,701,245	-
Total long-term debt	347,946,293	40,228,550	(26,523,598)	361,651,245	31,085,000
Compensated absences	17,345,505	8,528,323	(7,788,172)	18,085,656	8,292,305
Other post employment benefits	56,350,253	4,184,577	(6,788,429)	53,746,401	-
Pension liability	72,615,231	52,294,534	(78,864,723)	46,045,042	-
Environmental remediation liability	182,709	49,040	(173,374)	58,375	58,375
Other liabilities	1,460,919	-	-	1,460,919	160,776
Total governmental activities	495,900,910	105,285,024	(120,138,296)	481,047,638	39,596,456
Business-type activities:					
Certificates of obligation	1,180,000	-	(145,000)	1,035,000	150,000
Water and wastewater revenue bonds	56,490,000	2,755,000	(4,810,000)	54,435,000	4,940,000
Obligations under capital leases	956,022	-	(625,893)	330,129	330,129
Issuance premiums/discounts, net	3,505,394	509,039	-	4,014,433	-
Total long-term debt	62,131,416	3,264,039	(5,580,893)	59,814,562	5,420,129
Compensated absences	487,664	463,394	(487,664)	463,394	373,856
Other post employment benefits	5,971,887	443,574	(718,221)	5,697,240	-
Pension liability	8,132,502	5,543,338	(8,794,963)	4,880,877	-
Closure and post closure liability	7,464,921	474,336	-	7,939,257	-
Total business-type activities	84,188,390	10,188,681	(15,581,741)	78,795,330	5,793,985
Total primary government	\$ 580,089,300	\$ 115,473,705	\$ (135,720,037)	\$ 559,842,968	\$ 45,390,441
Component unit activities:					
Housing Finance Corporation:					
Notes payable	\$ 3,570,958	\$ 41,220	\$ (55,062)	\$ 3,557,116	\$ 58,011
Revenue bonds	7,615,000	-	(220,000)	7,395,000	235,000
Subordinate revenue bonds	4,550,000	-	-	4,550,000	-
Total component units	\$ 15,735,958	\$ 41,220	\$ (275,062)	\$ 15,502,116	\$ 293,011

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

At September 30, 2018, long-term debt for the City's governmental activities consisted of the following:

	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
General obligation bonds:					
Series 2008	4.0-5.5	2009	2029	\$ 8,985,000	\$ -
Series 2010	2.0-4.25	2010	2030	5,480,000	250,000
Series 2011	2.0-5.3	2011	2031	11,550,000	5,040,000
Series 2011A	2.0-5.0	2011	2025	30,960,000	14,520,000
Series 2012	1.0-2.0	2012	2026	27,400,000	5,355,000
Series 2013	1.5-3.25	2013	2033	10,975,000	4,230,000
Series 2013A	3.0-4.125	2014	2034	2,220,000	1,890,000
Series 2015	1.75-5.0	2016	2027	10,270,000	8,620,000
Series 2016	3.0-5.0	2016	2030	33,810,000	<u>30,305,000</u>
Total general obligation bonds					70,210,000
Combination tax and revenue certificates of obligation					
Series 2008A	4.0-5.50	2009	2029	13,185,000	-
Series 2010	2.0-4.25	2010	2030	590,000	25,000
Series 2011	2.0-5.3	2011	2031	6,305,000	4,640,000
Series 2011A	2.0-4.0	2011	2031	7,430,000	5,500,000
Series 2013	2.0-3.25	2013	2033	8,830,000	7,100,000
Series 2013A	2.0-4.125	2014	2034	11,945,000	10,215,000
Series 2014	3.0-5.0	2015	2034	26,125,000	20,890,000
Series 2015	2.0-5.0	2016	2035	27,380,000	24,985,000
Series 2016	2.0-4.0	2016	2036	33,705,000	31,905,000
Series 2017	2.25-5.0	2017	2037	36,515,000	<u>36,515,000</u>
Total combination tax and revenue certificates of obligation					141,775,000
Tax increment and public improvement district debt					
Series 2001 TIRZ 1	3 month LIBOR + .31%	2000	2022	17,900,000	5,910,000
Series 2008A TIRZ 1	4.0-5.50	2008	2021	10,550,000	-
Series 2008A PID 1	4.0-5.50	2008	2019	1,500,000	-
Series 2011 TIRZ 1	2.0-5.3	2011	2020	655,000	160,000
Series 2013 TIRZ 1	2.0-3.25	2013	2020	2,820,000	855,000
Series 2015 TIRZ 1	1.750-5.0	2016	2027	895,000	440,000
Series 2015 PID 5	2.0-5.0	2016	2035	640,000	515,000
Series 2016 TIRZ 1	3.0-5.0	2016	2030	3,135,000	3,095,000
Series 2016 PID	3.0-5.0	2016	2030	180,000	<u>180,000</u>
Total tax increment and public improvement district debt					11,155,000
Sales tax revenue debt					
Series 2008 Crime Control	6mo LIBOR*62.075+1.07	2008	2022	54,800,000	<u>20,530,000</u>
Total Crime Control					20,530,000
Series 2009 Park Venue subordinate	3.77	2009	2027	13,390,000	8,760,000
Series 2013 Park Venue	2.0-4.0	2013	2027	11,060,000	7,225,000
Series 2016 Park Venue	2.0-4.0	2016	2036	6,730,000	<u>6,470,000</u>
Total Park Venue					22,455,000
Sales tax revenue debt					
Series 2015 EPIC	3.721-5.032	2015	2040	74,825,000	<u>74,825,000</u>
Total EPIC					<u>74,825,000</u>
Total general obligation debt					340,950,000
Unamortized bond premiums/discounts					<u>20,701,245</u>
Total long-term debt - governmental activities					<u>\$ 361,651,245</u>

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

At September 30, 2018, changes in long-term debt for the City's governmental activities were as follows:

	Balance October 1, 2017	Borrowings or Increase	Payments or Decrease	Balance September 30, 2018	Due Within One Year
General obligation bonds:					
Series 2008	\$ 395,000	\$ -	\$ (395,000)	\$ -	\$ -
Series 2010	490,000	-	(240,000)	250,000	250,000
Series 2011	5,720,000	-	(680,000)	5,040,000	700,000
Series 2011A	17,260,000	-	(2,740,000)	14,520,000	2,675,000
Series 2012	5,950,000	-	(595,000)	5,355,000	610,000
Series 2013	4,790,000	-	(560,000)	4,230,000	460,000
Series 2013A	1,975,000	-	(85,000)	1,890,000	90,000
Series 2015	9,365,000	-	(745,000)	8,620,000	765,000
Series 2016	33,185,000	-	(2,880,000)	30,305,000	3,840,000
Total general obligation bonds	79,130,000	-	(8,920,000)	70,210,000	9,390,000
Combination tax and revenue certificates of obligation					
Series 2008A	525,000	-	(525,000)	-	-
Series 2010	50,000	-	(25,000)	25,000	25,000
Series 2011	4,895,000	-	(255,000)	4,640,000	265,000
Series 2011A	5,840,000	-	(340,000)	5,500,000	345,000
Series 2013	7,475,000	-	(375,000)	7,100,000	385,000
Series 2013A	10,660,000	-	(445,000)	10,215,000	460,000
Series 2014	22,725,000	-	(1,835,000)	20,890,000	1,925,000
Series 2015	26,195,000	-	(1,210,000)	24,985,000	1,240,000
Series 2016	33,705,000	-	(1,800,000)	31,905,000	1,845,000
Series 2017	-	36,515,000	-	36,515,000	3,240,000
Total combination tax and revenue certificates of obligation	112,070,000	36,515,000	(6,810,000)	141,775,000	9,730,000
Tax increment and public improvement district debt					
Series 2001 TIRZ 1	7,150,000	-	(1,240,000)	5,910,000	1,330,000
Series 2008A TIRZ 1	970,000	-	(970,000)	-	-
Series 2008A PID 1	175,000	-	(175,000)	-	-
Series 2011 TIRZ 1	235,000	-	(75,000)	160,000	80,000
Series 2013 TIRZ 1	1,270,000	-	(415,000)	855,000	420,000
Series 2015 TIRZ 1	660,000	-	(220,000)	440,000	215,000
Series 2015 PID 5	580,000	-	(65,000)	515,000	65,000
Series 2016 - TIRZ 1	3,095,000	-	-	3,095,000	985,000
Series 2016 - PID	180,000	-	-	180,000	180,000
improvement district debt	14,315,000	-	(3,160,000)	11,155,000	3,275,000
Sales tax revenue debt:					
Crime Control					
Series 2008	24,770,000	-	(4,240,000)	20,530,000	4,650,000
Total Crime Control	24,770,000	-	(4,240,000)	20,530,000	4,650,000
Park Venue					
Series 2009 subordinate	9,715,000	-	(955,000)	8,760,000	990,000
Series 2013	7,885,000	-	(660,000)	7,225,000	675,000
Series 2016 Park Venue	6,730,000	-	(260,000)	6,470,000	265,000
Total Park Venue	24,330,000	-	(1,875,000)	22,455,000	1,930,000
EPIC					
Series 2015 EPIC	74,825,000	-	-	74,825,000	2,110,000
Total EPIC	74,825,000	-	-	74,825,000	2,110,000
Total change in long term debt	329,440,000	36,515,000	(25,005,000)	340,950,000	31,085,000
Unamortized bond premiums/discounts	18,506,293	3,713,550	(1,518,598)	20,701,245	-
Total change in long-term debt - governmental activities	\$ 347,946,293	\$ 40,228,550	\$ (26,523,598)	\$ 361,651,245	\$ 31,085,000

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

On October 17, 2017, the City issued \$36,515,000 in Combination Tax and Revenue Certificates, Series 2017. The proceeds were used to fund public safety, library, street, and other City structure improvements.

Outstanding Bond Debt Defeasement

At September 30, 2018, certain outstanding debt of the city was considered to be defeased. The following table details such outstanding defeased debt:

Type of Obligation	Defeased Debt Outstanding
Certificates of obligation	\$ 1,515,000
General obligation refunding bonds	3,060,000
Total debt defeasement	\$ 4,575,000

At September 30, 2018, the aggregate debt service payments for long-term debt through the final year of maturity for the City's governmental activities were as follows:

Fiscal Year	General Obligation Bonds			Certificates of Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 9,390,000	\$ 2,667,395	\$ 12,057,395	\$ 9,730,000	\$ 5,322,799	\$ 15,052,799
2020	8,595,000	2,329,201	10,924,201	10,065,000	4,971,286	15,036,286
2021	8,445,000	1,984,073	10,429,073	10,445,000	4,590,386	15,035,386
2022	8,140,000	1,664,626	9,804,626	10,210,000	4,185,261	14,395,261
2023	6,905,000	1,383,801	8,288,801	10,320,000	3,768,918	14,088,918
2024	6,545,000	1,123,383	7,668,383	10,710,000	3,378,836	14,088,836
2025	5,595,000	875,726	6,470,726	6,470,000	3,056,614	9,526,614
2026	5,250,000	638,414	5,888,414	6,340,000	2,804,603	9,144,603
2027	4,735,000	405,508	5,140,508	6,580,000	2,553,668	9,133,668
2028	2,315,000	234,408	2,549,408	6,855,000	2,289,250	9,144,250
2029	2,205,000	126,660	2,331,660	7,115,000	2,018,478	9,133,478
2030	770,000	61,303	831,303	7,405,000	1,728,071	9,133,071
2031	405,000	40,956	445,956	7,710,000	1,431,049	9,141,049
2032	375,000	26,856	401,856	6,960,000	1,159,273	8,119,273
2033	385,000	13,306	398,306	7,235,000	884,309	8,119,309
2034	155,000	3,197	158,197	6,940,000	590,959	7,530,959
2035	-	-	-	5,425,000	328,050	5,753,050
2036	-	-	-	3,730,000	135,800	3,865,800
2037	-	-	-	1,530,000	30,600	1,560,600
	<u>\$ 70,210,000</u>	<u>\$ 13,578,813</u>	<u>\$ 83,788,813</u>	<u>\$ 141,775,000</u>	<u>\$ 45,228,210</u>	<u>\$ 187,003,210</u>
Fiscal Year	Tax and Tax Increment Bonds (TIFs)			Sales Tax Revenue Bonds-Crime Control		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 3,275,000	\$ 957,720	\$ 4,232,720	\$ 4,650,000	\$ 666,521	\$ 5,316,521
2020	3,260,000	685,153	3,945,153	5,085,000	523,818	5,608,818
2021	2,675,000	400,012	3,075,012	5,550,000	362,321	5,912,321
2022	1,710,000	133,833	1,843,833	5,245,000	188,894	5,433,894
2023	75,000	7,950	82,950	-	-	-
2024	80,000	5,600	85,600	-	-	-
2025	80,000	2,000	82,000	-	-	-
	<u>\$ 11,155,000</u>	<u>\$ 2,192,268</u>	<u>\$ 13,347,268</u>	<u>\$ 20,530,000</u>	<u>\$ 1,741,554</u>	<u>\$ 22,271,554</u>

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Fiscal Year	Sales Tax Revenue Bonds-Park Venue			Sales Tax Revenue Bonds-EPIC		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 1,930,000	\$ 762,178	\$ 2,692,178	\$ 2,110,000	\$ 3,353,062	\$ 5,463,062
2020	1,990,000	701,651	2,691,651	2,195,000	3,266,962	5,461,962
2021	2,050,000	637,855	2,687,855	2,285,000	3,177,362	5,462,362
2022	2,120,000	571,674	2,691,674	2,375,000	3,084,162	5,459,162
2023	2,190,000	499,449	2,689,449	2,475,000	2,987,162	5,462,162
2024	2,270,000	418,804	2,688,804	2,575,000	2,886,162	5,461,162
2025	2,360,000	331,134	2,691,134	2,680,000	2,781,062	5,461,062
2026	2,450,000	240,997	2,690,997	2,785,000	2,675,647	5,460,647
2027	1,170,000	172,548	1,342,548	2,895,000	2,567,509	5,462,509
2028	370,000	142,438	512,438	3,010,000	2,449,919	5,459,919
2029	385,000	127,338	512,338	3,140,000	2,323,165	5,463,165
2030	400,000	111,638	511,638	3,275,000	2,187,743	5,462,743
2031	420,000	95,238	515,238	3,425,000	2,035,914	5,460,914
2032	435,000	78,138	513,138	3,590,000	1,868,185	5,458,185
2033	455,000	60,338	515,338	3,770,000	1,692,208	5,462,208
2034	470,000	43,600	513,600	3,955,000	1,507,503	5,462,503
2035	485,000	28,081	513,081	4,145,000	1,313,832	5,458,832
2036	505,000	10,100	515,100	4,355,000	1,105,153	5,460,153
2037	-	-	-	4,580,000	880,348	5,460,348
2038	-	-	-	4,815,000	643,970	5,458,970
2039	-	-	-	5,065,000	395,389	5,460,389
2040	-	-	-	5,325,000	133,977	5,458,977
	<u>\$ 22,455,000</u>	<u>\$ 5,033,199</u>	<u>\$ 27,488,199</u>	<u>\$ 74,825,000</u>	<u>\$ 45,316,396</u>	<u>\$ 120,141,396</u>

Fiscal Year	Total		
	Principal	Interest	Total
2019	\$ 31,085,000	\$ 13,729,675	\$ 44,814,675
2020	31,190,000	12,478,071	43,668,071
2021	31,450,000	11,152,009	42,602,009
2022	29,800,000	9,828,450	39,628,450
2023	21,965,000	8,647,280	30,612,280
2024	22,180,000	7,812,785	29,992,785
2025	17,185,000	7,046,536	24,231,536
2026	16,825,000	6,359,661	23,184,661
2027	15,380,000	5,699,233	21,079,233
2028	12,550,000	5,116,015	17,666,015
2029	12,845,000	4,595,641	17,440,641
2030	11,850,000	4,088,755	15,938,755
2031	11,960,000	3,603,157	15,563,157
2032	11,360,000	3,132,452	14,492,452
2033	11,845,000	2,650,161	14,495,161
2034	11,520,000	2,145,259	13,665,259
2035	10,055,000	1,669,963	11,724,963
2036	8,590,000	1,145,853	9,735,853
2037	6,110,000	880,348	6,990,348
2038	4,815,000	643,970	5,458,970
2039	5,065,000	395,389	5,460,389
2040	5,325,000	133,977	5,458,977
	<u>\$ 340,950,000</u>	<u>\$ 112,954,640</u>	<u>\$ 453,904,640</u>

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Business-Type Activities

Long-term debt in the business-type activities column of the government-wide Statement of Net Position consists of general obligation refunding bonds, water and wastewater system revenue bonds, certificates of obligation bonds, and unamortized bond premiums/discounts. Bonds issued for business-type activities are secured by a pledge of the property tax levy of the City, but are self-supporting obligations which are paid from the respective net revenues of each activity. Bond proceeds are used to fund additions and improvements to the City's water and wastewater system, solid waste system, municipal golf courses, and municipal airport.

At September 30, 2018, long-term debt for the City's business-type activities consisted of the following:

	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
Water and wastewater:					
Revenue bonds					
Series 2008	3.5-5.50	2009	2029	\$ 4,940,000	\$ -
Series 2010	0.0-2.587	2010	2030	4,995,000	3,345,000
Series 2011	2.0-4.25	2011	2031	8,940,000	2,805,000
Series 2011A	2.0-5.0	2011	2031	11,020,000	6,655,000
Series 2013	2.0-4.0	2013	2026	14,045,000	10,150,000
Series 2013A	0.0-0.31	2013	2019	1,805,000	305,000
Series 2014	0.0-1.990	2014	2030	4,000,000	3,040,000
Series 2015	2.25-4.0	2015	2027	4,155,000	3,595,000
Series 2016	2.0-5.0	2016	2036	17,625,000	17,065,000
Series 2017	0.0-0.8	2017	2030	5,110,000	4,720,000
Series 2017A	2.0-4.0	2017	2036	2,755,000	2,755,000
Total bonds payable - water wastewater					54,435,000
Unamortized bond premiums/discounts					4,014,433
Total long-term debt - water wastewater					58,449,433
Municipal airport:					
Certificates of obligation bonds					
Series 2004A	2.25-5.0	2004	2024	2,120,000	1,035,000
Solid waste					
Obligations under capital lease					
D8T tractor	2.99	2016	2018	772,839	330,129
Landfill compactor	2.99	2016	2018	1,034,539	-
Total obligations under capital lease					330,129
Total long-term debt - business-type activities					\$ 59,814,562

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

At September 30, 2018, changes in long-term debt for the City's business-type activities were as follows:

	Balance October 1, 2017	Borrowings or Increase	Payments or Decrease	Balance September 30, 2018	Due Within One Year
Water and wastewater:					
Revenue bonds					
Series 2008	\$ 215,000	\$ -	\$ (215,000)	\$ -	\$ -
Series 2010	3,575,000	-	(230,000)	3,345,000	235,000
Series 2011	3,620,000	-	(815,000)	2,805,000	840,000
Series 2011A	7,370,000	-	(715,000)	6,655,000	750,000
Series 2013	11,250,000	-	(1,100,000)	10,150,000	1,260,000
Series 2013A	605,000	-	(300,000)	305,000	305,000
Series 2014	3,280,000	-	(240,000)	3,040,000	240,000
Series 2015	3,840,000	-	(245,000)	3,595,000	120,000
Series 2016	17,625,000	-	(560,000)	17,065,000	800,000
Series 2017	5,110,000	-	(390,000)	4,720,000	390,000
Series 2017A	-	2,755,000	-	2,755,000	-
Total revenue bonds	56,490,000	2,755,000	(4,810,000)	54,435,000	4,940,000
Bond premiums/discounts	3,505,394	509,039	-	4,014,433	-
Total water and wastewater	59,995,394	3,264,039	(4,810,000)	58,449,433	4,940,000
Municipal airport:					
Certificate of obligation					
Series 2004A	1,180,000	-	(145,000)	1,035,000	150,000
Total municipal airport	1,180,000	-	(145,000)	1,035,000	150,000
Solid waste:					
Obligations under capital lease					
D8T tractor	543,361	-	(213,232)	330,129	330,129
Landfill compactor	412,661	-	(412,661)	-	-
Total general obligation bonds	956,022	-	(625,893)	330,129	330,129
Total solid waste	956,022	-	(625,893)	330,129	330,129
Total change in long-term debt - business-type activities	\$ 62,131,416	\$ 3,264,039	\$ (5,580,893)	\$ 59,814,562	\$ 5,420,129

On October 17, 2017, the City issued \$2,755,000 in Water and Wastewater System Revenue Refunding Bonds, Series 2017A. The proceeds were used to improve the Water and Wastewater system and to pay the costs associated with the issuance of the bonds.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

At September 30, 2018, the aggregate debt service payments for long-term debt through the final year of maturity for the City's water and wastewater system were as follows:

Fiscal Year	Water and Wastewater System Revenue Bonds		
	Principal	Interest	Total
2019	\$ 4,940,000	\$ 1,604,918	\$ 6,544,918
2020	5,075,000	1,468,997	6,543,997
2021	5,220,000	1,324,107	6,544,107
2022	5,365,000	1,178,577	6,543,577
2023	5,480,000	1,027,404	6,507,404
2024	5,535,000	857,772	6,392,772
2025	4,995,000	684,274	5,679,274
2026	4,005,000	528,159	4,533,159
2027	3,760,000	393,944	4,153,944
2028	2,170,000	301,004	2,471,004
2029	2,235,000	236,534	2,471,534
2030	1,900,000	176,802	2,076,802
2031	935,000	131,500	1,066,500
2032	690,000	99,000	789,000
2033	720,000	70,800	790,800
2034	450,000	47,400	497,400
2035	470,000	29,000	499,000
2036	490,000	9,800	499,800
Total	\$ 54,435,000	\$ 10,169,992	\$ 64,604,992

At September 30, 2018, long-term debt is being repaid solely from airport revenues. Aggregate debt service payments for long-term debt through the final year of maturity for the City's municipal airport were as follows:

Fiscal Year	Certificates of Obligation		
	Principal	Interest	Total
2019	\$ 150,000	\$ 46,979	\$ 196,979
2020	160,000	39,710	199,710
2021	170,000	31,830	201,830
2022	175,000	23,375	198,375
2023	185,000	14,375	199,375
2024	195,000	4,875	199,875
Total	\$ 1,035,000	\$ 161,144	\$ 1,196,144

Capital Lease Obligations – Solid Waste

The City entered into two capital lease agreements in July 2016 for the purchase of a D8T tractor and a landfill compactor. The leased property under the capital lease is classified as equipment with the total capitalized cost of \$1,807,378 and an amortized values of approximately \$1,385,656 at September 30, 2018. Amortization expense has been include in depreciation expense for the year ended September 30, 2018.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

The following is a schedule of future minimum payments under the capital leases together with the present value of the net minimum lease payments as of September 30, 2018.

Year Ending September 30,		
2019	\$	340,000
Less amount representing interest		9,871
	\$	330,129

Water and Wastewater System Debt Service Coverage

The following covenants are included in various water and wastewater system revenue bond indenture ordinances:

- Net revenues (defined as gross revenues less expenses of operation and maintenance) are pledged for the payment of bond principal and interest.
- Additional water and wastewater system revenue bonds cannot be issued unless the “net earnings” (defined as gross revenues after deducting the expenses of operation and maintenance, excluding depreciation and certain other items specified in the ordinances) of the system for twelve consecutive months out of the fifteen months prior to the date of such bonds is equal to at least 1.25 times the average annual requirements for the payment of principal and interest on the then-outstanding bonds and any additional bonds then proposed to be issued.
- All revenues derived from the operations must be kept separate from other funds of the City.
- The amount required to meet interest and principal payments falling due on or before the next maturity dates of the bonds is to be paid into the water and wastewater system interest and redemption account during each year.

At September 30, 2018, compliance with these covenants can be demonstrated as follows:

System revenue ⁽¹⁾	\$	80,173,357
Operating expenses:		
Water purchased		16,917,148
Sewage disposal contract		15,577,535
Other operating expenses		23,953,483
Total expenses ⁽²⁾		56,448,166
Net revenue (available for debt service)	\$	23,725,191
Average annual principal and interest requirements, all water and wastewater revenue bonds at September 30, 2018	\$	3,589,166
Coverage of average annual requirements based on September 30, 2018 revenue available for debt service		6.61

(1) Includes operating revenues, plus investment income and impact fees

(2) Excludes depreciation expense.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Grand Prairie Housing Finance Corporation

The GPHFC has a general obligation note payable to a bank which was used to construct the Cotton Creek and Willow Tree Learning Center. The note bears a rate of 4.25% and is payable in equal monthly installments of \$12,438 through September 21, 2040.

In December, 2003, the HFC issued Independent Senior Living Center Revenue Bonds for \$13,890,000 to finance the construction and operations of its planned Senior Living Center facility. The bonds bear interest rates from 7.5% to 7.75% depending on longevity. Beginning January 1, 2014, semi-annual retirements of the Bonds began and continues through January 1, 2034. The bonds are non-recourse liabilities collateralized solely by the land and construction in progress, less the accrued interest.

A summary of long-term debt activity during the year ended December 31, 2017 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Note payable	\$ 2,228,945	\$ -	\$ (55,602)	\$ 2,173,343	\$ 58,011
Revenue bonds	7,615,000	-	(220,000)	7,395,000	235,000
Subordinate bonds	4,550,000	-	-	4,550,000	-
Developer loan	1,342,013	41,760	-	1,383,773	-
Total	\$ 15,735,958	\$ 41,760	\$ (275,602)	\$ 15,502,116	\$ 293,011

Effective July 1, 2010 the bonds of the Senior Living Center were reissued in two series: \$8,630,000 in Priority Lien Revenue Bonds and \$4,550,000 in Subordinate Lien Revenue Bonds.

Future maturities of the debt are as follows:

Year Ending December 31,	Note Payable		Revenue Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 58,011	\$ 91,246	\$ 235,000	\$ 567,978
2019	60,525	88,732	255,000	549,488
2020	63,148	86,109	265,000	529,838
2021	65,885	83,372	295,000	508,981
2022	68,740	80,517	315,000	485,731
2023-2027	391,052	355,231	2,005,000	2,011,319
2028-2032	483,458	262,825	2,925,000	1,084,225
2033-2037	597,700	148,582	1,100,000	85,444
2038-2040	384,824	34,056	-	-
Total	\$ 2,173,343	\$ 1,230,670	\$ 7,395,000	\$ 5,823,004

The Subordinate Lien Revenue Bonds are not scheduled above as their payments are contingent upon cash flow and payment amounts and periods are uncertain.

Leases

Grand Prairie Sports Facilities Development (Sports Corporation) – A Component Unit

On September 15, 1995, the Sports Corporation and LSJC entered into a lease agreement. On October 23, 2002, Lone Star, LSJC, and MEC Lone Star, L.P. (MEC) entered into an asset purchase agreement whereby MEC agreed to purchase substantially all of the racing assets of Lone Star and LSJC. The Master Agreement between the Sports Corporation, Lone Star, and LSJC was terminated. Lone Star and LSJC assigned to MEC all of their rights and obligations under the lease and certain ancillary agreements with the Sports Corporation.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

On March 5, 2009, Magna Entertainment Corporation, the parent company of MEC, filed for bankruptcy under Chapter 11 federal bankruptcy protection. Subsequently, on September 14, 2009, Lone Star filed for bankruptcy protection.

On October 23, 2009, an auction for Lone Star was conducted with Global Gaming LSP, LLC (a wholly owned subsidiary of the Chickasaw Nation) winning the auction for \$47 million.

On May 13, 2011, Global Gaming obtained their license with the Texas Racing Commission. The sale was completed on May 16, 2011. Under the terms of the purchase agreement, Global Gaming has agreed to assume the lease agreement between Lone Star and the Sports Corporation.

The agreement states that upon completion of the project, Global Gaming will lease the facility for a period of thirty years. The lease became effective April 1997 and meets the requirements for accounting as a direct financing lease.

The future base rent payments under the lease are as follows:

Year	Amount
2019	\$ 1,756,920
2020	1,756,920
2021	1,756,920
2022	1,888,689
2023	1,932,612
Thereafter	<u>6,989,613</u>
	16,081,674
Less interest	<u>4,530,908</u>
Net present value	11,550,766
Less current portion	<u>876,012</u>
Non-current portion	<u><u>\$ 10,674,754</u></u>

Additional contingent rentals are due monthly based upon 1% of gross revenues from the operation of the track for each month plus an amount equal to the cumulative net retainage from the live races and the simulcast races multiplied by the following percentage:

Cumulative Net Retainages	Percentage
\$0 to less than \$20 million	1%
\$20 million to less than \$40 million	3%
\$40 million to less than \$60 million	5%
\$60 million or more	7%

The lease has been accounted for as a capital lease. However, only the base rent payments are determinable and are included in the lease payments receivable at the net present value of future rent payments. The remaining portion of the Facility is recorded as estimated unguaranteed residual value of the lease. Its fair value is estimated to be approximately equal to the differences between the original cost plus capitalized improvements of the Facility, net of what accumulated depreciation would be, and the fixed lease payments receivable. Therefore, this amount is being amortized over the life of the lease (thirty years). Amortization for the year ended September 30, 2018 was \$3,894,155. Additional contingent rentals are recorded as revenue when received.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

The capital lease is being amortized using the interest method over the 30-year life of the lease. The Corporation has recorded lease rental and interest for the year ended September 30, 2018 as follows:

Nominal interest on the lease	\$ 1,759,320
Amortization of the lease	<u>(876,012)</u>
Net interest	883,308
Contingent rentals received (includes rent for simulcast facility prior to completion of project)	<u>203,859</u>
Total lease rental and interest	<u>\$ 1,087,167</u>

Closure and Post Closure Liability

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfills stop accepting waste, the City reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The City follows the provisions of GASB Statement No. 18 Accounting for Municipal Solid Waste Landfill Closure and Post closure Care Costs. Accordingly, the City has recorded a closure and post closure care liability of \$7,939,257 in the Solid Waste Fund. The total liability represents the cumulative amount reported to date based on the use of 46.58% of the estimated capacity of the landfill.

The City will recognize the remaining estimated cost of closure and post closure care of \$9,137,961 as the remaining estimated capacity is filled. The City expects to close the landfill in year 2037. Actual cost may be higher or lower due to inflation, changes in technology or changes in regulations.

Environmental Remediation Obligations

The City has recorded a liability and an asset related to environmental remediation in the amount of \$58,375, in the Statement of Net Position and Statement of Activities. The estimates of the liabilities are prepared by the Environmental Professional Group and by the City’s Environmental Quality Manager and based on a range of expected outlays, net of expected cost recoveries, if any, for the type and amount of pollution contamination detected. The estimates are reviewed and adjusted periodically for price changes, additional contamination and any other changes detected.

- Transportation Center at 1821 W. Freeway for a release determination report and soil disposal.
- The City owns the building and is responsible for the asbestos abatement of the Copeland home located at 125 SW Dallas Street.
- The City owns the Historic Museum located at 1516 W Main Street and is responsible for the asbestos abatement.
- The City owns the Parks Field Office located at 1410 Skyline and is responsible for the asbestos abatement.
- The City owns the Service Center and is responsible for a leaking petroleum storage tank and groundwater monitoring.
- The City owns the Charley Taylor Recreation Center located at 601 E. Grand Prairie and is responsible for the asbestos abatement.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Environmental remediation liability activity in fiscal year 2018 was as follows:

Property Description	Beginning			Ending	Current
	Balance	Additions	Reductions	Balance	
	9/30/2017			9/30/2018	Portion
Transportation Center - 1821 W Freeway	\$ 7,398	\$ -	\$ 7,398	\$ -	\$ -
Copeland Home Asbestos Abatement	81,270	-	57,020	24,250	24,250
Historic Museum- 1516 W Main Street	18,786	-	15,380	3,406	3,406
Parks Field Office	12,415	-	12,415	-	-
Service Center	-	49,040	18,321	30,719	30,719
Charley Taylor Recreation Center	62,840	-	62,840	-	-
Total	\$ 182,709	\$ 49,040	\$ 173,374	\$ 58,375	\$ 58,375

Other Liabilities

Sales Tax Payback

During fiscal year 2008, the Texas Comptroller of Public Accounts notified the City of an error in sales tax payments made to the City. The error was the result of a local business reporting and paying taxes incorrectly to the State Comptroller over several years. The overpayment by the business resulted in an overpayment to the City for \$2,386,466. In 2012, a liability for this amount was recorded by the City and is repaid from future sales tax revenue over a period of thirteen years. As of September 30, 2018, the liability equaled \$1,300,143.

I. Risk Management

The City currently administers a deductible program for Workers Compensation, all Liability, Property, Airport, and Crime claims through the Texas Municipal League Intergovernmental Risk Pool (TMLIRP), a public entity risk pool. The TMLIRP sustains itself through member premiums and stop loss coverage for excess claims through commercial insurers.

The City's current per occurrence and aggregate limits through the TMLIRP are as follows:

Coverage	Per Occurrence	Aggregate
General Liability	\$ 1,000,000	\$ 2,000,000
Law Enforcement Liability	3,000,000	6,000,000
Errors and Omissions	3,000,000	6,000,000
Automobile Liability	3,000,000	N/A
Airport Liability	10,000,000	10,000,000

Current deductibles with TMLIRP are \$350,000 for Workers Compensation with no aggregate retention; \$300,000 for all liability lines (General, Law Enforcement, Public Officials, and Auto Liability); \$1,000 for Automobiles; and \$10,000 for Mobile Equipment.

The City's operating funds are charged premiums for coverage provided by the Risk Management Fund based on approved annual budgets with adjustments based on estimates of the amounts needed to pay prior and current-year claims. These inter-fund premiums are used to reduce the amount of actual expenditures.

City Of Grand Prairie, Texas
 Notes to the Basic Financial Statements
 September 30, 2018

Liabilities of the Risk Management Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, timing of filed claims, adjudication of claim benefits, changes in legal doctrines, and damage awards.

Accordingly, claims are reevaluated annually to consider the effects of inflation, plan benefit designs, recent claim settlement trends, claim expense, and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The total accrued liabilities for the Risk Management Fund based on the recent September 30, 2018 actuarial report, as of September 30, 2018, was \$1,830,716.

The City offers group health coverage to its employees and retirees in plans administered by United Health Care using an escrow account funded by the City with both employee and City contributions. The City allows retired employees under age 65 to continue participating in its group health insurance program after retirement with a portion of premiums paid by the City. The amount of premiums paid by retirees is based on the retirement date, length of service with the City, plan selected and dependents covered at the time of retirement. The City retains risk for up to \$400,000 per member per year, and transfers risk in excess of this amount to a reinsurer. Reported claims are charged to expense in the period the loss is incurred. The total accrued liabilities for health insurance as of September 30, 2018 were \$2,140,611.

At September 30, 2018, the change in estimates of accrual liabilities for health coverage for the risk management fund:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2018	\$ 3,861,819	\$ 16,301,886	\$ 16,192,378	\$ 3,971,327
2017	3,628,897	19,578,864	19,345,942	3,861,819
2016	5,005,726	16,770,731	18,147,560	3,628,897

J. Defined Benefit Pension Plan

Plan Description

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

All eligible employees of the city are required to participate in TMRS.

City Of Grand Prairie, Texas
 Notes to the Basic Financial Statements
 September 30, 2018

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

Plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	25 years at any age, 5 years at age 60 and above
Updated service credit	100% Repeating transfers
Annuity increase to retirees	70% of CPI Repeating

Additional information related to the TMRS Plan is located in the TMRS CAFR.

Employees Covered by Benefit Terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	735
Inactive employees entitled to but not yet receiving benefits	515
Active employees	<u>1,313</u>
Total	<u><u>2,563</u></u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Grand Prairie were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Grand Prairie were 15.84% and 16.33% in calendar years 2017 and 2018, respectively. The City’s contributions to TMRS for the year ended September 30, 2018, were \$14,427,366, and were equal to the required contributions.

Net Pension Liability

The city’s Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Actuarial Assumptions

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5%
Salary Increases	3.5% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a three-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2017, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
Total	100.0%	

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balance at December 31, 2016	\$ 525,359,395	\$ 444,611,662	\$ 80,747,733
Changes for the year:			
Service cost	15,171,279	-	15,171,279
Interest	35,239,052	-	35,239,052
Change of benefit terms	-	-	-
Difference between expected and actual experience	1,775,160	-	1,775,160
Changes in assumptions	-	-	-
Contributions - employer	-	14,427,366	(14,427,366)
Contributions - employee	-	6,292,394	(6,292,394)
Net investment income	-	61,623,079	(61,623,079)
Benefit payments*	(21,770,002)	(21,770,002)	-
Administrative expense	-	(319,350)	319,350
Other changes	-	(16,184)	16,184
Net changes	30,415,489	60,237,303	(29,821,814)
Balance at December 31, 2017	\$ 555,774,884	\$ 504,848,965	\$ 50,925,919

* Includes refunds of employee contributions

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.75%) or one-percentage-point higher (7.75%) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate		
1% Decrease	Current Single Rate	1% Increase
\$ 130,748,672	\$ 50,925,919	\$ (14,498,614)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmsr.com.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2018, the city recognized pension expense of \$15,203,604.

At September 30, 2018, the City reported deferred inflows/outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience [actuarial (gains) or losses]	\$ 1,727,954	\$ -
Difference in assumptions	244,304	
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]		12,793,800
Employer's contributions to the pension plan subsequent to the measurement date	11,036,252	-
	<u>\$ 13,008,510</u>	<u>\$ 12,793,800</u>

The \$11,036,252 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended December 31	Net deferred outflows (inflows) of resources
2018	\$ 761,420
2019	104,831
2020	(5,867,462)
2021	(5,945,714)
2022	125,383
Total	<u>\$ (10,821,542)</u>

K. Other Postemployment Benefits (OPEB)

Plan Description

Supplemental Death Benefits

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Retiree Health Benefits

Current employees who retire from the City of Grand Prairie under a TMRS Retirement / Plan option may elect to remain on the City's medical, dental, and vision insurance plans as long as they meet the following criteria:

- Under age of 65
- Currently working for the City immediately prior to retirement, and
- Payment of required monthly premiums by due date, or within grace period

TMRS Retirement / Plan option may include:

- Service retirement, 25 years of TMRS creditable service at any age, or
- Age 60 and 5 years of TMRS creditable service
- Disability/medical retirement at any age, if approved by TMRS

Eligibility requirements do not vary by type of retirement. The retiree health care plan is a single-employer defined benefit plan. No trust is setup for the plan; therefore, there is no separate audit report available.

Retirees pay a portion of their retiree health care premium based on their years of service with the City of Grand Prairie, the plan selected, and dependent coverage when they retire. The base retiree health care premium is based on the accrual rate, claims costs, and budget for the prior fiscal year.

Medical coverage for retiree benefits extends only to age 65. Once a retiree reaches age 65, they will be dropped from medical coverage at the beginning of the month in which they turn 65. If a retiree cancels any or all insurance at any time during retirement, they forfeit all rights to coverage through the City for that benefit. If they cancel medical coverage all together, they may not elect medical again in the future for any reason.

A spouse who is on the employee's plan at the time of retirement may continue on the plan until the spouse reaches age 65. Spouse coverage continues after the employee reaches the age 65 and after the death of the employee until the spouse reaches the age of 65, as well. Spouse coverage continues even though the employee becomes Medicare eligible.

Rates for spouse coverage are dependent upon the employee's years of service with the City of Grand Prairie. Spouses receive the same benefits as the employee. Surviving spouses of deceased active members are not eligible for retiree health care benefits, unless they become eligible under TMRS and elect retirement immediately following the month of death. They become "retiree" in that case.

For all retirements after 1/1/08, dependents must have been covered for the 2 years immediately preceding the effective date of retirement to be eligible to continue coverage under retiree into retirement.

New dependents gained during retirement (due to marriage or birth) may not be added to the City's plan since they were not eligible at the time of retirement.

Retirees that do not continue coverage through our retiree health care plans do not receive payment in lieu of retiree health care.

The City offers medical, dental, and vision coverage to eligible retirees.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

Employees Covered by Benefit Terms

For retiree health insurance at the September 30, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	169
Active employees	1,323
Total	1,492

For TMRS supplemental death at the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	555
Inactive employees entitled to but not yet receiving benefits	114
Active employees	1,313
Total	1,982

Contributions

For retiree health insurance, retirees and their spouses currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums.

Monthly retiree contribution rates are as follows:

Retiree 2018 Monthly Health Care Premiums (Employee Pays Portion)

	Monthly Health Care Premium
Over 65 Retiree (Grandfathered by age)	
Employee only	\$ 125
Employee plus spouse	138

Total OPEB Liability

The City of Grand Prairie retiree health insurance total OPEB liability of \$55,800,537 was measured as of September 30, 2018, and was determined by an actuarial valuation as of that date.

The City of Grand Prairie TMRS supplemental death total OPEB liability of \$3,643,104 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The retiree health insurance total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50%
Discount Rate	3.83%
Mortality rates - retirees	RP-2014 Combined Table projected using MP-2018

The discount rate was selected by City of Grand Prairie based on the Bond Buyer 20-Bond General Obligation Index to reflect yields on long-term municipal bonds as of the measurement date.

City Of Grand Prairie, Texas
 Notes to the Basic Financial Statements
 September 30, 2018

The TMRS supplemental death total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50% to 10.5% including inflation
Discount Rate	3.31%
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates - disabled retirees	PR2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

The discount rate was based on the Fidelity index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

<u>Change in OPEB Liability</u> <u>Retiree Health Insurance</u>	<u>Total OPEB</u> <u>Liability</u>
Balance at September 30, 2017	\$ 59,159,975
Changes for the year:	
Service cost	2,173,026
Interest	2,210,196
Difference between expected and actual experience	(3,213,084)
Changes in assumptions	(1,962,733)
Benefit payments*	<u>(2,566,843)</u>
Net changes	<u>(3,359,438)</u>
Balance at September 30, 2018	<u>\$ 55,800,537</u>
<u>Change in OPEB Liability</u> <u>TMRS Supplemental Death</u>	<u>Total OPEB</u> <u>Liability</u>
Balance at December 31, 2016	\$ 3,149,282
Changes for the year:	
Service cost	124,209
Interest	120,720
Changes in assumptions	284,381
Benefit payments*	<u>(35,488)</u>
Net changes	<u>493,822</u>
Balance at December 31, 2017	<u>\$ 3,643,104</u>

*Due to the Plan being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City's retiree health insurance calculated using the discount rate of 3.8%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.8%) or 1 percentage point higher (4.8%) than the current discount rate:

Sensitivity of the OPEB Liability to Changes in the Discount Rate		
<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 60,802,744	\$ 55,800,537	\$ 49,476,793

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

The following presents the total OPEB liability of the City's TMRS supplemental plan calculated using the discount rate of 3.31%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.31%) or 1 percentage point higher (4.31%) than the current discount rate:

Sensitivity of the OPEB Liability to Changes in the Discount Rate		
Current		
1% Decrease	Discount Rate	1% Increase
\$ 4,371,513	\$ 3,643,104	\$ 3,075,239

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the City's retiree health insurance, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

Sensitivity of the OPEB Liability to Changes in the Healthcare Cost Rate		
Current		
1% Decrease	Discount Rate	1% Increase
\$ 49,080,399	\$ 55,800,537	\$ 61,323,519

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized OPEB expense of \$1,073,086. At September 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following resources:

Retiree Health Insurance

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience [actuarial (gains) or losses]	\$ -	\$ 2,677,572
Difference in assumptions	-	1,635,610
Difference in projected and actual earnings on OPEB plan investments [actuarial (gains) or losses]	-	-
Employer's contributions to the OPEB plan subsequent to the measurement date	-	-
	<u>\$ -</u>	<u>\$ 4,313,182</u>

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

TMRS Supplemental Death

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in expected and actual experience [actuarial (gains) or losses]	\$ -	\$ -
Difference in assumptions	242,744	
Difference in projected and actual earnings on OPEB plan investments [actuarial (gains) or losses]	-	-
Employer's contributions to the OPEB plan subsequent to the measurement date	<u>27,083</u>	
	<u>\$ 269,827</u>	<u>\$ -</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$27,083 will be recognized as a reduction of the total OPEB liability in the City's financial statements September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

Retiree Health Insurance

<u>Measurement Period Ended September 31,</u>	<u>Net deferred outflows (inflows) of resources</u>
2019	\$ (862,637)
2020	(862,637)
2021	(862,636)
2022	(862,636)
2023	<u>(862,636)</u>
Total	<u>\$ (4,313,182)</u>

TMRS Supplemental Death

<u>Measurement Year Ended December 31,</u>	<u>Net deferred outflows (inflows) of resources</u>
2018	\$ 41,637
2019	41,637
2020	41,637
2021	41,637
2022	41,637
Thereafter	<u>34,559</u>
Total	<u>\$ 242,744</u>

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

L. Fund Balance

At September 30, 2018, fund balances were classified as follows:

	General	Section 8	Streets CIP	Grants	Debt Service	Epic CIP	Nonmajor Governmental Funds	Total
Fund balances								
Nonspendable:								
Inventory and prepaids	\$ 2,743	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,272	\$ 79,015
Spendable:								
Restricted for:								
Employee Welfare	84,690	-	-	-	-	-	-	84,690
Library Memorials	45,391	-	-	-	-	-	-	45,391
At Risk Youths	36,657	-	-	-	-	-	-	36,657
Greg Hunter Scholarships	63,768	-	-	-	-	-	-	63,768
Prairie Paws Adoptions	213,926	-	-	-	-	-	-	213,926
Other	994	-	-	-	-	-	-	994
Section 8	-	823,893	-	-	-	-	-	823,893
Street Improvements	-	-	8,511,522	-	-	-	-	8,511,522
Debt Service	-	-	-	-	5,535,816	-	-	5,535,816
Epic	-	-	-	-	-	2,001,084	3,534,554	5,535,638
Park Venue	-	-	-	-	-	-	4,114,208	4,114,208
Streets	20,873	-	-	-	-	-	2,001,046	2,021,919
Crime	-	-	-	-	-	-	16,185,875	16,185,875
Hotel Motel	-	-	-	-	-	-	564,741	564,741
Police seizure	-	-	-	-	-	-	441,622	441,622
Municipal Court	-	-	-	-	-	-	463,153	463,153
Red Light Safety	-	-	-	-	-	-	2,310,388	2,310,388
Lake Parks	-	-	-	-	-	-	2,312,949	2,312,949
Public Improvement Districts	-	-	-	-	-	-	2,930,616	2,930,616
Tax Increment Financing	-	-	-	-	-	-	5,030,245	5,030,245
Other special revenue	-	-	-	-	-	-	311,112	311,112
Park Venue Capital Projects	-	-	-	-	-	-	9,831,688	9,831,688
Fire Capital Projects	-	-	-	-	-	-	4,369,258	4,369,258
Municipal Facilities Capital Projects	-	-	-	-	-	-	11,249,799	11,249,799
Other Capital Projects	-	-	-	-	-	-	1,935,404	1,935,404
Total restricted	466,299	823,893	8,511,522	-	5,535,816	2,001,084	67,586,658	84,925,272
Committed to:								
Street Improvements	-	-	16,785,545	-	-	-	-	16,785,545
Park Venue	-	-	-	-	-	-	2,034,476	2,034,476
Cable Operations	-	-	-	-	-	-	655,081	655,081
Cemetery Operations	-	-	-	-	-	-	2,385,569	2,385,569
Verizon Theatre	-	-	-	-	-	-	2,751,372	2,751,372
Drainage Capital Projects	-	-	-	-	-	-	12,328,198	12,328,198
Police Capital Projects	-	-	-	-	-	-	819,678	819,678
Other Capital Projects	-	-	-	-	-	-	2,782,387	2,782,387
Capital Lending/Reserve	-	-	-	-	-	-	12,298,922	12,298,922
Total committed	-	-	16,785,545	-	-	-	36,055,683	52,841,228
Assigned to:								
Home Match Cash	385,371	-	-	-	-	-	-	385,371
KGPB Commissions	4,374	-	-	-	-	-	-	4,374
Section 8 Relief	79,730	-	-	-	-	-	-	79,730
Police Memorials	6,984	-	-	-	-	-	-	6,984
Fire- State Supplemental Funds	2,209,831	-	-	-	-	-	-	2,209,831
Parks Education Foundation	10,078	-	-	-	-	-	-	10,078
Uptown Trust	8,098	-	-	-	-	-	-	8,098
First Offender Program	26,669	-	-	-	-	-	-	26,669
Kirby Creek Accessibility Garden	25,908	-	-	-	-	-	-	25,908
US Marshals Service Agreement	141,631	-	-	-	-	-	-	141,631
GPPD Boxing Program	18,292	-	-	-	-	-	-	18,292
GPPD Explorer Program	14,325	-	-	-	-	-	-	14,325
GPPD Mounted Patrol	558	-	-	-	-	-	-	558
Total assigned	2,931,849	-	-	-	-	-	-	2,931,849
Unassigned	30,344,160	-	-	(629,198)	-	-	-	29,714,962
Total fund balances	\$ 33,745,051	\$ 823,893	\$ 25,297,067	\$ (629,198)	\$ 5,535,816	\$ 2,001,084	\$ 103,718,613	\$ 170,492,326

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

M. Contracts, Commitments, and Contingent Liabilities

Federal and State Grants

The City participates in a number of state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Litigation

The City and Sports Corporation are contingently liable in respect of lawsuits and claims in the ordinary course of operations which, in the opinion of management, will not have material adverse effect on the combined financial statements.

Water Intake Facility Contract

The City entered into a contract with the Trinity River Authority (TRA) whereby TRA agreed to sell revenue bonds, and, to construct and operate water treatment, transmission and storage facilities necessary to supply treated water to several area cities. The City has also agreed contractually to pay TRA annually an amount sufficient to pay its pro rata share of the operation and maintenance expenses of the facilities and related debt service of its bonds. The project is not treated as a joint venture by the City since the project is managed and unilaterally controlled by TRA, the City has no equity interest in the project, and the City is not obligated for the repayment of TRA bonds.

Water Purchase Contracts

The City has a 30-year contract with the City of Dallas, which expires in 2042, for the purchase of water. Grand Prairie currently takes up to 33.8 million gallons a day (MGD), and pays a fixed demand charge plus a volume charge. The demand charge is based on current maximum demand or the highest demand established during the five preceding years, whichever is greater. Thus, even if the City were to stop purchasing water from Dallas, its obligation to pay the demand charge (\$262,058) would extend for five years. The maximum may be increased in future years as needed. Grand Prairie has two intake points for City of Dallas water with a contractual right obligating the City of Dallas to meet Grand Prairie's needs. Existing pipelines will provide up to 55 MGD.

A contract with the City of Fort Worth, effective until the year 2031, permits the City to purchase up to 2.5 MGD.

A contract with the City of Midlothian, executed in 2014 for a 30-year term, permits the City to purchase up to an average of 4.5 MGD during the term of the contract. Beginning in January 2016, the City began purchasing water from the City of Midlothian at an average rate of 0.478 MGD.

A contract with the City of Arlington, executed in 2011 for a 20-year term, allows the City to purchase up to 2.5 MGD maximum flow unless otherwise agreed to in writing. As of September 30, 2018, no water has been purchased through this contract.

Wastewater Treatment Contracts

The City has a 50 year contract with TRA, which will expire in 2023, for wastewater treatment. The City is billed for its prorated share of total wastewater costs, which was 12.03% during fiscal year 2018. The City must pay its prorated share of the debt service related to wastewater treatment facilities until the debt matures whether it contributes to flow or not.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

Mountain Creek Regional Wastewater System Contract (System)

The City entered into a contract in 2002 which is in effect for the entire useful life of the System. Although the City does not yet deliver flows to this System, the City is obligated to pay annual minimum fees equivalent to 21.9 million gallons of flow. For the fiscal year ended September 30, 2018, the City paid \$82,786 to the System.

Master and Other Agreements

The City and Texas NextStage, LP (NextStage) entered into agreements (development agreements, lease agreements and other ancillary agreements) on January 10, 2001, to design, develop and construct a performance hall (Performance Hall). Construction of the Performance Hall began in July 2000 and was completed in February 2001. Under the agreements, the City purchased the Performance Hall from NextStage for \$15 million with the proceeds from the \$17.9 million TIF tax and tax increment certificate of obligation bond issue in fiscal year 2001. NextStage initially leased the Performance Hall from the City under a twenty one-year lease. Effective September 18, 2002, Anschutz Texas, L. P. assumed the lease obligations of NextStage and became lessee and operator of the Performance Hall. The lease between the City and Anschutz Texas, L. P. expires January 23, 2023. Monthly lease payments from the lessee of the Performance Hall are used to pay debt service on bonds issued by the City for the purchase of the Performance Hall.

The City and the Texas Airhogs Baseball Club entered into agreements (development, lease, and other ancillary agreements) on June 26, 2007 to develop, construct and operate a minor league professional baseball stadium. The funding for the stadium was accomplished through a one-eighth cent sales tax approved by the citizens of Grand Prairie. Construction began in July 2007 and was completed in May 2008.

Ground Lease - The City entered into a lease agreement with the Sports Corporation for the land on which the stadium was built. The lease runs through June 25, 2036 with an annual base rent of \$50,000.

Stadium Lease - On October 19, 2016, the City entered into a four-year lease agreement with Nextel Promotional, LLC. In addition to Airhogs home baseball games, Nextel has unlimited use of the Stadium to hold other sporting and entertainment events. Nextel pays the City, in advance, a monthly lease payment of \$7,137 and ten percent of the total net profit generated by Nextel at, in, or through the stadium. Nextel is responsible for all utility services and the City is responsible for the maintenance of the building, landscaping, irrigation, art, and playgrounds.

Construction Commitments

The City has several approved outstanding major capital projects as of September 30, 2018. The City's total committed but unexpended expenditures for such authorized capital projects at year-end approximates \$50,900,085. Funding for these contracts will be received through various capital projects funds and enterprise funds.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2018

N. Segment Information for Enterprise Funds

The City maintains five enterprise funds – water and wastewater, solid waste, golf, airport, and storm water utility activities. At September 30, 2018, the Municipal Airport Fund had outstanding revenue-backed certificates of obligations. Segment information for this Fund is as follows:

	Municipal Airport
	<u> </u>
Condensed statement of net position:	
Current assets	\$ 1,624,048
Capital assets	15,595,101
Deferred outflows of resources	<u>43,526</u>
Total assets and deferred outflows of resources	17,262,675
Current liabilities	432,972
Long-term liabilities	1,251,986
Deferred inflows of resources	<u>56,075</u>
Total liabilities and deferred inflows of resources	1,741,033
Net position: Net investment in capital assets	14,560,101
Net position: Unrestricted	<u>961,541</u>
Total net position	<u>\$ 15,521,642</u>
Condensed statement of revenues, expenses and changes in net position:	
Sales to customers	\$ 1,308,219
Intergovernmental revenue	67,537
Miscellaneous	<u>930,289</u>
Total operating revenues	2,306,045
Depreciation	869,597
Other operating expenses	<u>1,852,656</u>
Total operating expenses	2,722,253
Gain on property disposition	8,487
Interest expense	<u>(53,030)</u>
Total nonoperating revenues (expenses)	<u>(44,543)</u>
Loss before transfers	(460,751)
Transfers in	224,116
Transfers out	<u>(48,000)</u>
Change in net position	(284,635)
Net position at the beginning of the year	<u>15,806,277</u>
Restated Net position-beginning of year	<u>15,806,277</u>
Net position at the end of the year	<u>\$ 15,521,642</u>
Condensed statement of cash flows:	
Net cash provided (used) by:	
Operating activities	339,739
Noncapital financing activities	176,116
Capital and related financing activities	(747,314)
Investing activities	-
Beginning cash and cash equivalent balances	<u>300,683</u>
Ending cash and cash equivalent balances	<u>\$ 69,224</u>

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2018

O. Tax Abatements and Economic Incentive Agreements

The City has incentive agreements with companies which may refund or rebate certain amounts of taxes based on performance indicators. These agreements are governed by Chapter 312 of the Texas Local Government Code. Recipients may be eligible based on their impact to the City's economy, as usually measured by job creation. Agreements may also contain recapture or 'clawback' provisions in the event of non-performance of the agreement standards. The City's Management Services division reviews the performance of the companies under these agreements for their compliance with stated standards. As of the 2017 certified roll (used for 2018 fiscal year) the City's abatement agreements with seven companies resulted in \$54,157,220 in appraised values, totaling \$232,425 in taxes abated on the 2017 certified tax roll (used for the 2018 fiscal year).

P. Subsequent Events

On November 1, 2018, the City Council issued \$40,605,000 in Combination Tax and Revenue Certificates, Series 2018. The proceeds will be used to fund City capital improvements.

The City has evaluated all other events or transactions that occurred after September 30, 2018 up through March 14, 2019, the date the financial statements were available to be issued.

(This Page Intentionally Blank)

APPENDIX C

FORMS OF BOND COUNSEL'S OPINIONS

(The Notes, followed by the Certificates)

(This Page Intentionally Blank)

[Closing Date]

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

IN REGARD to the authorization and issuance of the “City of Grand Prairie, Texas, Combination Tax and Revenue Tax Notes, Taxable Series 2019,” dated August 15, 2019, in the principal amount of \$7,105,000 (the “Notes”), we have examined into their issuance by the City of Grand Prairie, Texas (the “City”), solely to express legal opinions as to the validity of the Notes and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Notes, or the sufficiency of the security for or the value or marketability of the Notes.

THE NOTES are issued in fully registered form only and in denominations of \$5,000 or any integral multiple thereof (within a maturity). The Notes mature on February 15 in each of the years specified in the ordinance adopted by the City Council of the City authorizing the issuance of the Notes (the “Ordinance”), unless redeemed prior to maturity in accordance with the terms stated on the Notes. The Notes accrue interest from the dates, at the rates, and in the manner and interest is payable on the dates, all as provided in the Ordinance.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Notes, including the Ordinance and an examination of the initial Note executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to certain facts within the knowledge and control of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Notes, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the State of Texas in force and effect on the date hereof that the Notes have been duly authorized by the City and, when issued in compliance with the provisions of the Ordinance, are valid, legally binding and enforceable obligations of the City, payable from an ad valorem tax levied, within the limits prescribed by law, upon all taxable property in the City, and are additionally payable from and secured by a pledge of the Pledged Revenues, as defined in the Ordinance, in the manner and to the extent provided in the Ordinance, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors’ rights or the exercise of judicial discretion in accordance with the general principles of equity.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

[Closing Date]

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

IN REGARD to the authorization and issuance of the “City of Grand Prairie, Texas, Combination Tax and Revenue Certificates of Obligation, Taxable Series 2019B,” dated August 15, 2019, in the principal amount of \$34,305,000 (the “Certificates”), we have examined into their issuance by the City of Grand Prairie, Texas (the “City”), solely to express legal opinions as to the validity of the Certificates and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Certificates, or the sufficiency of the security for or the value or marketability of the Certificates.

THE CERTIFICATES are issued in fully registered form only and in denominations of \$5,000 or any integral multiple thereof (within a maturity). The Certificates mature on February 15 in each of the years specified in the ordinance adopted by the City Council of the City authorizing the issuance of the Certificates (the “Ordinance”), unless redeemed prior to maturity in accordance with the terms stated on the Certificates. The Certificates accrue interest from the dates, at the rates, and in the manner and interest is payable on the dates, all as provided in the Ordinance.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Certificates, including the Ordinance and an examination of the initial Certificate executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to certain facts within the knowledge and control of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Certificates, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the State of Texas in force and effect on the date hereof that the Certificates have been duly authorized by the City and, when issued in compliance with the provisions of the Ordinance, are valid, legally binding and enforceable obligations of the City, payable from an ad valorem tax levied, within the limits prescribed by law, upon all taxable property in the City, and are additionally payable from and secured by a limited pledge of the Net Revenues (as defined in the Ordinance) of the City’s combined water and wastewater system in the manner and to the extent provided in the Ordinance, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors’ rights or the exercise of judicial discretion in accordance with the general principles of equity.

Page 2 of Legal Opinion of Norton Rose Fulbright US LLP

Re: "City of Grand Prairie, Texas, Combination Tax and Revenue Certificates of Obligation,
Taxable Series 2019B"

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Financial Advisory Services
Provided By



GENERAL CERTIFICATE

THE STATE OF TEXAS	§
	§
COUNTIES OF DALLAS, ELLIS AND TARRANT	§
	§
	§
CITY OF GRAND PRAIRIE	§

WE, the undersigned, Mayor, City Secretary and City Manager, as officials of the City of Grand Prairie, Texas (the "City"), DO HEREBY CERTIFY with respect to the "CITY OF GRAND PRAIRIE, TEXAS, COMBINATION TAX AND REVENUE NOTES, TAXABLE SERIES 2019" dated August 15, 2019 (the "Notes"), as follows (capitalized terms used and not defined herein shall have the meanings given such terms in the ordinance authorizing the issuance of the Notes):

(1) Relative to City Officials.

Certain duly qualified and acting officials of the City are as follows:

RON JENSON	MAYOR
TOM HART	CITY MANAGER
BECKY L. BROOKS	CHIEF FINANCIAL OFFICER
MEGAN MAHAN	CITY ATTORNEY
CATHERINE E. DIMAGGIO	CITY SECRETARY

(2) Relative to Incorporation.

The City is incorporated under the General Laws of the State of Texas, and is operating under the Home Rule Amendment of the Texas Constitution, Section 5, Article XI, as amended in 1912, the City Charter having been originally adopted at an election held on May 1, 1948. Said Charter has not been amended in any respect since the amendment adopted at the election held on May 4, 2002.

(3) Relative to Tax Supported Indebtedness.

The total principal amount of outstanding indebtedness of the City, including the Notes, the "City of Grand Prairie, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2019A" (the "2019A Certificates"), the "City of Grand Prairie, Texas, Combination Tax and Revenue Certificates of Obligation, Taxable Series 2019B" (the "2019B Certificates") and the "City of Grand Prairie, Texas, General Obligation Refunding Bonds, Series 2019" (the "Bonds"), payable from ad valorem taxes levied and collected by the City is as follows:

OUTSTANDING INDEBTEDNESS*	\$ 243,790,000
THE 2019A CERTIFICATES	34,910,000
THE 2019B CERTIFICATES	34,305,000
THE BONDS	19,475,000
THE NOTES	<u>7,105,000</u>
 TOTAL INDEBTEDNESS	 \$ <u>339,585,000</u>

* does not include obligations being refunded by the Bonds.

(4) Relative to Debt Service Requirements.

A debt service requirement schedule for the City's outstanding indebtedness payable from ad valorem taxes levied and collected by the City, including the 2019A Certificates, the 2019B Certificates, the Bonds and the Notes, is attached hereto as **Exhibit A** and made a part of this certificate for all purposes.

(5) Relative to Taxable Values.

The assessed value of all taxable property (net of exemptions) in the City, as shown by the tax rolls for the 2018/2019 tax year, and which have been duly approved and are the latest official assessment of taxable property in the City, is as follows:

TOTAL ASSESSED TAXABLE VALUES
OF REAL AND PERSONAL PROPERTY..... \$16,325,123,108

(6) Relative to the Tax Increment.

The establishment of the Tax Increment Financing Reinvestment Zone Number One ("TIF #1") and the Project Plan and Reinvestment Zone Financing Plan for Tax Increment Financing Zone Number One, City of Grand Prairie (the "Project and Finance Plan") were submitted to the Attorney General of the State of Texas in connection with the submission of the transcript of proceedings related to the City's Combination Tax and Tax Increment Certificates of Obligation, Series 2001 (Next Stage Project) [the "Series 2001 Certificates"].

Attached hereto as **Exhibit B** are true and correct copies of (1) an affidavit of publication from the Star Telegram related to the public hearing held on October 16, 2018 in connection with the extension of the term and the expansion of the boundaries of TIF #1, (2) Ordinance No. 10556-2018 adopted by the City on October 16, 2018 expanding the boundaries of TIF #1 and extending the term of TIF #1, (3) a copy of an affidavit of publication from the Star Telegram related to a public hearing held on February 19, 2019 in connection with the expansion of the boundaries of TIF #1 and (4) Ordinance No. 10598-2019 adopted by the City on February 19, 2019 expanding the boundaries of TIF #1.

The original participating taxing units of TIF #1, other than the City, to wit: Dallas County Community College District, Grand Prairie Independent School District, Dallas County, Texas and Dallas County Hospital District are not currently participating in the expansion of TIF #1 and their participation in TIF #1 is as originally agreed to with the City at the time of the original establishment of TIF #1.

Attached as **Exhibit C** is a schedule of incremental property tax revenues for TIF #1.

(7) Relative to State Hotel Occupancy Tax.

The City has received a private letter ruling from the Comptroller of Public Accounts, a copy of which is attached hereto as **Exhibit D** relating to the City's ability to receive a rebate of the state hotel occupancy taxes collected at the hotel and facilities ancillary to the hotel for 10 years in accordance with Section 151.429(h) of the Texas Government Code and the City is authorized to pledge the rebate revenues to the payment of the Notes pursuant to Section 351.102(b) of the Texas Tax Code.

(8) Relative to Nonencumbrance.

Save and except for the pledge of the tax increment of TIF #1 to the payment of the principal of and interest to become due on the outstanding "City of Grand Prairie, Texas Combination Tax and Tax Increment Certificates of Obligation, Series 2001" (the "Outstanding Obligations") and the proposed Notes, said tax increment has not been pledged or hypothecated in any other manner or for any other purpose; and that the Outstanding Obligations and the Notes evidence the only liens, encumbrances or indebtedness of the tax increment revenues.

(9) Relative to Land Acquisition.

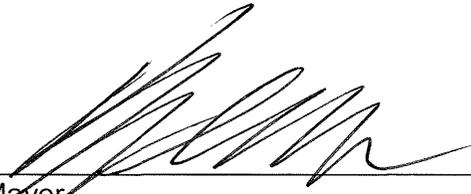
To the extent any Note proceeds are used to acquire real property, the City will satisfy the appraisal requirements of Section 252.051 of the Texas Local Government Code, as amended.

(10) Relative to Contracts.

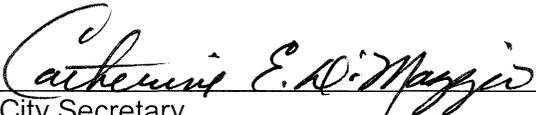
Prior to the execution of certain contracts related to the issuance of the Notes, if applicable, the City received a completed disclosure of interested parties form and certification of filing (collectively a "Form 1295") from the business entity contracting with the City pursuant to the requirements of Texas Government Code Section 2252.908 and rules promulgated thereunder by the Texas Ethics Commission (the "TEC"). Not later than the 30th day after the date the contract for which a required Form 1295 was filed with the City, the City has or will notify the TEC, in an electronic format prescribed by the TEC, of the receipt of such Form 1295.

[The remainder of this page is left blank intentionally.]

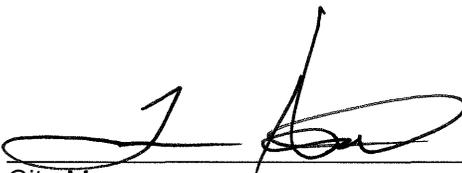
WITNESS OUR HANDS AND THE SEAL OF THE CITY OF GRAND PRAIRIE, TEXAS,
this the 6th day of August, 2019.



Mayor
City of Grand Prairie, Texas



Catherine E. DiMaggio
City Secretary
City of Grand Prairie, Texas



City Manager
City of Grand Prairie, Texas

EXHIBIT A
AD VALOREM TAX DEBT SERVICE SCHEDULE

City of Grand Prairie, Texas

Fiscal Year Ending 9/30	Outstanding Debt Service ⁽¹⁾			The Series 2019 Bonds			The Series 2019A Certificates			The Taxable Series 2019B Certificates			The Taxable Series 2019 Notes			Net General Obligation Debt Service	% of Principal Retired
	Principal	Interest	Total D/S	Principal	Interest	Total D/S	Principal	Interest	Total D/S	Principal	Interest	Total D/S	Principal	Interest	Total D/S		
2019	\$ 27,195,000	\$ 13,345,313	\$ 40,540,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,540,313	
2020	28,960,000	11,299,110	40,259,110	-	719,493	719,493	1,800,000	1,393,557	3,193,557	-	769,156	769,156	-	147,402	147,402	45,088,717	
2021	25,105,000	9,488,041	34,593,041	3,790,000	879,000	4,669,000	1,815,000	1,379,100	3,194,100	-	800,278	800,278	-	153,366	153,366	43,409,785	
2022	23,225,000	7,704,281	30,929,281	4,005,000	684,125	4,689,125	1,880,000	1,305,200	3,185,200	2,310,000	778,749	3,088,749	460,000	149,079	609,079	42,501,434	
2023	16,520,000	6,110,971	22,630,971	2,855,000	512,625	3,367,625	1,950,000	1,235,350	3,185,350	2,350,000	734,942	3,084,942	465,000	140,383	605,383	32,874,272	40.24%
2024	17,180,000	5,455,134	22,635,134	2,365,000	382,125	2,747,125	2,035,000	1,156,725	3,191,725	2,395,000	688,762	3,083,762	475,000	131,235	606,235	32,263,980	
2025	12,200,000	4,865,368	17,065,368	1,250,000	291,750	1,541,750	1,285,000	1,078,225	2,363,225	2,445,000	639,432	3,084,432	485,000	121,450	606,450	24,661,225	
2026	12,115,000	4,349,709	16,464,709	855,000	239,125	1,094,125	1,350,000	1,015,350	2,365,350	2,500,000	586,754	3,086,754	5,220,000	58,203	5,278,203	28,289,141	
2027	11,885,000	3,832,590	15,717,590	890,000	195,500	1,085,500	1,315,000	951,725	2,266,725	2,555,000	530,300	3,085,300	-	-	-	22,155,115	
2028	9,765,000	3,362,265	13,127,265	940,000	149,750	1,089,750	1,380,000	884,350	2,264,350	2,615,000	470,553	3,085,553	-	-	-	19,566,918	66.80%
2029	10,170,000	2,942,640	13,112,640	800,000	106,250	906,250	1,455,000	813,475	2,268,475	2,680,000	408,038	3,088,038	-	-	-	19,375,403	
2030	9,055,000	2,555,887	11,610,887	840,000	65,250	905,250	1,525,000	738,975	2,263,975	2,745,000	342,357	3,087,357	-	-	-	17,867,469	
2031	9,015,000	2,216,380	11,231,380	885,000	22,125	907,125	1,605,000	660,725	2,265,725	2,815,000	273,095	3,088,095	-	-	-	17,492,325	
2032	9,360,000	1,880,479	11,240,479	-	-	-	1,680,000	587,000	2,267,000	2,885,000	199,950	3,084,950	-	-	-	16,592,428	
2033	9,720,000	1,514,528	11,234,528	-	-	-	1,745,000	518,500	2,263,500	2,965,000	122,835	3,087,835	-	-	-	16,585,863	86.81%
2034	9,280,000	1,125,369	10,405,369	-	-	-	1,820,000	447,200	2,267,200	3,045,000	41,656	3,086,656	-	-	-	15,759,224	
2035	7,700,000	772,906	8,472,906	-	-	-	1,895,000	372,900	2,267,900	-	-	-	-	-	-	10,740,806	
2036	6,095,000	490,700	6,585,700	-	-	-	1,970,000	295,600	2,265,600	-	-	-	-	-	-	8,851,300	
2037	3,995,000	288,900	4,283,900	-	-	-	2,050,000	215,200	2,265,200	-	-	-	-	-	-	6,549,100	
2038	2,560,000	157,800	2,717,800	-	-	-	2,135,000	131,500	2,266,500	-	-	-	-	-	-	4,984,300	98.64%
2039	2,665,000	53,300	2,718,300	-	-	-	2,220,000	44,400	2,264,400	-	-	-	-	-	-	4,982,700	100.00%
	<u>\$ 263,765,000</u>	<u>\$ 83,811,670</u>	<u>\$ 347,576,670</u>	<u>\$ 19,475,000</u>	<u>\$ 4,247,118</u>	<u>\$ 23,722,118</u>	<u>\$ 34,910,000</u>	<u>\$ 15,225,057</u>	<u>\$ 50,135,057</u>	<u>\$ 34,305,000</u>	<u>\$ 7,386,856</u>	<u>\$ 41,691,856</u>	<u>\$ 7,105,000</u>	<u>\$ 901,117</u>	<u>\$ 8,006,117</u>	<u>\$ 471,131,817</u>	

(1) Interest on the Combination Tax & Tax Increment Revenue Certificates of Obligation, Series 2001 and Tax & Revenue Certificates of Obligation, Series 2008 is calculated at the maximum rate of 1.5%. Excludes the Refunded Obligations relating to the Series 2019 Bonds.

EXHIBIT B
TAX INCREMENT AFFIDAVITS AND ORDINANCES

Star-Telegram MEDIA

Arlington Citizen-Journal | The Keller Citizen | La Estrella
Mansfield News-Mirror | Star-Telegram Northeast | Weatherford Star-Telegram
star-telegram.com | 808 Throckmorton St. | Ft Worth, Tx. 76102-6315 | 800.776.7827

AFFIDAVIT OF PUBLICATION

Account #	Ad Number	Identification	PO	Amount	Cols	Depth
600622	0003891444	NOTICE IS HEREBY GIVEN THAT the City Coun		\$95.00	1	45.00 Li

Attention:

CITY OF GRAND PRAIRIE
PO BOX 534045
GRAND PRAIRIE, TX 750534045

NOTICE IS HEREBY GIVEN THAT THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS (THE "CITY"), PURSUANT TO CHAPTER 311.003 TEXAS TAX CODE, AS AMENDED, (THE "ACT"), WILL HOLD A PUBLIC HEARING AT 6:30 P.M. ON TUESDAY, OCTOBER 16, 2018, AT CITY HALL, 317 COLLEGE ST. GRAND PRAIRIE, TEXAS 75050, FOR THE PURPOSE OF CONSIDERING THE EXTENSION OF THE TERM AND EXPANSION OF THE BOUNDARIES OF REINVESTMENT ZONE NUMBER ONE, CITY OF GRAND PRAIRIE, TEXAS, LOCATED WITHIN THE BOUNDARIES OF THE CITY.

All persons are invited to attend the hearing and speak for or against the amendment of Tax Increment Reinvestment Zone Number One, City of Grand Prairie, Texas, the proposed boundaries, or the concept of tax increment financing. Written or oral statements will be considered. The legal description and boundary map of proposed Reinvestment Zone Number One, City of Grand Prairie, Texas, are on file and open for public inspection in the office of the City Secretary at City Hall, 317 College St. Grand Prairie, Texas 75050. Questions or requests for additional information may be directed to David Pettit, David Pettit Economic Development, LLC, dpettit@dpedllc.com; 817-439-9515.

/s/ Catherine E. DiMaggio, City Secretary

NOTICE IS HEREBY GIVEN THAT THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS (THE "CITY"), PURSUANT TO CHAPTER 311.003 TEXAS TAX CODE, AS AMENDED, (THE "ACT"), WILL HOLD A PUBLIC HEARING AT 6:30 P.M. ON TUESDAY, OCTOBER 16, 2018, AT CITY HALL, 317 COLLEGE ST. GRAND PRAIRIE, TEXAS 75050, FOR THE PURPOSE OF CONSIDERING THE EXTENSION OF THE TERM AND EXPANSION OF THE BOUNDARIES OF REINVESTMENT ZONE NUMBER ONE, CITY OF GRAND PRAIRIE, TEXAS, LOCATED WITHIN THE BOUNDARIES OF THE CITY.

All persons are invited to attend the hearing and speak for or against the amendment of Tax Increment Reinvestment Zone Number One, City of Grand Prairie, Texas, the proposed boundaries, or the concept of tax increment financing. Written or oral statements will be considered. The legal description and boundary map of proposed Reinvestment Zone Number One, City of Grand Prairie, Texas, are on file and open for public inspection in the office of the City Secretary at City Hall, 317 College St. Grand Prairie, Texas 75050. Questions or requests for additional information may be directed to David Pettit, David Pettit Economic Development, LLC, dpettit@dpedllc.com; 817-439-9515.

/s/ Catherine E. DiMaggio, City Secretary

THE STATE OF TEXAS

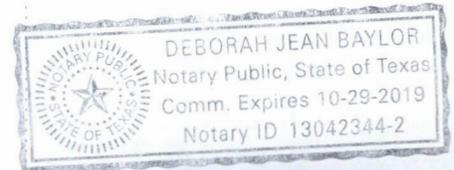
County of Tarrant

Before me, a Notary Public in and for said County and State, this day personally appeared CHRISTINE LOPEZ, Bid and Legal Coordinator for the **Star-Telegram**, published by the Star-Telegram, Inc. at Fort Worth, in Tarrant County, Texas; and who, after being duly sworn, did depose and say that the attached clipping of an advertisement was published in the above named paper on the listed dates:

1 Insertion(s)

Published On:

October 07, 2018



(Principal Clerk)

SUBSCRIBED AND SWORN TO
BEFORE ME, THIS 9th day of
October in the year of 2018

Notary Public - Deborah Baylor

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS, AMENDING ORDINANCE NO. 6095, CONCERNING TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, CITY OF GRAND PRAIRIE, TEXAS, ESTABLISHED PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, BY EXPANDING THE BOUNDARIES AND EXTENDING THE TERM OF TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE, CITY OF GRAND PRAIRIE, TEXAS

WHEREAS, the City of Grand Prairie, Texas (the "City"), pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, the Act provides that the governing body of a municipality by ordinance may designate a noncontiguous geographic area that is in the corporate limits of the municipality to be a reinvestment zone if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future; and

WHEREAS, the City Council desires to promote the development of a certain noncontiguous geographic area in the City, which is more specifically described in *Exhibits "A" and "B"* of this Ordinance (the "Zone"), through the expansion of a reinvestment zone as authorized by and in accordance with the Tax Increment Financing Act, codified at Chapter 311 of the Texas Tax Code; and

WHEREAS, on July 13, 1999, the City Council of the City of Grand Prairie, Texas, pursuant to Chapter 311 of the Texas Tax Code, approved Ordinance No. 6095 designating a contiguous geographic area within the City as a Reinvestment Zone Number One, City of Grand Prairie, Texas (the "Zone"); and

WHEREAS, on August 17, 1999, the City Council of the City of Grand Prairie, Texas, pursuant to Chapter 311 of the Texas Tax Code, approved Ordinance No. 6122 amending Reinvestment Zone Number One, City of Grand Prairie, Texas (the "Zone"); and

WHEREAS, on February 19, 2008, the City Council of the City of Grand Prairie, Texas, pursuant to Chapter 311 of the Texas Tax Code, approved Ordinance No. 7732 amending the Project Plan to alter the funding for specific project costs for Reinvestment Zone Number One, City of Grand Prairie, Texas (the "Zone"); and

WHEREAS, the City Council of the City of Grand Prairie, Texas, now desires to further amend Reinvestment Zone Number One, City of Grand Prairie, Texas, to expand the boundaries of the existing Reinvestment Zone Number One and extend the term; and

WHEREAS, upon approval of this Ordinance, Reinvestment Zone Number One, City of Grand Prairie, Texas, will consist of noncontiguous land, as described and depicted in Exhibits "A" and "B" of this Ordinance, a copy of which is attached hereto and is incorporated herein for all purposes; and

WHEREAS, Section 311.011(e) of the Texas Tax Code, in pertinent part provides, "[I]f an amendment reduces or increases the geographic area of the zone, increases the amount of bonded indebtedness to be incurred, increases or decreases the percentage of a tax increment to be contributed by a taxing unit, increases the total estimated project costs, or designates additional property in the zone to be acquired by

the municipality or county, the approval must be by ordinance or order, as applicable, adopted after a public hearing that satisfies the procedural requirements of Sections 311.003(c) and (d);” and

WHEREAS, pursuant to and as required by the Act, the City has prepared an Amended *Preliminary Reinvestment Zone Project Plan and Financing Plan for Reinvestment Zone Number One, City of Grand Prairie*, attached as *Exhibit C* (hereinafter referred to as the “Preliminary Project and Finance Plan”) for a proposed tax increment reinvestment zone containing the real property within the Zone; and

WHEREAS, notice of the public hearing on the expansion of the proposed zone was published in a newspaper having general circulation in the City on October 8, 2018, which date is before the seventh (7th) day before the public hearing held on October 16, 2018; and

WHEREAS, at the public hearing on October 16, 2018, interested persons were allowed to speak for or against the expanded boundaries of the Zone, the extension of the term, and the concept of tax increment financing, and owners of property in the proposed Zone were given a reasonable opportunity to protest the inclusion of their property in the Zone; the public hearing was held in full accordance with Section 311.003(c) of the Act; and

WHEREAS, evidence was received and presented at the public hearing on October 16, 2018, and in favor of the amendment of the Zone; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on October 16, 2018; and

WHEREAS, the City has taken all actions required to expand the Zone including, but not limited to, all actions required by the home-rule Charter of the City, the Act, the Texas Open Meetings Act (defined herein), and all other laws applicable to the creation of the Zone; and

WHEREAS, the percentage of the property in the proposed zone, excluding property that is public owned, that is used for residential purposes is less than thirty percent; and

WHEREAS, a Preliminary Project and Finance plan has been prepared for the proposed expanded reinvestment zone.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS, THAT:

SECTION 1. RECITALS INCORPORATED.

The facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct.

SECTION 2. FINDINGS.

That the City Council, after conducting the above described hearing and having heard the evidence and testimony presented at the hearing, has made the following findings and determined based on the evidence and testimony presented to it:

- (a) That the public hearing on the expansion of the reinvestment zone and extension of the term has been properly called, held, and conducted and that notice of such hearing has been published as required by law; and
- (b) That the expansion of the reinvestment zone with boundaries as described and depicted in *Exhibits "A" and "B"* will result in benefits to the City, its residents and property owners, in general, and to the property, residents, and property owners in the reinvestment zone; and
- (c) That the expanded reinvestment zone, as defined in *Exhibits "A" and "B"*, meets the criteria for the creation of a reinvestment zone set forth in the Act in that:
1. It is a geographic area located wholly within the City limits of the City; and
 2. That the City Council further finds and declares that the proposed zone meets the criteria and requirements of Section 311.005 of the Texas Tax Code because the proposed zone is predominantly open and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the City or county.
- (d) That 30 percent or less of the property in the proposed reinvestment zone, excluding property dedicated to public use, is currently used for residential purposes; and
- (e) That the total appraised value of all taxable real property in the proposed reinvestment zone according to the most recent appraisal rolls of the City, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, according to the most recent appraisal rolls of the City, does not exceed 25 percent of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any; and
- (f) That the improvements in the proposed reinvestment zone will significantly enhance the value of all taxable real property in the proposed reinvestment zone and will be of general benefit to the City or county; and
- (g) That the development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonable foreseeable future.

SECTION 3. DURATION OF THE ZONE.

That the expanded Zone shall take effect immediately upon the passage and approval of this Ordinance, consistent with Section 311.004(a)(3) of the Act, and termination of the Zone shall occur upon any of the following: (i) on December 31, 2041; (ii) at an earlier time designated by subsequent ordinance; (iii) at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, notes and other obligations of the Zone, and the interest thereon, have been paid in full, in accordance with Section 311.017 of the Act.

SECTION 4. TAX INCREMENT BASE

That the Tax Increment Base for the original boundaries of the TIRZ is the total appraised value of all real property taxable by the City and located in the TIRZ, determined as of January 1, 1999, when the TIRZ was designated, and for those parcels added to the TIRZ with this boundary expansion included in this October 16, 2018 amendment, the appraised value is to be determined as of January 1, 2018.

SECTION 5. SEVERABILITY CLAUSE.

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

SECTION 6. OPEN MEETINGS.

It is hereby found, determined, and declared that sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding its meeting, as required by Chapter 551 of the Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 7. EFFECTIVE DATE.

This Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by law and the City Charter.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS, ON THIS THE 16TH DAY OF OCTOBER 2018.

APPROVED:



Ron Jensen, Mayor

ATTEST:



Deputy City Secretary

APPROVED AS TO FORM:



City Attorney

EXHIBIT A
BOUNDARY DESCRIPTION

Area # 1 – Original Boundaries

Beginning at the southeast corner of North Belt Line road and Tarrant Road;

THENCE westerly, crossing Belt Line road to the northeast corner of Turner Park in the south line of Tarrant road;

THENCE continuing westerly, northerly and westerly along the south line of Tarrant Road passing Walter Hill Drive to the northeast corner of a tract of land containing Grand Prairie High School (GPHS);

THENCE southerly, along the east line of said GPHS tract to the north line of High School Drive;

THENCE southerly, crossing the right-of-way of High School Drive the same east line of said GPHS tract to the north line of Small Hill Drive;

THENCE westerly, along the north line of Small Hill Drive to the point of southerly curvature of Small Hill Drive and along a line extended on the same westerly bearing to the east line of Stadium Drive;

THENCE northerly, along the east line of Stadium Drive passing High School Drive to the south line of Tarrant Road but excluding from the area inscribed by the prior calls a 6.11 acre tract containing the Oak Hill Apartments;

THENCE westerly, northerly and westerly along the south line of Tarrant Road to the south east corner of NW 7th Street and Tarrant Road;

THENCE westerly, along the south line of Tarrant Road passing NW 7th Street to the northeast corner of a tract of land containing Adams Middle School;

THENCE southerly, along the east line of said Adams Middle School tract to the southeast corner of said tract;

THENCE westerly, along the south line of the Adams Middle School tract to its intersection with the east line of Capetown Drive;

THENCE northerly, along the east line of Capetown Drive to the south line of Tarrant Road;

THENCE due north crossing the right-of-way of Tarrant Road and IH-30 to the north line of IH-30;

THENCE easterly along the north line of IH-30 crossing the right-of-way of NW 7th Street to the east line of NW 7th Street;

THENCE northerly along the east line of NW 7th Street to the southwest corner of the Meadow Green Addition, being the southwest corner of Lot 1;

THENCE N 89° 23' E, along the south line of said Meadow Green Addition a distance of 185.85 feet to the southeast corner of said Meadow Green Addition;

THENCE N 21° 12' 57" E, along the east line of said Meadow Green Addition, a distance of 683 .85 feet to the northeast corner of said Meadow Green Addition;

THENCE N 88° 37' 18" W, along the north line of said Meadow Green Addition a distance of 456.77 feet to the east line of N.W. 7th Street;

THENCE northerly, along the east line of N.W. 7th Street to the southeast corner of Esquire Manor Addition;

THENCE northerly, westerly, and northerly along the east line of said Esquire Manor Addition along the following bearings and distances:

N 0° 45' E 110.0 feet

N 89° 15' W 75.0 feet

N 0° 45' E 1215.0 feet

N 37° 37' E 125.0 feet

N 0° 45' E 169.0 feet

to the north east corner of said Esquire Manor Addition;

THENCE northerly, along the extension of the east line of the Esquire Manor Addition crossing the Trinity River to the south line of Wildlife Park way;

THENCE westerly, along the south line of Wildlife Park way to a point where the curving south line of Wildlife Parkway turns into the western right-of-way line of Hardrock Road;

THENCE northerly, along the west line of Hard rock Road passing the southwest corner of Hard rock Road and Oakdale Road, and continuing north across Oakdale Road to the north line of Oakdale Road;

THENCE easterly, along the north line of Oakdale Road to Grand Prairie/Irving City limit line;

THENCE southerly, along the Grand Prairie/Irving City limit line to the south line of Hunter-Ferrell Road;

THENCE easterly, along the south line of Hunter-Ferrell road, to the northeast corner of Lone Star Park, also being the northeast corner of GPMURD property;

THENCE southerly, along the east line of said GPMURD property, cross the GPMURD overflow property to the north bank of the Trinity river;

THENCE northeasterly, northerly, and easterly, along the meanders of the north bank of the Trinity River to the west line of MacArthur Blvd., being the city limits line of Grand Prairie;

THENCE southerly, along the Grand Prairie City limits line to the centerline of the Trinity River;

THENCE easterly, along the centerline of the Trinity River to the east line of MacArthur Blvd.;

THENCE southerly, along the east line of MacArthur Blvd., to the south line of the entrance road of the City of Grand Prairie Sanitary Landfill, also being the north line of the Gifford Hill property;

THENCE easterly, along the entrance road to the Grand Prairie Sanitary Landfill approximately 2540 feet;

THENCE southerly, approximately 1400 feet; THENCE easterly, approximately 1300 feet; THENCE southerly, approximately 290 feet;

THENCE easterly, approximately 1422 feet to the southeast corner of the Grand Prairie Sanitary Landfill;

THENCE southerly, along the extension of the east line of the Grand Prairie Sanitary Landfill to the north line of IH-30;

THENCE easterly, along the north line of IH-30 to the east City limits of Grand Prairie;

THENCE southerly, along the east City limits of Grand Prairie to the north line of SH-180;

THENCE westerly along the north line of SH-180 the following bearings and distances:

s 88° 23' 4" w 190.2'

N 46° 37' 14" W 84.85'

s 86° 50' 51" w 370.14'

S 88° 23' 44" W 698.48

s 88° 23' 44" w 53 1.52'

s 78° 23' 03" w 172.58'

s 88° 23' 44" w 500'

N 86° 42' 20" W 139.99'

N 86° 42' 20" W 21 1.29'

s 88° 23' 44" w 473.69'

s 88° 23' 44" w 89.82'

s 88° 23' 44" w 236.49'

s 83° 49' 18" w 376.20'

Bagdad Road to the east line of My Estates;

THENCE northerly, along the east line of My Estates, to the south line of IH-30; THENCE westerly, along the south line of IH-30 to the centerline of the original Trinity River Channel;

THENCE southerly and southwesterly, along the meanders of the old Trinity River Channel to its intersection with Turner Branch;

THENCE southerly, along the meanders of Turner Branch adjacent to the Racetrac Petroleum site to the south line of Tarrant road;

THENCE westerly, along the south line of Tarrant Road to the PLACE OF BEGINNING.

Area #2

Beginning at the northwest corner of Property ID 28052501510010000 at the point it meets the southern ROW boundary of Hill Street, thence

North to the northern ROW boundary of Hill Street, thence

East along the northern ROW boundary of Hill Street to the point it meets the southwest corner of Property ID 65100340510120000, thence

North along the western boundary of Property ID 65100340510120000, thence

East along the northern boundary of Property ID 65100340510120000 to the point it meets the western ROW boundary of Stadium Drive, thence

East to the eastern ROW boundary of Stadium Drive to the point it meets the northwest corner of Property ID 65100340510100000, thence

East along the northern boundary of Property ID 65100340510100000 to the point it meets the northern ROW boundary of Hill Street, thence

East along the northern ROW boundary of Hill Street to the point it meets the southeast corner of Property ID 28166000010010000, thence

North along the eastern boundary of Property ID 28166000010010000 to the point it meets the southeast corner of Property ID 65037678510030000, thence

North along the eastern boundary of Property ID 65037678510030000 to the point it meets the southern ROW boundary of High School Drive, thence

North to the northern ROW boundary of High School Drive to the point it meets the southeast corner of Property ID 28073750010010000, thence

North along the eastern boundary of Property ID 28073750010010000 to the point it meets the southern ROW boundary of E Tarrant Road, thence

East along the southern ROW boundary of E Tarrant Road, past S Belt Line Road, thence

North to the northern ROW boundary of E Tarrant Road to the point it meets the southwest corner of Property ID 65154825510110000, thence

North along the western boundary of Property ID 65154825510110000, thence

East along the northern boundary of Property ID 65154825510110000 to the point it meets the northwest corner of Property ID 65154825510110100, thence

Northeast along the northern boundary of Property ID 65154825510110100 to the point it meets the southern ROW boundary of Interstate 30, thence

East along the southern ROW boundary of Interstate 30 to the point it meets the northeast corner of Property ID 65050616010270400, thence

South along the eastern boundary of Property ID 65050616010270400, thence

West along the southern boundary of Property ID 65050616010270400 to the point it meets the southeast corner of Property ID 28236500210200000, thence

West along the southern boundary of Property ID 28236500210200000 to the point it meets the ROW boundary of NE 22nd Street, thence

South along the eastern ROW boundary of NE 22nd Street to the point it meets the southern ROW boundary of Cottonwood Street, thence

West along the southern ROW boundary of Cottonwood Street to the point it meets the western ROW boundary of NE 19th Street, thence

North along the western boundary of NE 19th Street to the point it meets the southern ROW boundary of Walnut Street, thence

West along the southern ROW boundary of Walnut Street to the point it meets the eastern ROW boundary of NE 17th Street, thence

South along the eastern ROW boundary of NE 17th Street to the point it meets the southern ROW boundary of Walnut Street, thence

West along the southern ROW boundary of Walnut Street to the point it becomes E Tarrant Road, thence

West along the southern ROW boundary of E Tarrant Road to the point it meets the northeast corner of Property ID 65154825510110300, thence

South along the eastern boundary of Property ID 65154825510110300 to the point it meets the northeast corner of Property ID 65154825510160000, thence

South along the eastern boundary of Property ID 65154825510160000, thence

West along the southern boundary of Property ID 65154825510160000, thence

North along the western boundary of Property ID 65154825510160000 to the point it meets the northeast corner of Property ID 65154825510130000, thence

West along the northern boundary of Property ID 65154825510130000 to the point it meets the eastern ROW boundary of S Belt Line Road, thence

South along the eastern ROW boundary of S Belt Line Road to the point it meets the southern ROW boundary of E Grand Prairie Road, thence

West along the southern ROW boundary of E Grand Prairie Road to the point it meets the western ROW boundary of S Center Street, thence

North along the western boundary of S Center Street to the point it meets the southern ROW boundary of SW Dallas Street, thence

West along the southern ROW boundary of SW Dallas Street to the point it becomes Shawnee Trce, thence

South along the eastern ROW boundary of Shawnee Trce to the point it meets the southern ROW boundary of Cherokee Trce, thence

West along the southern ROW boundary of Cherokee Trce to the point it meets the eastern ROW boundary of S Carrier Parkway, thence

South along the eastern ROW boundary of S Carrier Parkway to the point it meets the southern ROW boundary of Conover Drive, thence

West along the southern ROW boundary of Conover Drive to the point it meets the eastern ROW boundary of State Highway 161, thence

North along the eastern ROW boundary of State Highway 161 to the point it meets the southwest corner of Property ID 28052501520090000, thence

North to the southwest corner of Property ID 28052501510010000, thence

North along the western boundary of Property ID 28052501510010000 to the northwest corner of Property ID 28052501510010000, which is the point of beginning.

Area #3

Beginning at the northwest corner of Property ID 99101208110000000, thence

East along the northern boundary of Property ID 99101208110000000 to the point it meets the northwest corner of Property ID 99892850000076350, thence

East along the northern boundary of Property ID 99892850000076350 to the point it meets the northwest corner of Property ID 99091026670000000, thence

East along the northern boundary of Property ID 99091026670000000 to the point it meets the northwest corner of Property ID 65089149610070000, thence

East along the northern boundary of Property ID 65089149610070000 to the northwest corner of Property ID 65089149810050000, thence

South along the eastern boundary of Property ID 65089149810050000 to the point it meets the northern boundary of Property ID 65098929510010100, thence

South along the eastern boundary of Property ID 65098929510010100 to the northern ROW boundary E Main Street, thence

East along the northern ROW boundary of E Main Street to the point it meets the Grand Prairie City Limit, thence

South to the northern boundary of Property ID 65114250110140000, thence

South along the Grand Prairie City limit boundary through Property ID 65114250110140000, thence

Continuing south along the Grand Prairie City limit boundary through Property ID 65114250010070100, thence

Continuing south along the Grand Prairie City limit boundary through Property ID 65081676520030100, thence

Continuing south along the Grand Prairie City limit boundary through Property ID 00000806551000000, thence

West along the southern Grand Prairie City limit boundary, continuing west along said boundary to the point it meets the southwest corner of Property ID 65089149510400000, thence

North along the western boundary of Property ID 65089149510400000, thence

Continuing north along the Grand Prairie City limit boundary through Property ID 65089149510400000, thence

Continuing north along the Grand Prairie City limit to the northwest corner of Property ID 99101208110000000, which is the point of beginning.

Area #4

Beginning at the northwest corner of Property ID 65067957010140000, thence

North to the northern ROW boundary of W Hunter Ferrell Road, to the point it meets the Grand Prairie city limit boundary, thence

East along the Grand Prairie city limit boundary to the point it meets MacArthur Boulevard, thence

South along the Grand Prairie city limit boundary to the point it meets the West Fork River, thence

East along the Grand Prairie city limit boundary, that follows the West Fork River, to the point it meets Mountain Creek, thence

South along the Grand Prairie city limit boundary, that follows Mountain Creek, to the point it meets the northern ROW boundary of Interstate 30, thence

West along the northern ROW boundary of Interstate 30 to the point it meets the southwest corner of Property ID 65084603510080300, thence

North along the western boundary of Property ID 65084603510080300, thence

Continuing north along the eastern boundary of Property ID 65084603510080000 to the point it meets the southeast corner of Property ID 65084603510080100, thence

West along the southern boundary of Property ID 65084603510080100, thence

North along the western boundary of Property ID 65084603510080100 to the point it meets the southern boundary of Property ID 65061722510070000, thence

West along the southern boundary of Property ID 65061722510070000 to the point it meets the southern boundary of Property ID 65061722510020000, thence

West along the southern boundary of Property ID 65061722510020000 to the point it meets the West Fork River, thence

West following the West Fork River to the point it meets the southwest corner of Property ID 65050616010240000, thence

North along the western boundary of Property ID 65050616010240000 to the point it meets the southwest corner of Property ID 65050716510010100, thence

North along the western boundary of Property ID 65050716510010100 to the point it meets the southwest corner of Property ID 65067957010260000, thence

North along the western boundary of Property ID 65067957010260000 to the point it meets the southwest corner of Property ID 65067957010140000, thence

North along the western boundary of Property ID 65067957010140000 to northwest corner of Property ID 65067957010140000, which is the point of beginning.

Area #5

Beginning at the northwest corner of Property ID 65170347010040000, thence

East along the northern boundary of Property ID 65170347010040000 to the point it meets the western ROW boundary of Roy Orr Boulevard, thence

East across Roy Orr Boulevard to the northwest corner of Property ID 65170347010010000, thence

East along the northern boundary of Property ID 65170347010010000 to the point it meets the western ROW boundary of W Oakland Boulevard, thence

East to the eastern ROW boundary of W Oakland Boulevard, thence

South along the eastern ROW boundary of W Oakland Boulevard, thence

East along the northern ROW boundary of W Oakland Boulevard to the point it meets the western ROW boundary of Hardrock Road, thence

South along the western ROW boundary of Hardrock Road to the point it meets the northern boundary of Property ID 65012183510010000, thence

South along the eastern boundary of Property ID 65012183510010000, thence

South to the southeastern corner of Property ID 65012183510150400, thence

West along the southern boundary of Property ID 65012183510150400 to the point it meets Property ID 65012183510150100, thence

West along the southern boundary of Property ID 65012183510150100 to the point it meets the eastern ROW boundary of N Carrier Parkway, thence

West to the western ROW boundary of N Carrier Parkway to the point it meets the southeast corner of Property ID 65012183510360000, thence

West along the southern boundary of Property ID 65012183510360000 to the point it meets the southeast corner of Property ID 65012183510160400, thence

West along the southern boundary of Property ID 65012183510160400 to the point it meets the southeast corner of Property ID 65012183510160500, thence

West along the southern boundary of Property ID 65012183510160500 to the point it meets the southeast corner of Property ID 28246600010010000, thence

West along the southern boundary of Property ID 28246600010010000 to the point it meets the eastern ROW boundary of State Highway 161, thence

West to the western ROW boundary of State Highway 161, thence

North along the western ROW boundary of State Highway 161 to the point it meets the western ROW boundary of N Carrier Parkway, thence

North along the western ROW boundary of N Carrier Parkway to the point it meets the western ROW boundary of Roy Orr Road, thence

North along the western ROW boundary of Roy Orr Road to the point it meets the southern boundary of Property ID 65170347010040000, thence

West along the southern boundary of Property ID 65170347010040000, thence

North along the western boundary of Property ID 65170347010040000, to the northwest corner of Property ID 65170347010040000, which is the point of beginning.

Area #6

Beginning at the southwest corner of Property ID 04972597, thence

North along the western boundary of Property ID 04972597 where it meets the Grand Prairie City limit boundary, thence

North along the Grand Prairie City limit where it follows the West Fork Trinity River, thence

Continuing west along the Grand Prairie City limit where it follows the West Fork Trinity River, thence

Continuing south along the Grand Prairie City limit where it follows the West Fork Trinity River, thence

South to the point it meets the northern boundary of Property ID 40941736, thence

South along the eastern boundary of Property ID 40941736, thence

West along the southern boundary of Property ID 40941736 to the point it meets the northeast corner of Property ID 05989418, thence

South along the eastern boundary of Property ID 05989418 to the point it meets the northeast corner of Property ID 14202633, thence

West along the southern boundary of Property ID 14202633 to the point it meets the southern boundary of Property ID 05989418, thence

West along the southern boundary of Property ID 05989418, thence

North along the western boundary of Property ID 05989418, thence

East along the northern boundary of Property ID 05989418 to the point it meets the southern corner of Property ID 03828530, thence

North along the western boundary of Property ID 03828530 to the point it meets the southern boundary of Property ID 04639480, thence

North along the western boundary of Property ID 04639480 to the point it meets the southern boundary of Property ID 03805867, thence

North along the western boundary of Property ID 03805867 to the point it meets the southern boundary of Property ID 07576730, thence

West along the southern boundary of Property ID 07576730 to the point it meets the southern boundary of Property ID 05689619, thence

West along the southern boundary of Property ID 05689619 to the southeast boundary of Property ID 06254888, thence

West along the southern boundary of Property ID 06254888 to the eastern ROW boundary of State Highway 360, thence

West to the western ROW boundary of State Highway 360 to the point it meets Property ID 05755662, thence

West along the southern boundary of Property ID 05755662 to the point it meets the eastern boundary of Property ID 04972597, thence

South along the eastern boundary of Property ID 04972597 to the southwest corner of Property ID 04972597, which is the point of beginning.

Area #7

Beginning at the northwest corner of Property ID 28184580010030000 at the point it meets the southern ROW boundary of W Pioneer Parkway, thence

East along the southern ROW boundary of W Pioneer Parkway to the point it meets the western boundary of Southgate Drive, thence

South and then east along the western and southern ROW boundary of Southgate Drive to the point it meets the western ROW boundary of Robinson Road, thence

South along the western ROW boundary of Robinson Road to the point it meets the southern ROW boundary of Arkansas Lane, thence

West along the southern ROW boundary of Arkansas Lane to the point it meets the northeast corner of Property ID 282604500A0030000, thence

South along the eastern boundary of Property ID 282604500A0030000 to the point it meets the northeast corner of Property ID 282604500A0060000, thence

South along the eastern boundary of Property ID 282604500A0060000 to the point it meets the northeast corner of Property ID 28021560010010000, thence

South along the eastern boundary of Property ID 28021560010010000 to the point it meets the western ROW boundary of Fieldcrest Drive, thence

East to the eastern ROW boundary of Fieldcrest Drive, thence

South along the eastern ROW boundary of Fieldcrest Drive to the point it meets the northwest corner of Property ID 280145400G0390000, thence

West along the northern boundary of Property ID 280145400G0390000, thence

South along the eastern boundary of Property ID 280145400G0390000 to the point it meets the northern ROW boundary of W Warrior Trail, thence

South to the southern ROW boundary of W Warrior Trail to the point it meets the northwest corner of Property ID 28144600030010000, thence

West to the southeast corner of Property ID 65029532010041200, thence

West along the southern boundary of Property ID 65029532010041200 to the point it meets the southeast corner of Property ID 28021560010000000, thence

West along the southern boundary of Property ID 28021560010000000 to the point it meets the northeast corner of Property ID 65005944510020400, thence

South along the eastern boundary of Property ID 65005944510020400 to the point it meets the northeast corner of Property ID 65005944510020700, thence

South along the eastern boundary of Property ID 65005944510020700 to the point it meets the northeast corner of Property ID 65005944510020500, thence

South along the eastern boundary of Property ID 65005944510020500 to the point it meets the northwest corner of Property ID 28006600010020000, thence

West and then south along the boundary of Property ID 28006600010020000 to the point it meets the northern ROW boundary of Mayfield Road, thence

East along the northern ROW boundary of Mayfield Road to the point it meets the eastern ROW boundary of S Robinson Road, thence

South along the eastern ROW boundary of S Robinson Road to the point it meets the southern ROW boundary of Forum Drive, thence

West along the southern ROW boundary of Forum Drive to the point it meets the northwest corner of Property ID 65039511010020100, thence

North to the northern ROW boundary of Forum Drive to the point it meets the southwest corner of Property ID 65039511010010100, thence

North along the western boundary of Property ID 65039511010010100 to the point it meets the southwest corner of Property ID 65119312510070000, thence

North along the western boundary of Property ID 65119312510070000 to the point it meets the southwest corner of Property ID 65119312510030000, thence

North along the western boundary of Property ID 65119312510030000 to the point it meets the southern ROW boundary of Mayfield Road, thence

North to the northern ROW boundary of Mayfield Road to the point it meets the southern boundary of Property ID 65005944510020100, thence

West to the southwest corner of Property ID 65005944510020100, thence

North along the western boundary of Property ID 65005944510020100 to the point it meets the southwest corner of Property ID 65005944510020600, thence

North along the western boundary of Property ID 65005944510020600 to the point it meets the southwest corner of Property ID 65005944510020800, thence

North along the western boundary of Property ID 65005944510020800 to the point it meets the southwest corner of Property ID 65005944510020000, thence

North along the western boundary of Property ID 65005944510020000 to the point it meets the southwest corner of Property ID 28023750050010000, thence

North along the western boundary of Property ID 28023750050010000 to the point it meets the southern ROW boundary of W Warrior Trail, thence

North to the northern ROW boundary of Warrior Trail to the point it meets Property ID 28023750020030000, thence

North along the western boundary of Property ID 28023750020030000 to the point it meets Property ID 28023750020040000, thence

West along the southern boundary of Property ID 28023750020040000 to the point it meets the eastern ROW boundary of Waterwood Drive, thence

South along the eastern ROW boundary of Waterwood Drive to the point it meets the northern ROW boundary of W Warrior Trail, thence

West along the northern ROW boundary of W Warrior Trail to the point it meets the southeast corner of Property ID 28023750010040000, thence

North along the eastern boundary, west along the northern boundary, and then south along the western boundary of Property ID 28023750010040000 to the point it meets the northern ROW boundary of W Warrior Trail, thence

West along the northern ROW boundary of W Warrior Trail to the point it meets the southwest corner of Property ID 41463307, thence

North along the western boundary of Property ID 41463307, thence

East along the northern boundary of Property ID 41463307 to the point it meets the northwest corner of Property ID 28023750010020000, thence

East along the northern boundary of Property ID 28023750010020000 to the point it meets the southwest corner of Property ID 28023750010010000, thence

North along the western boundary of Property ID 28023750010010000 to the point it meets the southern ROW boundary of Arkansas Lane, thence

North to the northern ROW boundary of Arkansas Lane to the point it meets the southern boundary of Property ID 28184580010010000, thence

East along the northern ROW boundary of Arkansas Lane to the point it meets the southwest corner of Property ID 28184580010030000, thence

North along the western boundary of Property ID 28184580010030000 to the northwest corner of Property ID 28184580010030000 at the point it meets the southern ROW boundary of W Pioneer Parkway, which is the point of beginning.

Area #8

Beginning at the northwest corner of Property ID 65146023510120000, thence

East along the northern boundary of Property ID 65146023510120000 to the point it meets the northwest corner of Property ID 65146023510110000, thence

East along the northern boundary of Property ID 65146023510110000, thence

South along the eastern boundary of Property ID 65146023510110000, thence

West along the southern boundary of Property ID 65146023510110000 to the point it meets the southeast corner of Property ID 65146023510120000, thence

West along the southern boundary of Property ID 65146023510120000, thence

North along the western boundary of Property ID 65146023510120000 to the northwest corner of Property ID 65146023510120000, which is the point of beginning.

Tax Increment Reinvestment Zone #1 City of Grand Prairie, Texas

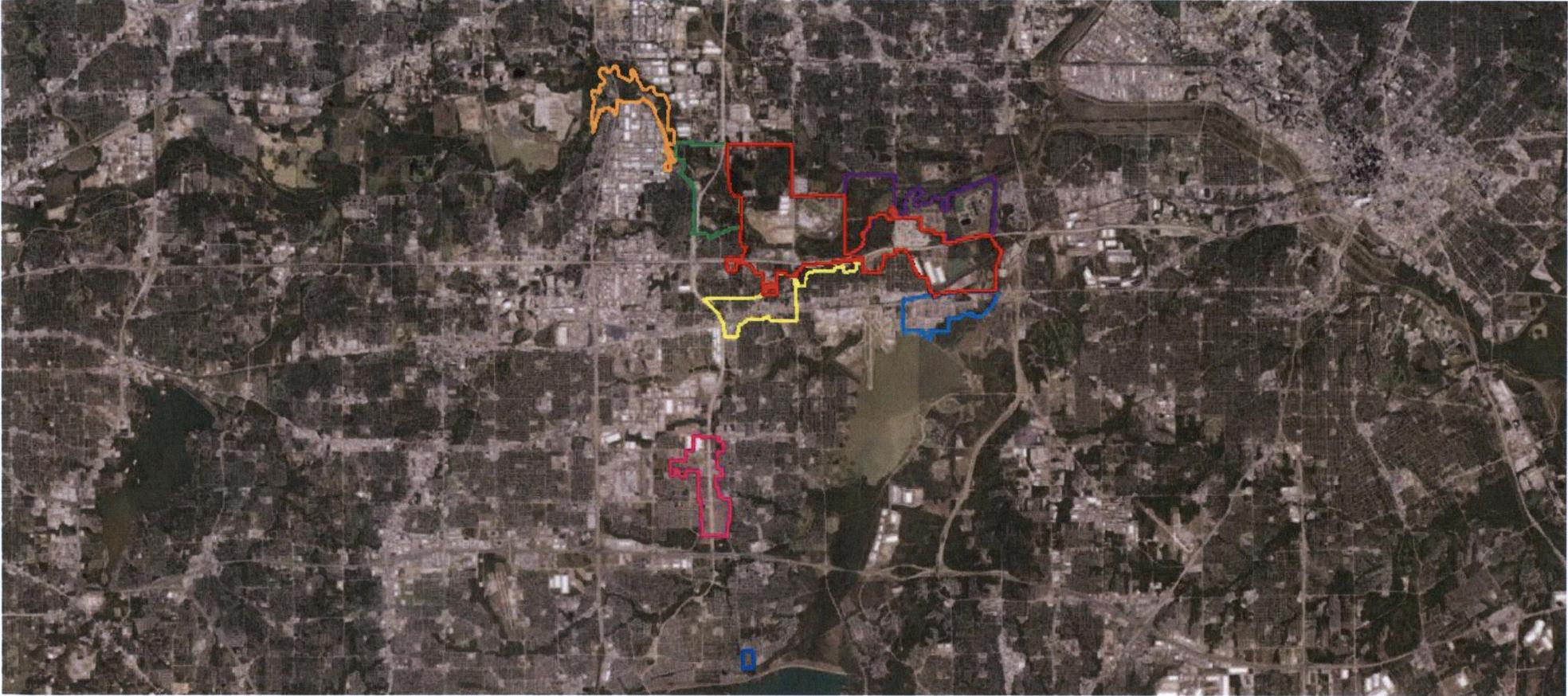
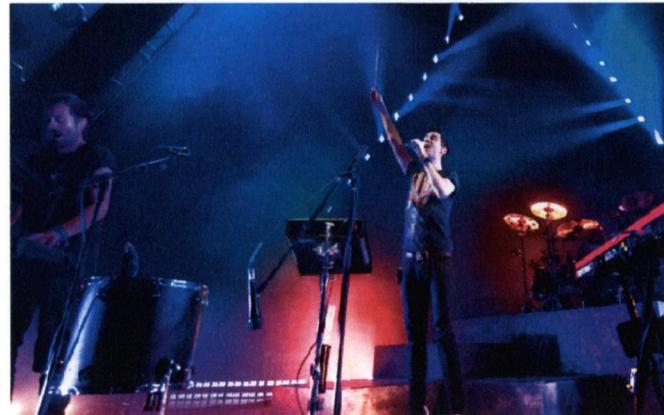


Table of Contents

- Introduction 1
- TIRZ Boundary 2
- Current Conditions 14
- Project Costs 16
- Anticipated Development 17
- Financial Feasibility Analysis 18
- Terms and Conditions 41



Grand Prairie, Texas, is centrally located in the Dallas-Fort Worth-Arlington Metropolitan Statistical Area and covers about 81 square miles. With a 2017 population of 190,682, it is the 15th largest city in Texas and in the top 150 nationwide.

The city's northern border lies 5 to 10 minutes south of the Dallas-Fort Worth International Airport. Passing east and west through Grand Prairie and linking the city with major markets are Interstate 30, a strong entertainment and business corridor, and Interstate 20, developing as a significant retail and corporate location. Quick access to the Dallas-Fort Worth International Airport, the large local markets of Dallas and Fort Worth, and convenient rail and interstate highways continue to attract the new construction of warehouse, distribution and manufacturing buildings.

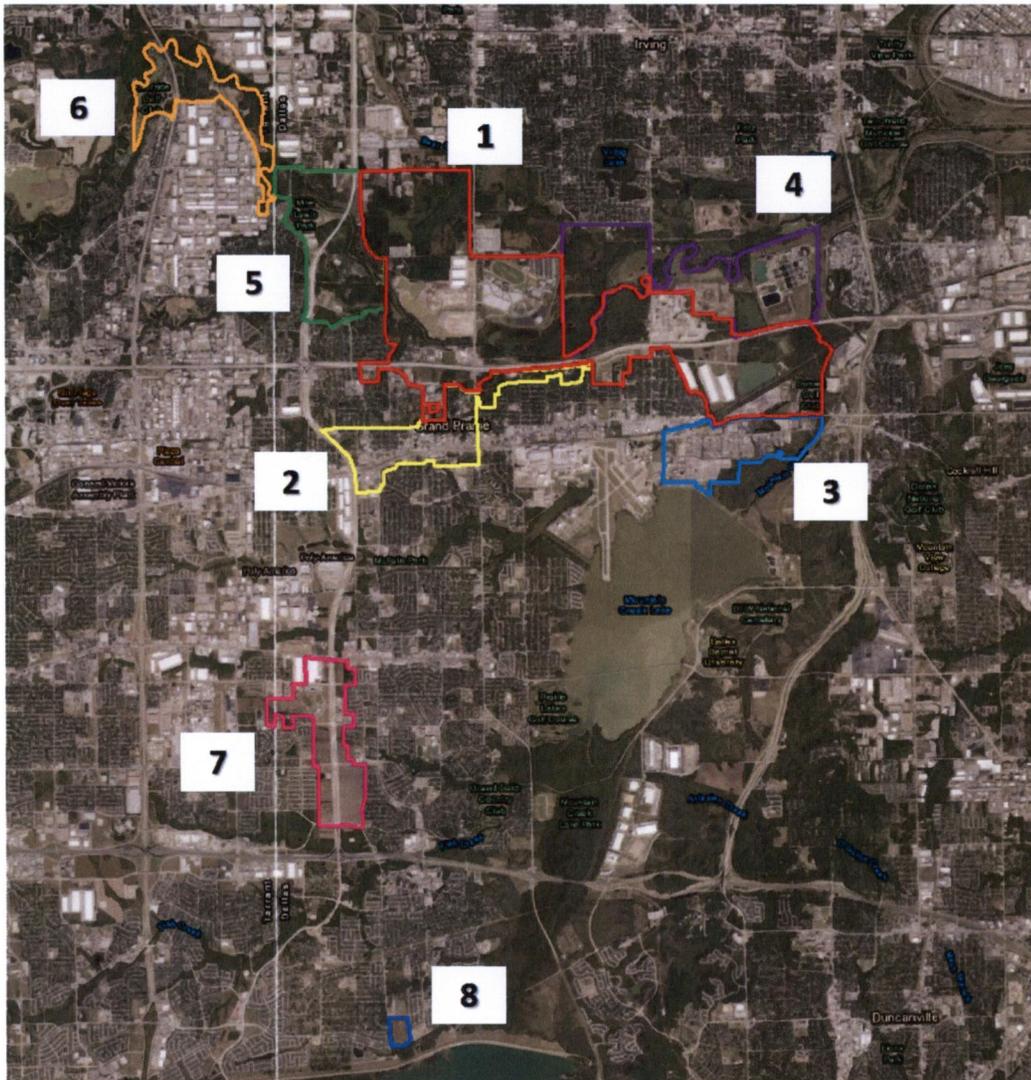
Local attractions within Grand Prairie include Epic Waters, a community-driven indoor waterpark showcasing 80,000 square-foot of year-round water fun, Lone Star Park, a Class 1 track featuring a European-style paddock and live racing on dirt and grass surfaces, The Theatre at Grand Prairie, a 6,350-seat live performance hall, Action Park Grand Prairie, a \$1.2 million outdoor skate park, and much more.



DISCLAIMER

Our conclusions and recommendations are based on current market conditions and the expected performance of the national, and/or local economy and real estate market. Given that economic conditions can change and real estate markets are cyclical, it is critical to monitor the economy and real estate market continuously, and to revisit key project assumptions periodically to ensure that they are still justified.

The future is difficult to predict, particularly given that the economy and housing markets can be cyclical, as well as subject to changing consumer and market psychology. There will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and the differences may be material.



Tax Increment Reinvestment Zone #1, City of Grand Prairie

The goal of Tax Increment Reinvestment Zone #1 (TIRZ) is to fund the construction of needed public infrastructure and to encourage private development that will yield additional tax revenue to all local taxing jurisdictions. TIRZ #1 will promote the creation of commercial development consisting of retail, office, hotel, as well as residential development.

The project and financing plan outlines the funding of ##### in public improvements related to streets, water and sewer improvements, parks and open spaces, and economic development grants. The TIRZ can fund these improvements through the contribution of the City's real property tax increment within the Zone.

Without the implementation of the TIRZ, the specified property would impair the sound growth of the municipality.

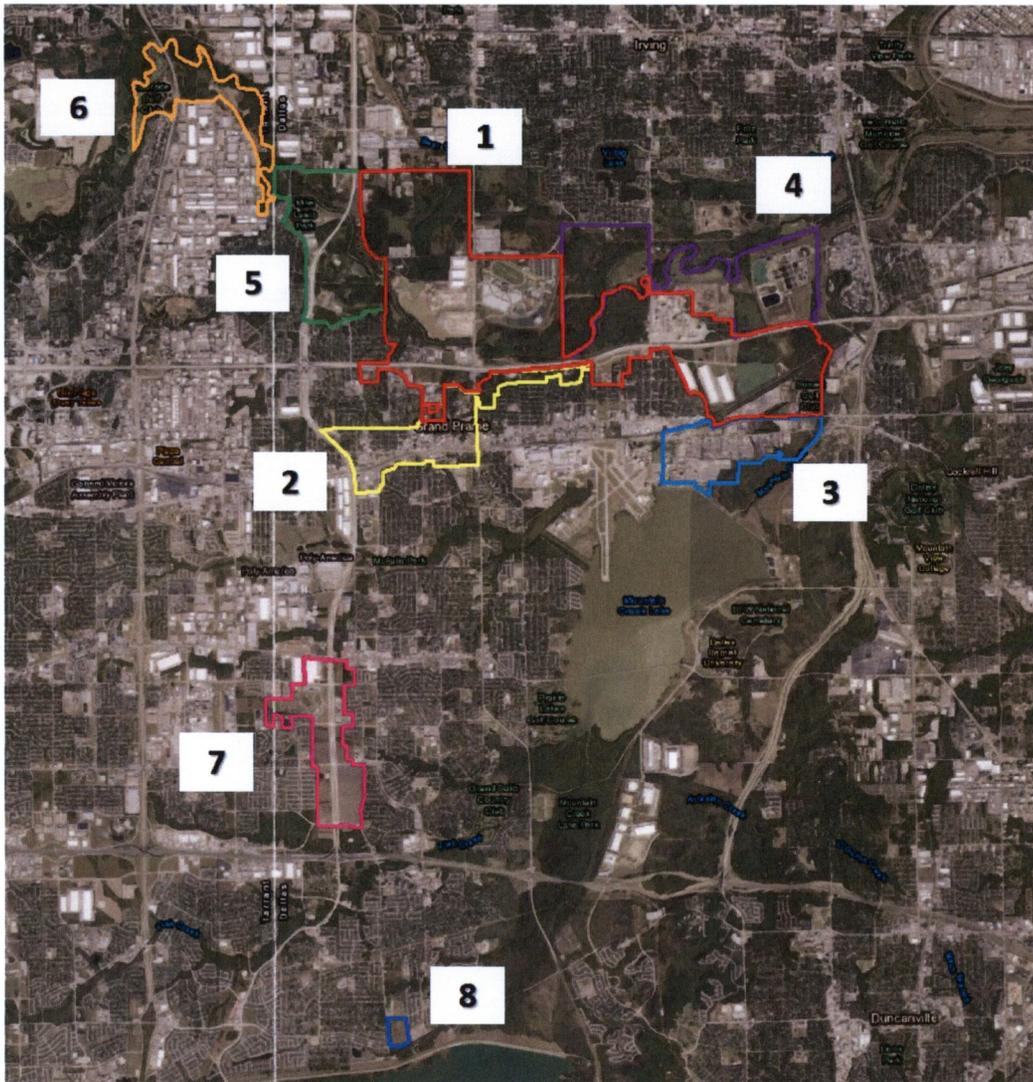
Powers and Duties of Board of Directors:

The board of directors of a reinvestment zone shall make recommendations to the governing body of the municipality or county that created the zone concerning the administration of this chapter in the zone. The governing body of the municipality by ordinance or resolution or the county by order or resolution may authorize the board to exercise any of the municipality's or county's powers with respect to the administration, management, or operation of the zone or the implementation of the project plan for the zone, **except that the governing body may not authorize the board to:**

- (1) issue bonds;
- (2) impose taxes or fees;
- (3) exercise the power of eminent domain; or
- (4) give final approval to the project plan.

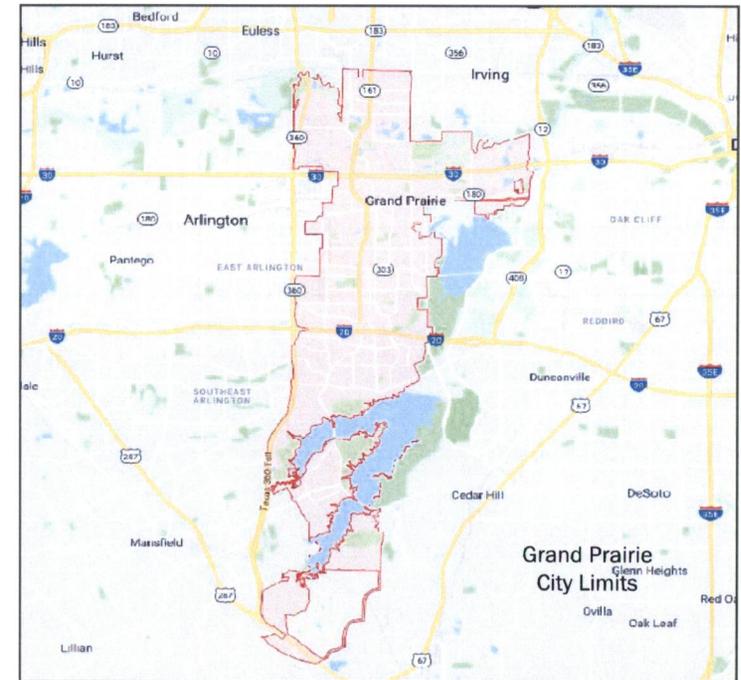
In addition, the Texas Legislature, as a result of the Supreme Court case and other societal factors, has significantly limited and clarified that eminent domain may only be used by a municipality for a "public use" as opposed to a "public purpose." **As stated above, the board of directors is not granted the power of eminent domain.**

TIRZ Boundary



Boundary Description

Grand Prairie TIRZ #1 is noncontiguous and is made up of eight area development zones. Area #1 consists of the original boundaries of the TIRZ created in 1999. The expanded areas created in 2018 include Areas #2, #3, #4, and #5 which are directly adjacent to Area #1, all within Dallas County. Also added in 2018 is Area #6, which is adjacent to Area #5, and located in Tarrant County. Area #7 is located further south and is in both Dallas and Tarrant County. Lastly, Area #8 is located further south, and is within Dallas County. Legal descriptions of each area are included in the following pages of this Project and Financing Plan.



TIRZ Boundary

Legal Description

Area # 1 – Original Boundaries

Beginning at the southeast corner of North Belt Line road and Tarrant Road;

THENCE westerly, crossing Belt Line road to the northeast corner of Turner Park in the south line of Tarrant road;

THENCE continuing westerly, northerly and westerly along the south line of Tarrant Road passing Walter Hill Drive to the northeast corner of a tract of land containing Grand Prairie High School (GPHS);

THENCE southerly, along the east line of said GPHS tract to the north line of High School Drive;

THENCE southerly, crossing the right-of-way of High School Drive the same east line of said GPHS tract to the north line of Small Hill Drive;

THENCE westerly, along the north line of Small Hill Drive to the point of southerly curvature of Small Hill Drive and along a line extended on the same westerly bearing to the east line of Stadium Drive;

THENCE northerly, along the east line of Stadium Drive passing High School Drive to the south line of Tarrant Road but excluding from the area inscribed by the prior calls a 6.11 acre tract containing the Oak Hill Apartments;

THENCE westerly, northerly and westerly along the south line of Tarrant Road to the south east corner of NW 7th Street and Tarrant Road;

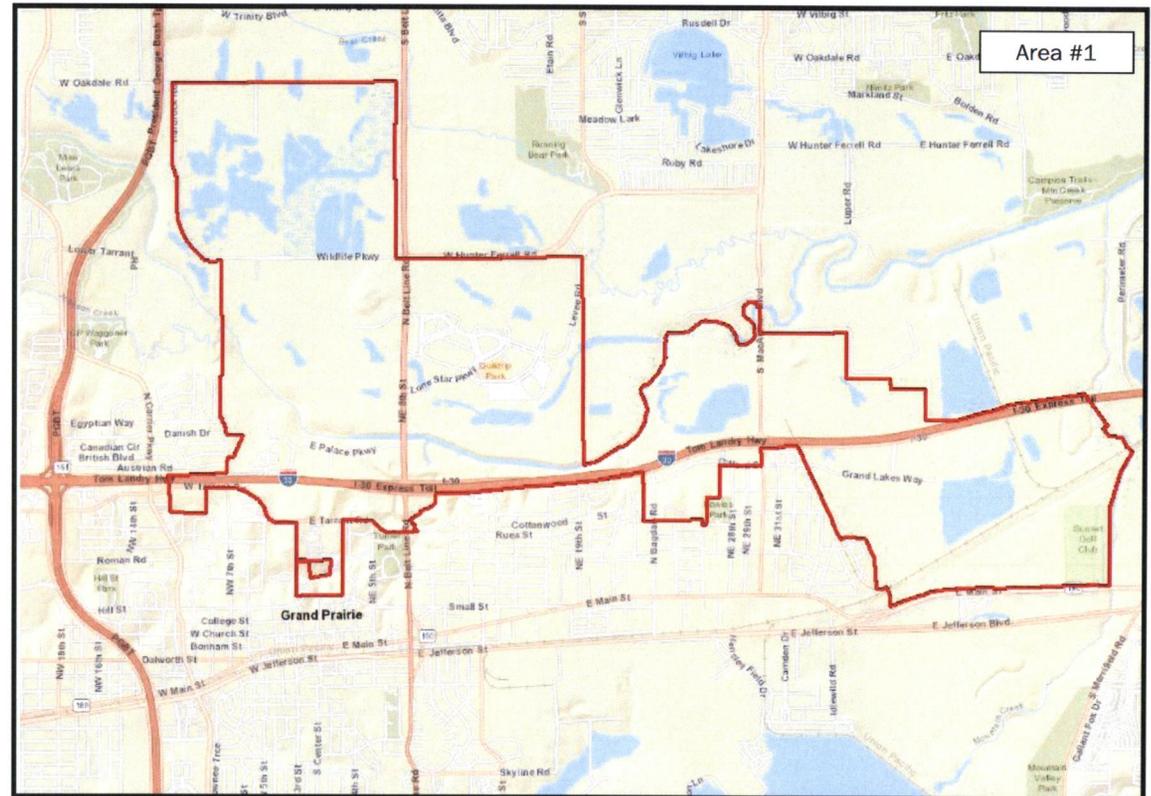
THENCE westerly, along the south line of Tarrant Road passing NW 7th Street to the northeast corner of a tract of land containing Adams Middle School;

THENCE southerly, along the east line of said Adams Middle School tract to the southeast corner of said tract;

THENCE westerly, along the south line of the Adams Middle School tract to its intersection with the east line of Capetown Drive;

THENCE northerly, along the east line of Capetown Drive to the south line of Tarrant Road;

THENCE due north crossing the right-of-way of Tarrant Road and IH-30 to the north line of IH-30; Meadow Green Addition, being the southwest corner of Lot 1;



TIRZ Boundary

Area # 1 – Original Boundaries (Continued)

THENCE N 89° 23' E, along the south line of said Meadow Green Addition a distance of 185.85 feet to the southeast corner of said Meadow Green Addition;

THENCE N 21° 12' 57" E, along the east line of said Meadow Green Addition, a distance of 683.85 feet to the northeast corner of said Meadow Green Addition;

THENCE N 88° 37' 18" W, along the north line of said Meadow Green Addition a distance of 456.77 feet to the east line of N.W. 7th Street;

THENCE northerly, along the east line of N.W. 7th Street to the southeast corner of Esquire Manor Addition;

THENCE northerly, westerly, and northerly along the east line of said Esquire Manor Addition along the following bearings and distances:

N 0° 45' E 110.0 feet

N 89° 15' W 75.0 feet

N 0° 45' E 1215.0 feet

N 37° 37' E 125.0 feet

N 0° 45' E 169.0 feet

to the north east corner of said Esquire Manor Addition;

THENCE northerly, along the extension of the east line of the Esquire Manor Addition crossing the Trinity River to the south line of Wildlife Park way;

THENCE westerly, along the south line of Wildlife Park way to a point where the curving south line of Wildlife Parkway turns into the western right-of-way line of Hardrock Road;

THENCE northerly, along the west line of Hard rock Road passing the southwest corner of Hard rock Road and Oakdale Road, and continuing north across Oakdale Road to the north line of Oakdale Road;

THENCE easterly, along the north line of Oakdale Road to Grand Prairie/Irving City limit line;

THENCE southerly, along the Grand Prairie/Irving City limit line to the south line of Hunter-Ferrell Road;

THENCE easterly, along the south line of Hunter-Ferrell road, to the northeast corner of Lone Star Park, also being the northeast corner of GPMURD property;

THENCE southerly, along the east line of said GPMURD property, cross the GPMURD overflow property to the north bank of the Trinity river;

THENCE northeasterly, northerly, and easterly, along the meanders of the north bank of the Trinity River to the west line of MacArthur Blvd., being the city limits line of Grand Prairie;

THENCE southerly, along the Grand Prairie City limits line to the centerline of the Trinity River;

THENCE easterly, along the centerline of the Trinity River to the east line of MacArthur Blvd.;

THENCE southerly, along the east line of MacArthur Blvd., to the south line of the entrance road of the City of Grand Prairie Sanitary Landfill, also being the north line of the Gifford Hill property;

THENCE easterly, along the entrance road to the Grand Prairie Sanitary Landfill approximately 2540 feet;

THENCE southerly, approximately 1400 feet; THENCE easterly, approximately 1300 feet; THENCE southerly, approximately 290 feet;

THENCE easterly, approximately 1422 feet to the southeast corner of the Grand Prairie Sanitary Landfill;

THENCE southerly, along the extension of the east line of the Grand Prairie Sanitary Landfill to the north line of IH-30;

THENCE easterly, along the north line of IH-30 to the east City limits of Grand Prairie;

THENCE southerly, along the east City limits of Grand Prairie to the north line of SH-180;

THENCE westerly along the north line of SH-180 the following bearings and distances:

s 88° 23' 4" w 190.2'

N 46° 37' 14" W 84.85'

s 86° 50' 51" w 370.14'

S 88° 23' 44" W 698.48'

s 88° 23' 44" w 53 1.52'

s 78° 23' 03" w 172.58'

s 88° 23' 44" w 500'

N 86° 42' 20" W 139.99'

N 86° 42' 20" W 21 1.29'

s 88° 23' 44" w 473.69'

s 88° 23' 44" w 89.82'

s 88° 23' 44" w 236.49'

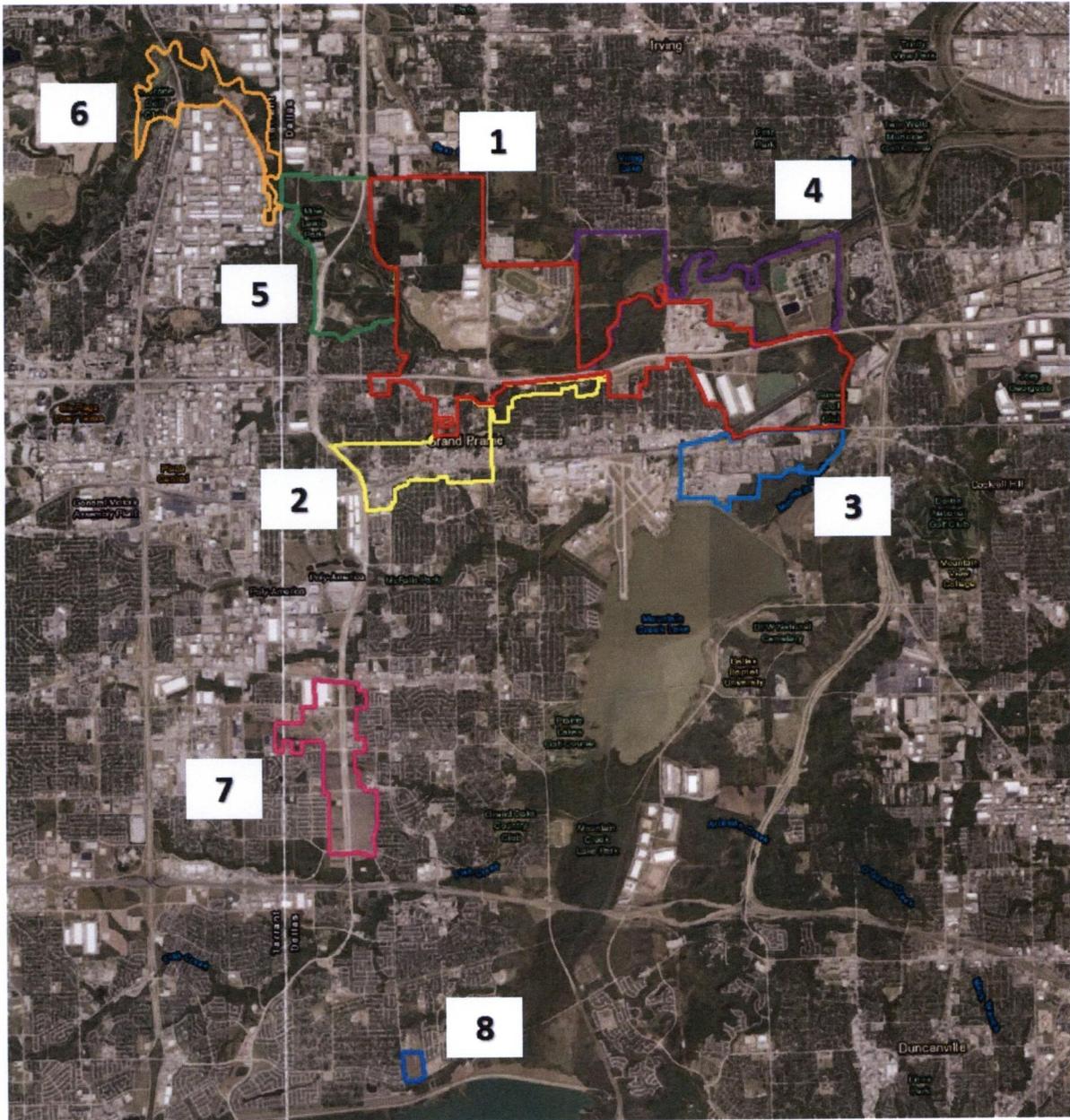
s 83° 49' 18" w 376.20'

Bagdad Road to the east line of My Estates;

THENCE northerly, along the east line of My Estates, to the south line of IH-30; THENCE westerly, along the south line of IH-30 to the centerline of the original Trinity River Channel;

THENCE southerly and southwesterly, along the meanders of the old Trinity River Channel to its intersection with Turner Branch;

EXHIBIT B
BOUNDARY MAP



TIRZ Boundary

Area # 1 – Original Boundaries (Continued)

THENCE southerly, along the meanders of Turner Branch adjacent to the Racetrac Petroleum site to the south line of Tarrant road;
THENCE westerly, along the south line of Tarrant Road to the PLACE OF BEGINNING.

Area #2

Beginning at the northwest corner of Property ID 28052501510010000 at the point it meets the southern ROW boundary of Hill Street, thence

North to the northern ROW boundary of Hill Street, thence

East along the northern ROW boundary of Hill Street to the point it meets the southwest corner of Property ID 65100340510120000, thence

North along the western boundary of Property ID 65100340510120000, thence

East along the northern boundary of Property ID 65100340510120000 to the point it meets the western ROW boundary of Stadium Drive, thence

East to the eastern ROW boundary of Stadium Drive to the point it meets the northwest corner of Property ID 65100340510100000, thence

East along the northern boundary of Property ID 65100340510100000 to the point it meets the northern ROW boundary of Hill Street, thence

East along the northern ROW boundary of Hill Street to the point it meets the southeast corner of Property ID 28166000010010000, thence

North along the eastern boundary of Property ID 28166000010010000 to the point it meets the southeast corner of Property ID 65037678510030000, thence

North along the eastern boundary of Property ID 65037678510030000 to the point it meets the southern ROW boundary of High School Drive, thence

North to the northern ROW boundary of High School Drive to the point it meets the southeast corner of Property ID 28073750010010000, thence

North along the eastern boundary of Property ID 28073750010010000 to the point it meets the southern ROW boundary of E Tarrant Road, thence

East along the southern ROW boundary of E Tarrant Road, past S Belt Line Road, thence

North to the northern ROW boundary of E Tarrant Road to the point it meets the southwest corner of Property ID 65154825510110000, thence



TIRZ Boundary

Area #2 (Continued)

North along the western boundary of Property ID 65154825510110000, thence

East along the northern boundary of Property ID 65154825510110000 to the point it meets the northwest corner of Property ID 65154825510110100, thence

Northeast along the northern boundary of Property ID 65154825510110100 to the point it meets the southern ROW boundary of Interstate 30, thence

East along the southern ROW boundary of Interstate 30 to the point it meets the northeast corner of Property ID 65050616010270400, thence

South along the eastern boundary of Property ID 65050616010270400, thence

West along the southern boundary of Property ID 65050616010270400 to the point it meets the southeast corner of Property ID 28236500210200000, thence

West along the southern boundary of Property ID 28236500210200000 to the point it meets the ROW boundary of NE 22nd Street, thence

South along the eastern ROW boundary of NE 22nd Street to the point it meets the southern ROW boundary of Cottonwood Street, thence

West along the southern ROW boundary of Cottonwood Street to the point it meets the western ROW boundary of NE 19th Street, thence

North along the western boundary of NE 19th Street to the point it meets the southern ROW boundary of Walnut Street, thence

West along the southern ROW boundary of Walnut Street to the point it meets the eastern ROW boundary of NE 17th Street, thence

South along the eastern ROW boundary of NE 17th Street to the point it meets the southern ROW boundary of Walnut Street, thence

West along the southern ROW boundary of Walnut Street to the point it becomes E Tarrant Road, thence

West along the southern ROW boundary of E Tarrant Road to the point it meets the northeast corner of Property ID 65154825510110300, thence

South along the eastern boundary of Property ID 65154825510110300 to the point it meets the northeast corner of Property ID 65154825510160000, thence

South along the eastern boundary of Property ID 65154825510160000, thence

West along the southern boundary of Property ID 65154825510160000, thence

North along the western boundary of Property ID 65154825510160000 to the point it meets the northeast corner of Property ID 65154825510130000, thence

West along the northern boundary of Property ID 65154825510130000 to the point it meets the eastern ROW boundary of S Belt Line Road, thence

South along the eastern ROW boundary of S Belt Line Road to the point it meets the southern ROW boundary of E Grand Prairie Road, thence

West along the southern ROW boundary of E Grand Prairie Road to the point it meets the western ROW boundary of S Center Street, thence

North along the western boundary of S Center Street to the point it meets the southern ROW boundary of SW Dallas Street, thence

West along the southern ROW boundary of SW Dallas Street to the point it becomes Shawnee Trce, thence

South along the eastern ROW boundary of Shawnee Trce to the point it meets the southern ROW boundary of Cherokee Trce, thence

West along the southern ROW boundary of Cherokee Trce to the point it meets the eastern ROW boundary of S Carrier Parkway, thence

South along the eastern ROW boundary of S Carrier Parkway to the point it meets the southern ROW boundary of Conover Drive, thence

West along the southern ROW boundary of Conover Drive to the point it meets the eastern ROW boundary of State Highway 161, thence

North along the eastern ROW boundary of State Highway 161 to the point it meets the southwest corner of Property ID 28052501520090000, thence

North to the southwest corner of Property ID 28052501510010000, thence

North along the western boundary of Property ID 28052501510010000 to the northwest corner of Property ID 28052501510010000, which is the point of beginning.

TIRZ Boundary

Area #4

Beginning at the northwest corner of Property ID 65067957010140000, thence

North to the northern ROW boundary of W Hunter Ferrell Road, to the point it meets the Grand Prairie city limit boundary, thence

East along the Grand Prairie city limit boundary to the point it meets MacArthur Boulevard, thence

South along the Grand Prairie city limit boundary to the point it meets the West Fork River, thence

East along the Grand Prairie city limit boundary, that follows the West Fork River, to the point it meets Mountain Creek, thence

South along the Grand Prairie city limit boundary, that follows Mountain Creek, to the point it meets the northern ROW boundary of Interstate 30, thence

West along the northern ROW boundary of Interstate 30 to the point it meets the southwest corner of Property ID 65084603510080300, thence

North along the western boundary of Property ID 65084603510080300, thence

Continuing north along the eastern boundary of Property ID 65084603510080000 to the point it meets the southeast corner of Property ID 65084603510080100, thence

West along the southern boundary of Property ID 65084603510080100, thence

North along the western boundary of Property ID 65084603510080100 to the point it meets the southern boundary of Property ID 65061722510070000, thence

West along the southern boundary of Property ID 65061722510070000 to the point it meets the southern boundary of Property ID 65061722510020000, thence

West along the southern boundary of Property ID 65061722510020000 to the point it meets the West Fork River, thence

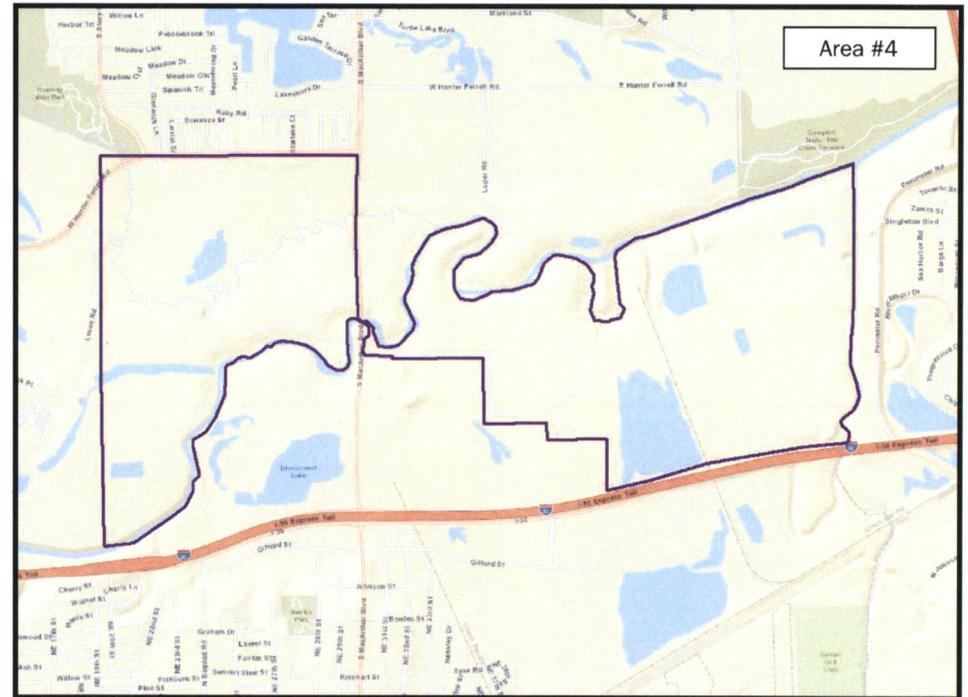
West following the West Fork River to the point it meets the southwest corner of Property ID 65050616010240000, thence

North along the western boundary of Property ID 65050616010240000 to the point it meets the southwest corner of Property ID 65050716510010100, thence

North along the western boundary of Property ID 65050716510010100 to the point it meets the southwest corner of Property ID 65067957010260000, thence

North along the western boundary of Property ID 65067957010260000 to the point it meets the southwest corner of Property ID 65067957010140000, thence

North along the western boundary of Property ID 65067957010140000 to northwest corner of Property ID 65067957010140000, which is the point of beginning.



TIRZ Boundary

Area #5

Beginning at the northwest corner of Property ID 65170347010040000, thence

East along the northern boundary of Property ID 65170347010040000 to the point it meets the western ROW boundary of Roy Orr Boulevard, thence

East across Roy Orr Boulevard to the northwest corner of Property ID 65170347010010000, thence

East along the northern boundary of Property ID 65170347010010000 to the point it meets the western ROW boundary of W Oakland Boulevard, thence

East to the eastern ROW boundary of W Oakland Boulevard, thence

South along the eastern ROW boundary of W Oakland Boulevard, thence

East along the northern ROW boundary of W Oakland Boulevard to the point it meets the western ROW boundary of Hardrock Road, thence

South along the western ROW boundary of Hardrock Road to the point it meets the northern boundary of Property ID 65012183510010000, thence

South along the eastern boundary of Property ID 65012183510010000, thence

South to the southeastern corner of Property ID 65012183510150400, thence

West along the southern boundary of Property ID 65012183510150400 to the point it meets Property ID 65012183510150100, thence

West along the southern boundary of Property ID 65012183510150100 to the point it meets the eastern ROW boundary of N Carrier Parkway, thence

West to the western ROW boundary of N Carrier Parkway to the point it meets the southeast corner of Property ID 65012183510360000, thence

West along the southern boundary of Property ID 65012183510360000 to the point it meets the southeast corner of Property ID 65012183510160400, thence

West along the southern boundary of Property ID 65012183510160400 to the point it meets the southeast corner of Property ID 65012183510160500, thence

West along the southern boundary of Property ID 65012183510160500 to the point it meets the southeast corner of Property ID 28246600010010000, thence

West along the southern boundary of Property ID 28246600010010000 to the point it meets the eastern ROW boundary of State Highway 161, thence

West to the western ROW boundary of State Highway 161, thence

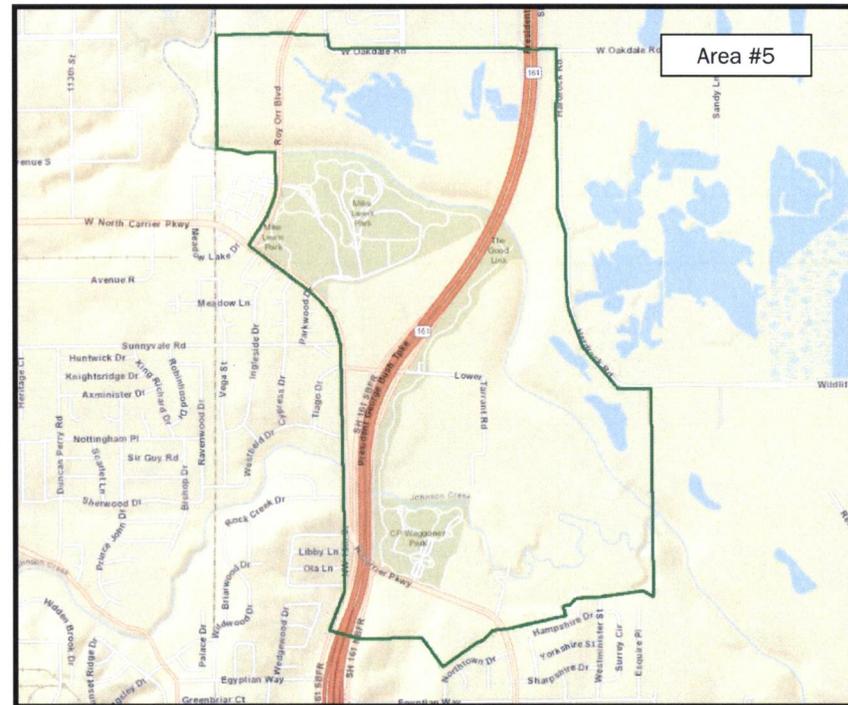
North along the western ROW boundary of State Highway 161 to the point it meets the western ROW boundary of N Carrier Parkway, thence

North along the western ROW boundary of N Carrier Parkway to the point it meets the western ROW boundary of Roy Orr Road, thence

North along the western ROW boundary of Roy Orr Road to the point it meets the southern boundary of Property ID 65170347010040000, thence

West along the southern boundary of Property ID 65170347010040000, thence

North along the western boundary of Property ID 65170347010040000, to the northwest corner of Property ID 65170347010040000, which is the point of beginning.



TIRZ Boundary

Area #6

Beginning at the southwest corner of Property ID 04972597, thence

North along the western boundary of Property ID 04972597 where it meets the Grand Prairie City limit boundary, thence

North along the Grand Prairie City limit where it follows the West Fork Trinity River, thence

Continuing west along the Grand Prairie City limit where it follows the West Fork Trinity River, thence

Continuing south along the Grand Prairie City limit where it follows the West Fork Trinity River, thence

South to the point it meets the northern boundary of Property ID 40941736, thence

South along the eastern boundary of Property ID 40941736, thence

West along the southern boundary of Property ID 40941736 to the point it meets the northeast corner of Property ID 05989418, thence

South along the eastern boundary of Property ID 05989418 to the point it meets the northeast corner of Property ID 14202633, thence

West along the southern boundary of Property ID 14202633 to the point it meets the southern boundary of Property ID 05989418, thence

West along the southern boundary of Property ID 05989418, thence

North along the western boundary of Property ID 05989418, thence

East along the northern boundary of Property ID 05989418 to the point it meets the southern corner of Property ID 03828530, thence

North along the western boundary of Property ID 03828530 to the point it meets the southern boundary of Property ID 04639480, thence

North along the western boundary of Property ID 04639480 to the point it meets the southern boundary of Property ID 03805867, thence

North along the western boundary of Property ID 03805867 to the point it meets the southern boundary of Property ID 07576730, thence

West along the southern boundary of Property ID 07576730 to the point it meets the southern boundary of Property ID 05689619, thence

West along the southern boundary of Property ID 05689619 to the southeast boundary of Property ID 06254888, thence

West along the southern boundary of Property ID 06254888 to the eastern ROW boundary of State Highway 360, thence

West to the western ROW boundary of State Highway 360 to the point it meets Property ID 05755662, thence

West along the southern boundary of Property ID 05755662 to the point it meets the eastern boundary of Property ID 04972597, thence

South along the eastern boundary of Property ID 04972597 to the southwest corner of Property ID 04972597, which is the point of beginning.



TIRZ Boundary

Area #7

Beginning at the northwest corner of Property ID 28184580010030000 at the point it meets the southern ROW boundary of W Pioneer Parkway, thence

East along the southern ROW boundary of W Pioneer Parkway to the point it meets the western boundary of Southgate Drive, thence

South and then east along the western and southern ROW boundary of Southgate Drive to the point it meets the western ROW boundary of Robinson Road, thence

South along the western ROW boundary of Robinson Road to the point it meets the southern ROW boundary of Arkansas Lane, thence

West along the southern ROW boundary of Arkansas Lane to the point it meets the northeast corner of Property ID 282604500A0030000, thence

South along the eastern boundary of Property ID 282604500A0030000 to the point it meets the northeast corner of Property ID 282604500A0060000, thence

South along the eastern boundary of Property ID 282604500A0060000 to the point it meets the northeast corner of Property ID 28021560010010000, thence

South along the eastern boundary of Property ID 28021560010010000 to the point it meets the western ROW boundary of Fieldcrest Drive, thence

East to the eastern ROW boundary of Fieldcrest Drive, thence

South along the eastern ROW boundary of Fieldcrest Drive to the point it meets the northwest corner of Property ID 280145400G0390000, thence

West along the northern boundary of Property ID 280145400G0390000, thence

South along the eastern boundary of Property ID 280145400G0390000 to the point it meets the northern ROW boundary of W Warrior Trail, thence

South to the southern ROW boundary of W Warrior Trail to the point it meets the northwest corner of Property ID 28144600030010000, thence

West to the southeast corner of Property ID 65029532010041200, thence

West along the southern boundary of Property ID 65029532010041200 to the point it meets the southeast corner of Property ID 28021560010000000, thence

West along the southern boundary of Property ID 28021560010000000 to the point it meets the northeast corner of Property ID 65005944510020400, thence

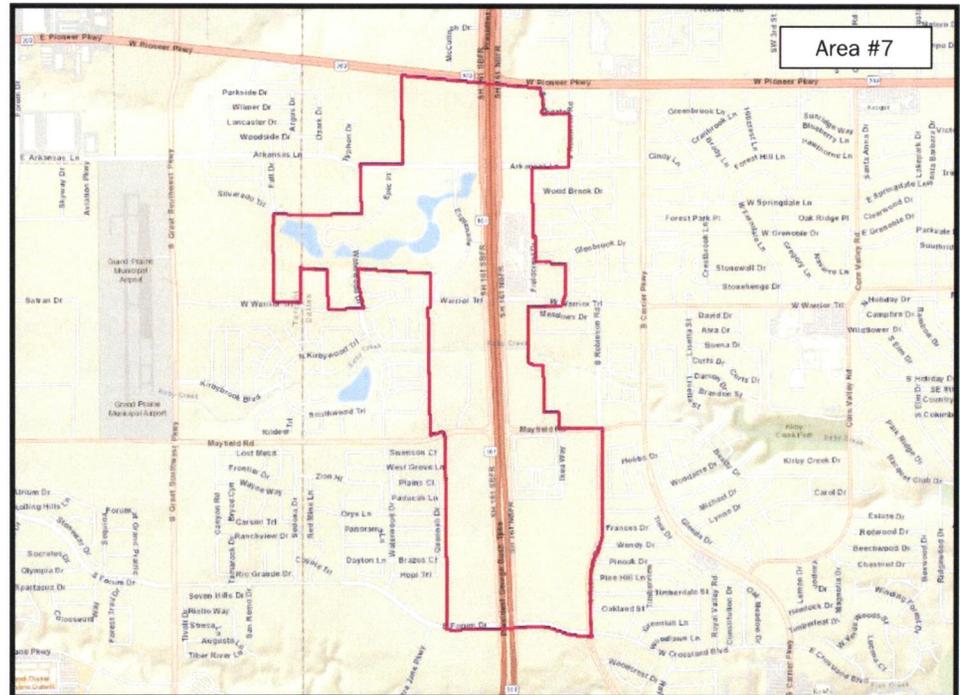
South along the eastern boundary of Property ID 65005944510020400 to the point it meets the northeast corner of Property ID 65005944510020700, thence

South along the eastern boundary of Property ID 65005944510020700 to the point it meets the northeast corner of Property ID 65005944510020500, thence

South along the eastern boundary of Property ID 65005944510020500 to the point it meets the northwest corner of Property ID 28006600010020000, thence

West and then south along the boundary of Property ID 28006600010020000 to the point it meets the northern ROW boundary of Mayfield Road, thence

East along the northern ROW boundary of Mayfield Road to the point it meets the eastern ROW boundary of S Robinson Road, thence



TIRZ Boundary

Area #7 (Continued)

South along the eastern ROW boundary of S Robinson Road to the point it meets the southern ROW boundary of Forum Drive, thence

West along the southern ROW boundary of Forum Drive to the point it meets the northwest corner of Property ID 65039511010020100, thence

North to the northern ROW boundary of Forum Drive to the point it meets the southwest corner of Property ID 65039511010010100, thence

North along the western boundary of Property ID 65039511010010100 to the point it meets the southwest corner of Property ID 65119312510070000, thence

North along the western boundary of Property ID 65119312510070000 to the point it meets the southwest corner of Property ID 65119312510030000, thence

North along the western boundary of Property ID 65119312510030000 to the point it meets the southern ROW boundary of Mayfield Road, thence

North to the northern ROW boundary of Mayfield Road to the point it meets the southern boundary of Property ID 65005944510020100, thence

West to the southwest corner of Property ID 65005944510020100, thence

North along the western boundary of Property ID 65005944510020100 to the point it meets the southwest corner of Property ID 65005944510020600, thence

North along the western boundary of Property ID 65005944510020600 to the point it meets the southwest corner of Property ID 65005944510020800, thence

North along the western boundary of Property ID 65005944510020800 to the point it meets the southwest corner of Property ID 65005944510020000, thence

North along the western boundary of Property ID 65005944510020000 to the point it meets the southwest corner of Property ID 28023750050010000, thence

North along the western boundary of Property ID 28023750050010000 to the point it meets the southern ROW boundary of W Warrior Trail, thence

North to the northern ROW boundary of Warrior Trail to the point it meets Property ID 28023750020030000, thence

North along the western boundary of Property ID 28023750020030000 to the point it meets Property ID 28023750020040000, thence

West along the southern boundary of Property ID 28023750020040000 to the point it meets the eastern ROW boundary of Waterwood Drive, thence

South along the eastern ROW boundary of Waterwood Drive to the point it meets the northern ROW boundary of W Warrior Trail, thence

West along the northern ROW boundary of W Warrior Trail to the point it meets the southeast corner of Property ID 28023750010040000, thence

North along the eastern boundary, west along the northern boundary, and then south along the western boundary of Property ID 28023750010040000 to the point it meets the northern ROW boundary of W Warrior Trail, thence

West along the northern ROW boundary of W Warrior Trail to the point it meets the southwest corner of Property ID 41463307, thence

North along the western boundary of Property ID 41463307, thence

East along the northern boundary of Property ID 41463307 to the point it meets the northwest corner of Property ID 28023750010020000, thence

East along the northern boundary of Property ID 28023750010020000 to the point it meets the southwest corner of Property ID 28023750010010000, thence

North along the western boundary of Property ID 28023750010010000 to the point it meets the southern ROW boundary of Arkansas Lane, thence

North to the northern ROW boundary of Arkansas Lane to the point it meets the southern boundary of Property ID 28184580010010000, thence

East along the northern ROW boundary of Arkansas Lane to the point it meets the southwest corner of Property ID 28184580010030000, thence

North along the western boundary of Property ID 28184580010030000 to the northwest corner of Property ID 28184580010030000 at the point it meets the southern ROW boundary of W Pioneer Parkway, which is the point of beginning.

TIRZ Boundary

Area #8

Beginning at the northwest corner of Property ID 65146023510120000, thence

East along the northern boundary of Property ID 65146023510120000 to the point it meets the northwest corner of Property ID 65146023510110000, thence

East along the northern boundary of Property ID 65146023510110000, thence

South along the eastern boundary of Property ID 65146023510110000, thence

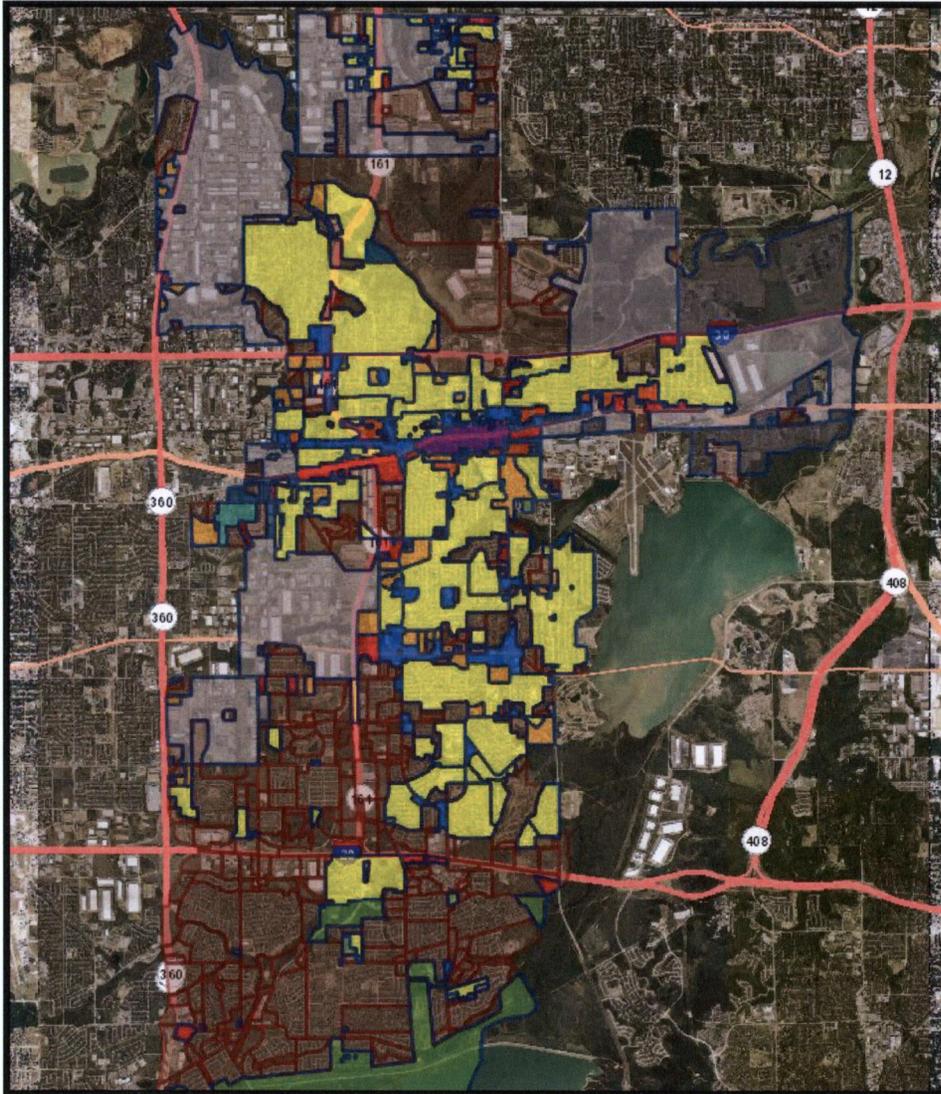
West along the southern boundary of Property ID 65146023510110000 to the point it meets the southeast corner of Property ID 65146023510120000, thence

West along the southern boundary of Property ID 65146023510120000, thence

North along the western boundary of Property ID 65146023510120000 to the northwest corner of Property ID 65146023510120000, which is the point of beginning.



Current Conditions



Land Use

The TIRZ contains both commercial and residential improvements as well as some vacant land.

Method of Relocating Persons to be Displaced

It is not anticipated that any persons will be displaced or need to be relocated as result of implementation.

Zoning

The property within the TIRZ is currently zoned for a wide variety of uses as can be seen in the shading on the map to the left. The current zoning includes Industrial (gray), Single Family (yellow), Agricultural (green), Multifamily (orange), Retail and Office (blue), as well as areas designated for Planned Development.

It is not anticipated that there will be any changes to the master plan, building codes or other municipal ordinances or subdivision rules and regulations of the City at this time.

Taxable Value Information

There are currently 2,342 parcels within Tax Increment Reinvestment Zone #1. The estimated base 2018 taxable value is \$1,152,200,878.

Proposed Development

TIRZ #1 is expected to facilitate the construction of a wide variety of development uses, including multifamily, industrial, hotel, retail, and office.



Project Costs

Project Costs of the Zone

There are a number of improvements within Tax Increment Reinvestment Zone #1 that will be financed by in part by incremental real property tax generated within the TIRZ.

TIRZ #1

Proposed Project Costs		
Water Facilities and Improvements	\$ 47,708,694	15.0%
Sanitary Sewer Facilities and Improvements	\$ 47,708,694	15.0%
Storm Water Facilities and Improvements	\$ 47,708,694	15.0%
Transit/Parking Improvements	\$ 23,854,347	7.5%
Street and Intersection Improvements	\$ 47,708,694	15.0%
Open Space, Park and Recreation Facilities and Improvements	\$ 31,805,796	10.0%
Economic Development Grants	\$ 63,611,593	20.0%
Administrative Costs	\$ 7,951,449	2.5%
	\$ 318,057,963	100.0%

The costs illustrated in the table above are estimates and may be revised. Savings from one line item may be applied to a cost increase in another line item.

Chapter 311 of the Texas Tax Code

Sec. 311.002.

(1) "Project costs" means the expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the municipality or county designating a reinvestment zone that are listed in the project plan as costs of public works, public improvements, programs, or other projects benefiting the zone, plus other costs incidental to those expenditures and obligations. "Project costs" include:

(A) capital costs, including the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; the actual costs of the remediation of conditions that contaminate public or private land or buildings; the actual costs of the preservation of the facade of a public or private building; the actual costs of the demolition of public or private buildings; and the actual costs of the acquisition of land and equipment and the clearing and grading of land;

(B) financing costs, including all interest paid to holders of evidences of indebtedness or other obligations issued to pay for project costs and any premium paid over the principal amount of the obligations because of the redemption of the obligations before maturity;

(C) real property assembly costs;

(D) professional service costs, including those incurred for architectural, planning, engineering, and legal advice and services;

(E) imputed administrative costs, including reasonable charges for the time spent by employees of the municipality or county in connection with the implementation of a project plan;

(F) relocation costs;

(G) organizational costs, including the costs of conducting environmental impact studies or other studies, the cost of publicizing the creation of the zone, and the cost of implementing the project plan for the zone;

(H) interest before and during construction and for one year after completion of construction, whether or not capitalized;

(I) the cost of operating the reinvestment zone and project facilities;

(J) the amount of any contributions made by the municipality or county from general revenue for the implementation of the project plan;

(K) the costs of school buildings, other educational buildings, other educational facilities, or other buildings owned by or on behalf of a school district, community college district, or other political subdivision of this state; and

(L) payments made at the discretion of the governing body of the municipality or county that the governing body finds necessary or convenient to the creation of the zone or to the implementation of the project plans for the zone.

Financial Feasibility Analysis

Method of Financing

To fund the public improvements outlined on the previous pages, it is anticipated that the City of Grand Prairie will contribute 100% of its real property increment, and that Dallas County and Tarrant County will each contribute 50% of its real property increment.

Debt Service

It is not anticipated at this time that the TIRZ will incur any bonded indebtedness.

Economic Feasibility Study

A taxable value analysis was developed as part of the project and financing plan to determine the economic feasibility of the project. The study examined the expected tax revenue the TIRZ would receive based on the previously outlined developments. A summary overview of the anticipated development square footages, the anticipated sales per square foot and the anticipated taxable value per square foot can be found on the table below.

The following pages show the estimated captured appraised value of the zone during each year of its existence and the net benefits of the zone to each of the local taxing jurisdictions as well as the method of financing and debt service.

Utilizing the information outlined in this feasibility study, we have found that the TIRZ is economically feasible and will provide the City and other taxing jurisdictions with economic benefits that would not occur without its implementation.

Real Property Tax		Participation	
City of Grand Prairie	0.66999800	100%	0.6699980
Dallas County	0.24310000	50%	0.1215500
Parkland	0.27940000	0%	0.0000000
DCCD	0.12423800	0%	0.0000000
Grand Prairie ISD	1.59500000	0%	0.0000000
Tarrant County	0.24400000	50%	0.1220000

Personal Property Tax		Participation	
City of Grand Prairie	0.66999800	0%	0.0000000
Dallas County	0.24310000	0%	0.0000000
Parkland	0.27940000	0%	0.0000000
DCCD	0.12423800	0%	0.0000000
Grand Prairie ISD	1.59500000	0%	0.0000000
Tarrant County	0.24400000	0%	0.0000000
	3.15573600		0.0000000

Sales Tax Rate	0.0200000	0.00%	0.0000000
----------------	-----------	-------	-----------

Financial Feasibility Analysis

ADZ#1 : INPUT & OUTPUT

INPUT

INFLATION RATE	2.00%
DISCOUNT RATE	6.00%

REAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66998800	100%	0.66998800
Dallas County	0.34310000	0%	0.34310000
Parland	0.27840000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.58500000	0%	0.00000000
0	0.00000000	0%	0.00000000
	2.91172600		0.79154800

PERSONAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66998800	0%	0.00000000
Dallas County	0.34310000	0%	0.00000000
Parland	0.27840000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.58500000	0%	0.00000000
0	0.00000000	0%	0.00000000
	2.91172600		0.00000000

Sales Tax Rate	0.02000000	0.00%	0.00000000
----------------	------------	-------	------------

AREA DEVELOPMENT ZONE #1

Year	AREA	#/UNITS	REAL PROPERTY	PERSONAL PROPERTY	SALES	TAX VALUE
			\$ / SF	\$ / SF	\$ / SF	
2020	Hotel	200	\$ 110,000.00	\$ 22,000.00	\$ -	\$ -
2020	Restaurant	6,000	\$ 200.00	\$ 1,200.00	\$ 15.00	\$ 80,000
2020	Conference Space	12,000	\$ -	\$ -	\$ -	\$ -
2020	Industrial	500,000	\$ 70.00	\$ 35,000,000	\$ -	\$ -
2020	Hotel	130	\$ 110,000.00	\$ 14,300,000	\$ -	\$ -
2021	MultiFamily	320	\$ 130,000.00	\$ 41,600,000	\$ -	\$ -
2021	Retail	135,000	\$ 180.00	\$ 24,300,000	\$ 5.00	\$ 675,000
2022	Retail	6,000	\$ 180.00	\$ 36,000,000	\$ 5.00	\$ 30,000
2022	Hotel	200	\$ 110,000.00	\$ 22,000,000	\$ -	\$ -
2022	MultiFamily	300	\$ 130,000.00	\$ 39,000,000	\$ -	\$ -
2022	Retail	280	\$ 130,000.00	\$ 36,400,000	\$ -	\$ -
2024	Retail	28,000	\$ 180.00	\$ 5,040,000	\$ 5.00	\$ 140,000
2024	Office	240,000	\$ 140.00	\$ 33,600,000	\$ 5.00	\$ 1,800,000
2024	MultiFamily	600	\$ 130,000.00	\$ 78,000,000	\$ -	\$ -
2028	MultiFamily	300	\$ 130,000.00	\$ 39,000,000	\$ -	\$ -
2028	Office	240,000	\$ 140.00	\$ 33,600,000	\$ 5.00	\$ 1,800,000
2028	Office	180,000	\$ 140.00	\$ 25,200,000	\$ 5.00	\$ 900,000
2028	Office	240,000	\$ 140.00	\$ 33,600,000	\$ 5.00	\$ 1,200,000
2028	Office	240,000	\$ 140.00	\$ 33,600,000	\$ 5.00	\$ 1,200,000
2028	MultiFamily	300	\$ 130,000.00	\$ 39,000,000	\$ -	\$ -
2030	Office	300,000	\$ 140.00	\$ 42,000,000	\$ 5.00	\$ 1,800,000
2030	Retail	140,000	\$ 180.00	\$ 25,200,000	\$ 5.00	\$ 700,000
2030	Office	180,000	\$ 140.00	\$ 25,200,000	\$ 5.00	\$ 900,000
2032	Office	240,000	\$ 140.00	\$ 33,600,000	\$ 5.00	\$ 1,200,000
2032	Office	240,000	\$ 140.00	\$ 33,600,000	\$ 5.00	\$ 1,200,000
2034	Office	210,000	\$ 140.00	\$ 29,400,000	\$ 5.00	\$ 1,050,000
2034	Office	240,000	\$ 140.00	\$ 33,600,000	\$ 5.00	\$ 1,200,000
2034	Office	240,000	\$ 140.00	\$ 33,600,000	\$ 5.00	\$ 1,200,000
TOTAL				780,300,000		14,190,000
						79,450,000

OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	28.7%	\$ 97,620,027	\$ 71,463,228	\$ 1,001,446
Dallas County	7.7%	\$ 26,292,857	\$ 25,029,496	\$ 363,362
Parland	2.0%	\$ 20,219,849	\$ 29,801,321	\$ 417,619
DCCD	4.0%	\$ 13,437,153	\$ 13,351,455	\$ 185,699
Grand Prairie ISD	50.7%	\$ 172,509,897	\$ 170,125,851	\$ 2,384,047
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 336,944,732	\$ 310,671,148	\$ 4,352,172
		100.0%	97.3%	3.3%

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	84.6%	\$ 71,463,228	\$ -	\$ -
Dallas County	15.4%	\$ 12,864,748	\$ -	\$ -
Parland	0.0%	\$ -	\$ -	\$ -
DCCD	0.0%	\$ -	\$ -	\$ -
Grand Prairie ISD	0.0%	\$ -	\$ -	\$ -
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 84,327,976	\$ -	\$ -
		100.0%	0.0%	0.0%

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	10.2%	\$ 26,942,801	\$ -	\$ 1,001,446
Dallas County	6.2%	\$ 13,328,108	\$ -	\$ 363,362
Parland	17.8%	\$ 30,219,849	\$ 29,801,321	\$ 417,619
DCCD	6.3%	\$ 13,437,153	\$ 13,351,455	\$ 185,699
Grand Prairie ISD	67.5%	\$ 172,509,897	\$ 170,125,851	\$ 2,384,047
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 253,637,808	\$ 233,141,116	\$ 4,352,172
		100.0%	89.5%	3.9%

Financial Feasibility Analysis

ADZ.#2: INPUT & OUTPUT

► INPUT

INFLATION RATE	2.00%
----------------	-------

DISCOUNT RATE	6.00%
---------------	-------

REAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66998800	100%	0.66998800
Dallas County	0.24310500	59%	0.12155500
Parland	0.27940000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.59500000	0%	0.00000000
0	0.00000000	0%	0.00000000
	2.91173600		0.79154800

PERSONAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66998800	0%	0.00000000
Dallas County	0.24310500	0%	0.00000000
Parland	0.27940000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.59500000	0%	0.00000000
0	0.00000000	0%	0.00000000
	2.91173600		0.00000000

SALES TAX RATE	0.02000000	0.00%	0.00000000
----------------	------------	-------	------------

AREA DEVELOPMENT ZONE #2	Year	AREA S/F/UNITS	REAL PROPERTY \$ / SF	TAX VALUE	PERSONAL PROPERTY \$ / SF	TAX VALUE	SALES \$ / SF	TAX VALUE
Restaurant	2010	4,004	\$ 206	\$ 1,200,000	\$ 10.00	\$ 90,000	\$ 325.00	\$ 1,950,000
Park Improvements	2021		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MuIfamily	2022	225	\$ 130,000	\$ 29,250,000	\$ -	\$ -	\$ -	\$ -
Restaurant	2022	10,000	\$ 200	\$ 2,000,000	\$ 10.00	\$ 100,000	\$ 325.00	\$ 3,250,000
Retail	2022	4,000	\$ 180	\$ 1,080,000	\$ 5.00	\$ 20,000	\$ 250.00	\$ 1,500,000
Office	2022	15,000	\$ 140	\$ 2,100,000	\$ 5.00	\$ 75,000	\$ -	\$ -
MuIfamily	2022	320	\$ 130,000	\$ 41,600,000	\$ -	\$ -	\$ -	\$ -
MuIfamily	2024	280	\$ 130,000	\$ 36,400,000	\$ -	\$ -	\$ -	\$ -
MuIfamily	2024	280	\$ 130,000	\$ 32,500,000	\$ -	\$ -	\$ -	\$ -
MuIfamily	2026	280	\$ 130,000	\$ 36,400,000	\$ -	\$ -	\$ -	\$ -
MuIfamily	2030	320	\$ 130,000	\$ 41,600,000	\$ -	\$ -	\$ -	\$ -
TOTAL				\$ 224,130,000		\$ 345,000		\$ 6,700,000

OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	25.4%	\$ 26,678,679	\$ 22,470,736	\$ 54,193
Dallas County	8.1%	\$ 8,172,875	\$ 8,153,212	\$ 19,663
Parland	9.3%	\$ 9,383,260	\$ 9,370,660	\$ 22,599
DCCD	4.7%	\$ 4,176,807	\$ 4,166,758	\$ 10,049
Grand Prairie ISD	52.1%	\$ 53,622,939	\$ 53,493,927	\$ 129,012
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 101,445,559	\$ 97,655,294	\$ 235,516
		100.0%	86.6%	0.2%

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	84.6%	\$ 22,470,736	\$ 22,470,736	\$ -
Dallas County	15.4%	\$ 4,076,606	\$ 4,076,606	\$ -
Parland	0.0%	\$ -	\$ -	\$ -
DCCD	0.0%	\$ -	\$ -	\$ -
Grand Prairie ISD	0.0%	\$ -	\$ -	\$ -
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 26,547,342	\$ 26,547,342	\$ -
		100.0%	100.0%	0.0%

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	4.3%	\$ 3,207,943	\$ -	\$ 54,193
Dallas County	5.5%	\$ 4,096,260	\$ 4,076,606	\$ 19,663
Parland	12.6%	\$ 9,383,260	\$ 9,370,660	\$ 22,599
DCCD	5.6%	\$ 4,176,807	\$ 4,166,758	\$ 10,049
Grand Prairie ISD	72.0%	\$ 53,622,939	\$ 53,493,927	\$ 129,012
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 74,487,217	\$ 71,107,951	\$ 235,516
		100.0%	85.5%	0.3%

Financial Feasibility Analysis

TAX REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

Calendar Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
TOTAL TAX REVENUE																							
REAL PROPERTY	% OCCUPIED Taxable Value	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
		600,000	900,000	1,200,000	39,215,000	58,222,500	95,430,000	104,530,000	129,880,000	138,005,000	164,330,000	173,430,000	182,530,000	186,160,000	189,804,212	193,702,296	197,576,342	201,527,869	205,558,428	209,669,505	213,862,887	218,140,247	222,503,051
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
City of Grand Prairie	9,157,648	-	4,020	6,030	8,040	262,740	390,090	639,379	700,349	870,193	924,631	1,101,008	1,161,978	1,222,947	1,247,406	1,272,354	1,297,802	1,323,758	1,350,233	1,377,237	1,404,782	1,432,878	1,461,535
Dallas County	3,322,669	-	1,469	2,188	2,917	95,262	141,539	231,990	254,112	310,738	338,490	399,486	421,088	443,730	452,065	461,857	470,890	480,308	489,914	499,713	509,707	519,901	530,299
Perland	3,918,606	-	1,676	2,515	3,353	109,967	162,674	266,631	292,057	362,885	385,586	459,138	484,663	509,889	520,189	530,992	541,204	550,028	560,069	570,330	580,817	591,533	602,484
DCDD	1,699,969	-	745	1,116	1,491	49,200	72,334	118,560	129,866	161,360	171,495	204,190	218,466	228,772	231,307	233,933	240,852	246,465	250,374	255,382	260,489	265,699	271,013
Grand Prairie ISD	21,880,395	-	9,070	16,355	19,140	625,479	928,049	1,522,109	1,663,254	2,071,666	2,291,160	2,821,964	2,769,209	2,911,394	2,989,811	3,039,972	3,089,952	3,149,343	3,214,370	3,279,657	3,344,230	3,411,115	3,479,337
Total	30,107,431	17,479	26,368	34,961	1,141,837	1,695,385	2,779,679	3,643,638	3,791,763	4,614,341	4,784,650	5,646,824	6,114,792	6,421,089	6,529,509	6,640,089	6,762,901	6,887,960	7,015,625	7,147,126	7,281,668	7,418,791	7,558,275
PERSONAL PROPERTY																							
	% OCCUPIED Taxable Value	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
		45,000	67,500	90,000	217,500	281,250	345,000	351,900	358,838	366,117	373,439	380,909	388,528	396,297	404,222	412,307	420,553	428,964	437,543	446,294	455,220	464,325	473,611
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Grand Prairie	33,897	-	301	452	603	1,457	1,884	2,311	2,358	2,405	2,453	2,502	2,552	2,603	2,655	2,708	2,762	2,818	2,874	2,932	2,990	3,050	3,111
Dallas County	8,971	-	109	164	219	529	684	839	895	953	1,010	1,068	1,127	1,187	1,247	1,307	1,368	1,429	1,491	1,553	1,616	1,679	1,743
Perland	8,968	-	126	189	251	608	786	964	983	1,003	1,023	1,043	1,064	1,085	1,107	1,129	1,152	1,176	1,199	1,222	1,247	1,272	1,297
DCDD	4,431	-	56	84	112	270	349	429	437	446	455	464	473	483	492	502	512	522	533	544	554	564	575
Grand Prairie ISD	96,989	-	718	1,077	1,436	3,469	4,490	5,503	5,613	5,725	5,840	5,956	6,073	6,191	6,321	6,447	6,578	6,708	6,842	6,979	7,118	7,261	7,406
Total	107,652	1,319	1,946	2,621	6,333	8,189	10,485	10,346	10,461	10,660	10,874	11,091	11,313	11,539	11,770	12,006	12,246	12,490	12,738	12,990	13,246	13,506	13,770
SALES TAX																							
	% OCCUPIED Taxable Value	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
		975,000	1,462,500	1,950,000	4,325,000	5,512,500	6,700,000	6,834,000	6,970,800	7,110,944	7,252,295	7,397,341	7,545,288	7,694,194	7,850,118	8,007,120	8,167,263	8,330,608	8,497,220	8,667,164	8,840,508	9,017,318	9,197,664
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	1,255,633	16,800	29,350	36,000	88,500	110,250	134,000	136,800	139,414	142,302	145,046	147,947	150,906	153,924	157,002	160,142	163,345	166,612	169,944	173,340	176,811	180,366	183,912
SUMMARY																							
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
City of Grand Prairie	10,574,251	-	23,821	35,732	47,643	350,697	502,224	776,691	839,387	1,012,012	1,069,286	1,248,556	1,312,476	1,376,456	1,403,985	1,432,065	1,460,796	1,489,820	1,519,119	1,550,113	1,581,116	1,612,238	1,644,993
Dallas County	3,331,530	-	1,568	2,352	3,136	95,860	142,223	232,829	254,968	316,611	338,380	400,394	422,534	444,675	455,568	462,640	471,893	481,330	490,967	500,776	510,792	521,008	531,428
Perland	3,926,709	-	1,802	2,703	3,604	110,174	163,409	207,595	230,040	303,888	306,009	400,161	409,629	419,074	429,296	439,322	449,350	459,380	469,412	479,446	489,482	499,519	509,557
DCDD	1,702,960	-	801	1,202	1,603	48,860	72,684	118,930	130,303	161,808	171,910	204,624	215,939	227,254	231,799	236,435	241,164	245,987	250,907	255,925	261,044	266,265	271,590
Grand Prairie ISD	21,897,143	-	10,288	18,432	20,576	628,948	933,135	1,527,911	1,672,866	2,077,311	2,207,019	2,827,020	2,772,284	2,917,590	2,975,802	3,035,420	3,095,128	3,155,050	3,215,111	3,275,313	3,335,515	3,395,717	3,455,919
Total	41,255,116	38,281	67,421	76,681	1,334,670	1,813,725	2,822,716	3,190,584	3,591,628	4,177,303	4,849,776	5,300,862	5,677,010	6,053,158	6,429,282	6,805,406	7,181,530	7,557,654	7,933,778	8,309,902	8,686,026	9,062,150	9,438,274
PARTICIPATION																							
REAL PROPERTY	Taxable Value	600,000	900,000	1,200,000	39,215,000	58,222,500	95,430,000	104,530,000	129,880,000	138,005,000	164,330,000	173,430,000	182,530,000	186,160,000	189,804,212	193,702,296	197,576,342	201,527,869	205,558,428	209,669,505	213,862,887	218,140,247	222,503,051
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
City of Grand Prairie	9,157,648	-	4,020	6,030	8,040	262,740	390,090	639,379	700,349	870,193	924,631	1,101,008	1,161,978	1,222,947	1,247,406	1,272,354	1,297,802	1,323,758	1,350,233	1,377,237	1,404,782	1,432,878	1,461,535
Dallas County	1,981,330	-	729	1,084	1,459	47,666	70,769	115,995	127,056	157,889	167,745	199,743	210,804	221,865	228,303	230,829	236,445	240,154	244,967	249,856	254,863	259,969	265,149
Perland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DCDD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Prairie ISD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	10,818,276	4,749	7,124	8,499	310,406	460,859	768,374	827,405	1,038,063	1,092,378	1,300,751	1,373,782	1,446,813	1,479,769	1,503,183	1,526,547	1,550,912	1,575,277	1,599,642	1,624,007	1,648,372	1,672,737	1,697,102
PERSONAL PROPERTY																							
	Taxable Value	45,000	67,500	90,000	217,500	281,250	345,000	351,900	358,838	366,117	373,439	380,909	388,528	396,297	404,222	412,307	420,553	428,964	437,543	446,294	455,220	464,325	473,611
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Grand Prairie	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dallas County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Perland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DCDD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Prairie ISD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	107,652	1,319	1,946	2,621	6,333	8,189	10,485	10,346	10,461	10,660	10,874	11,091	11,313	11,539	11,770	12,006	12,246	12,490	12,738				

Financial Feasibility Analysis

ADZ#3: INPUT & OUTPUT

► INPUT

INFLATION RATE	2.00%
----------------	-------

DISCOUNT RATE	6.00%
---------------	-------

REAL PROPERTY TAX	PARTICIPATION		
City of Grand Prairie	0.6699800	100%	0.6699800
Dallas County	0.24310000	50%	0.1215500
Parkland	0.27840000	0%	0.0000000
DCCD	0.12423800	0%	0.0000000
Grand Prairie ISD	1.59500000	0%	0.0000000
0	0.00000000	0%	0.0000000
	2.91173600		0.7916480

PERSONAL PROPERTY TAX	PARTICIPATION		
City of Grand Prairie	0.6699800	0%	0.0000000
Dallas County	0.24310000	0%	0.0000000
Parkland	0.27840000	0%	0.0000000
DCCD	0.12423800	0%	0.0000000
Grand Prairie ISD	1.59500000	0%	0.0000000
0	0.00000000	0%	0.0000000
	2.91173600		0.0000000

Sales Tax Rate	0.0200000	0.00%	0.0000000
----------------	-----------	-------	-----------

AREA DEVELOPMENT ZONE #3

	Year	AREA SF/UNITS	REAL PROPERTY TAX VALUE		PERSONAL PROPERTY TAX VALUE		SALES TAX VALUE	
			\$ / SF	TAX VALUE	\$ / SF	TAX VALUE	\$ / SF	TAX VALUE
Industrial	2030	500,000	\$ 70.00	\$ 35,000,000	\$ -	\$ -	\$ -	\$ -
TOTAL				35,000,000		-		-

► OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	74.9%	\$ 2,860,836	\$ 2,860,836	\$ -
Dallas County	5.4%	\$ 1,038,013	\$ 1,038,013	\$ -
Parkland	6.2%	\$ 1,193,011	\$ 1,193,011	\$ -
DCCD	2.6%	\$ 530,484	\$ 530,484	\$ -
Grand Prairie ISD	35.4%	\$ 6,810,494	\$ 6,810,494	\$ -
0	35.4%	\$ 6,810,494	\$ 6,810,494	\$ -
	100.0%	\$ 19,243,323	\$ 19,243,323	\$ -
	100.0%		100.0%	0.0%

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	84.4%	\$ 2,860,836	\$ -	\$ -
Dallas County	15.4%	\$ 519,007	\$ -	\$ -
Parkland	0.0%	\$ -	\$ -	\$ -
DCCD	0.0%	\$ -	\$ -	\$ -
Grand Prairie ISD	0.0%	\$ -	\$ -	\$ -
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 3,379,833	\$ -	\$ -
	100.0%	100.0%	0.0%	0.0%

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	0.0%	\$ -	\$ -	\$ -
Dallas County	3.3%	\$ 519,007	\$ -	\$ -
Parkland	7.5%	\$ 1,193,011	\$ -	\$ -
DCCD	3.3%	\$ 530,484	\$ -	\$ -
Grand Prairie ISD	42.9%	\$ 6,810,494	\$ -	\$ -
0	42.9%	\$ 6,810,494	\$ -	\$ -
	100.0%	\$ 15,983,490	\$ -	\$ -
	100.0%	100.0%	0.0%	0.0%

Financial Feasibility Analysis

ADZ#4 : INPUT & OUTPUT

► INPUT

INFLATION RATE	2.00%
----------------	-------

DISCOUNT RATE	6.00%
---------------	-------

REAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66999800	100%	0.66999800
Dallas County	0.24310000	50%	0.12155000
Parland	0.27940000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.59500000	0%	0.00000000
0	0.00000000	0%	0.00000000
	2.91173600		0.79154800

PERSONAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66999800	0%	0.00000000
Dallas County	0.24310000	0%	0.00000000
Parland	0.27940000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.59500000	0%	0.00000000
0	0.00000000	0%	0.00000000
	2.91173600		0.00000000

Sales Tax Rate	0.0200000	0.00%	0.00000000
----------------	-----------	-------	------------

AREA DEVELOPMENT ZONE #	Year	AREA SF	REAL PROPERTY TAX VALUE		PERSONAL PROPERTY TAX VALUE		SALES TAX VALUE	
			\$ / SF	TAX VALUE	\$ / SF	TAX VALUE	\$ / SF	TAX VALUE
Industrial	2026	900,000	\$ 70.00	\$ 63,000,000	\$ -	\$ -	\$ -	\$ -
	2030	600,000	\$ 70.00	\$ 35,000,000				
TOTAL				98,000,000				

► OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	23.0%	\$ 9,698,708	= \$ 9,698,708	+ \$ -
Dallas County	8.3%	\$ 3,519,049	= \$ 3,519,049	+ \$ -
Parland	9.6%	\$ 4,044,518	= \$ 4,044,518	+ \$ -
DCCD	4.3%	\$ 1,798,435	= \$ 1,798,435	+ \$ -
Grand Prairie ISD	54.8%	\$ 23,088,784	= \$ 23,088,784	+ \$ -
0	0.0%	\$ -	= \$ -	+ \$ -
	100.0%	\$ 42,149,494	\$ 42,149,494	\$ -
		100.0%	100.0%	0.0%

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	84.6%	\$ 9,698,708	= \$ 9,698,708	+ \$ -
Dallas County	15.4%	\$ 1,758,526	= \$ 1,758,526	+ \$ -
Parland	0.0%	\$ -	= \$ -	+ \$ -
DCCD	0.0%	\$ -	= \$ -	+ \$ -
Grand Prairie ISD	0.0%	\$ -	= \$ -	+ \$ -
0	0.0%	\$ -	= \$ -	+ \$ -
	100.0%	\$ 11,458,232	\$ 11,458,232	\$ -
		100.0%	100.0%	0.0%

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	0.0%	\$ -	= \$ -	+ \$ -
Dallas County	5.7%	\$ 1,758,526	= \$ 1,758,526	+ \$ -
Parland	13.2%	\$ 4,044,518	= \$ 4,044,518	+ \$ -
DCCD	5.9%	\$ 1,798,435	= \$ 1,798,435	+ \$ -
Grand Prairie ISD	75.2%	\$ 23,088,784	= \$ 23,088,784	+ \$ -
0	0.0%	\$ -	= \$ -	+ \$ -
	100.0%	\$ 30,691,262	\$ 30,691,262	\$ -
		100.0%	100.0%	0.0%

Financial Feasibility Analysis

ADZ#5 : INPUT & OUTPUT

► INPUT

INFLATION RATE	2.00%
----------------	-------

DISCOUNT RATE	6.00%
---------------	-------

REAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66999900	100%	0.66999900
Dallas County	0.24310000	90%	0.12156000
Parkland	0.27840000	0%	0.00000000
DCCD	0.12423900	0%	0.00000000
Grand Prairie ISD	1.59500000	0%	0.00000000
0	0.00000000	0%	0.00000000
	2.91173600		0.79154800

PERSONAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66999900	0%	0.00000000
Dallas County	0.24310000	0%	0.00000000
Parkland	0.27840000	0%	0.00000000
DCCD	0.12423900	0%	0.00000000
Grand Prairie ISD	1.59500000	0%	0.00000000
0	0.00000000	0%	0.00000000
	2.91173600		0.00000000

SALES TAX RATE	0.02000000	0.00%	0.00000000
----------------	------------	-------	------------

AREA DEVELOPMENT ZONE #S	Year	AREA SF/UNITS	REAL PROPERTY		PERSONAL PROPERTY		SALES	
			\$ / SF	TAX VALUE	\$ / SF	TAX VALUE	\$ / SF	TAX VALUE
Industrial	2022	2,000,000	\$ 70	\$ 140,000,000	\$ -	\$ -	\$ -	\$ -
Multifamily	2026	260	\$ 130,000	\$ 32,500,000				
Multifamily	2029	260	\$ 130,000	\$ 32,500,000				
TOTAL				\$ 205,000,000	\$ -	\$ -	\$ -	\$ -

OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	25.4%	\$ 25,479,879	\$ 22,470,736	\$ 54,193
Dallas County	8.1%	\$ 8,172,876	\$ 8,153,212	\$ 19,663
Parkland	9.3%	\$ 9,393,260	\$ 9,370,660	\$ 22,600
DCCD	4.1%	\$ 4,176,807	\$ 4,166,768	\$ 10,040
Grand Prairie ISD	53.1%	\$ 53,622,939	\$ 53,493,927	\$ 129,012
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 101,045,559	\$ 97,655,294	\$ 235,516
	100.0%	100.0%	98.6%	0.2%
				3.1%

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	84.6%	\$ 22,470,736	\$ 22,470,736	\$ -
Dallas County	15.4%	\$ 4,076,606	\$ 4,076,606	\$ -
Parkland	0.0%	\$ -	\$ -	\$ -
DCCD	0.0%	\$ -	\$ -	\$ -
Grand Prairie ISD	0.0%	\$ -	\$ -	\$ -
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 26,547,342	\$ 26,547,342	\$ -
	100.0%	100.0%	100.0%	0.0%

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	4.3%	\$ 3,207,943	\$ -	\$ 54,193
Dallas County	5.0%	\$ 4,096,269	\$ 4,076,606	\$ 19,663
Parkland	12.6%	\$ 9,393,260	\$ 9,370,660	\$ 22,600
DCCD	5.6%	\$ 4,176,807	\$ 4,166,768	\$ 10,040
Grand Prairie ISD	72.0%	\$ 53,622,939	\$ 53,493,927	\$ 129,012
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 74,497,217	\$ 71,107,961	\$ 235,516
	100.0%	100.0%	95.6%	0.3%
				4.2%

Financial Feasibility Analysis

TAX REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

Calendar Year		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21		
TOTAL TAX REVENUE																									
REAL PROPERTY	% OCCUPIED	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Taxable Value	-	-	-	-	70,000,000	105,000,000	140,000,000	140,000,000	156,250,000	164,375,000	188,750,000	198,875,000	205,000,000	209,100,000	213,282,000	217,547,640	221,898,593	226,336,565	230,863,296	235,480,562	240,190,173	244,993,977	249,893,858	254,891,733
PV		-	-	-	-	468,999	703,488	937,997	937,997	1,046,872	1,101,309	1,264,821	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
GROSS		-	-	-	-	468,999	703,488	937,997	937,997	1,046,872	1,101,309	1,264,821	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
City of Grand Prairie	16,924,262	-	-	-	-	468,999	703,488	937,997	937,997	1,046,872	1,101,309	1,264,821	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
Dallas County	3,983,718	-	-	-	-	170,170	255,255	340,340	340,340	379,844	399,596	458,801	478,603	498,355	508,322	518,489	528,856	539,435	550,224	561,229	572,453	583,902	595,580	607,482	619,642
Parkland	4,555,586	-	-	-	-	195,040	293,370	391,160	391,160	436,563	459,264	527,568	550,069	572,770	584,225	595,910	607,828	619,980	632,384	645,032	657,933	671,091	684,513	698,203	712,168
DCCD	2,825,887	-	-	-	-	86,967	130,450	173,933	173,933	194,122	204,216	234,489	244,584	254,688	259,782	264,977	270,272	275,662	281,196	286,820	292,556	298,407	304,376	310,463	316,672
Grand Prairie ISD	26,006,296	-	-	-	-	1,116,500	1,674,750	2,233,000	2,233,000	2,492,188	2,621,781	3,010,563	3,140,156	3,269,750	3,335,145	3,401,848	3,469,885	3,539,283	3,610,068	3,682,270	3,755,915	3,831,033	3,907,654	3,985,607	4,065,523
Total	27,416,326	-	-	-	-	2,038,215	3,057,323	4,076,430	4,076,430	4,549,589	4,786,166	5,495,902	5,732,480	5,869,959	6,008,440	6,147,209	6,286,413	6,426,101	6,566,323	6,707,130	6,848,527	6,990,504	7,133,578	7,276,249	7,419,774
PERSONAL PROPERTY																									
REAL PROPERTY	% OCCUPIED	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Taxable Value	-	-	-	-	70,000,000	105,000,000	140,000,000	140,000,000	156,250,000	164,375,000	188,750,000	198,875,000	205,000,000	209,100,000	213,282,000	217,547,640	221,898,593	226,336,565	230,863,296	235,480,562	240,190,173	244,993,977	249,893,858	254,891,733
PV		-	-	-	-	468,999	703,488	937,997	937,997	1,046,872	1,101,309	1,264,821	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
GROSS		-	-	-	-	468,999	703,488	937,997	937,997	1,046,872	1,101,309	1,264,821	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
City of Grand Prairie	16,924,262	-	-	-	-	468,999	703,488	937,997	937,997	1,046,872	1,101,309	1,264,821	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
Dallas County	3,983,718	-	-	-	-	170,170	255,255	340,340	340,340	379,844	399,596	458,801	478,603	498,355	508,322	518,489	528,856	539,435	550,224	561,229	572,453	583,902	595,580	607,482	619,642
Parkland	4,555,586	-	-	-	-	195,040	293,370	391,160	391,160	436,563	459,264	527,568	550,069	572,770	584,225	595,910	607,828	619,980	632,384	645,032	657,933	671,091	684,513	698,203	712,168
DCCD	2,825,887	-	-	-	-	86,967	130,450	173,933	173,933	194,122	204,216	234,489	244,584	254,688	259,782	264,977	270,272	275,662	281,196	286,820	292,556	298,407	304,376	310,463	316,672
Grand Prairie ISD	26,006,296	-	-	-	-	1,116,500	1,674,750	2,233,000	2,233,000	2,492,188	2,621,781	3,010,563	3,140,156	3,269,750	3,335,145	3,401,848	3,469,885	3,539,283	3,610,068	3,682,270	3,755,915	3,831,033	3,907,654	3,985,607	4,065,523
Total	27,416,326	-	-	-	-	2,038,215	3,057,323	4,076,430	4,076,430	4,549,589	4,786,166	5,495,902	5,732,480	5,869,959	6,008,440	6,147,209	6,286,413	6,426,101	6,566,323	6,707,130	6,848,527	6,990,504	7,133,578	7,276,249	7,419,774
SALES TAX																									
REAL PROPERTY	% OCCUPIED	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Taxable Value	-	-	-	-	70,000,000	105,000,000	140,000,000	140,000,000	156,250,000	164,375,000	188,750,000	198,875,000	205,000,000	209,100,000	213,282,000	217,547,640	221,898,593	226,336,565	230,863,296	235,480,562	240,190,173	244,993,977	249,893,858	254,891,733
PV		-	-	-	-	468,999	703,488	937,997	937,997	1,046,872	1,101,309	1,264,821	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
GROSS		-	-	-	-	468,999	703,488	937,997	937,997	1,046,872	1,101,309	1,264,821	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
City of Grand Prairie	16,924,262	-	-	-	-	468,999	703,488	937,997	937,997	1,046,872	1,101,309	1,264,821	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
Dallas County	3,983,718	-	-	-	-	170,170	255,255	340,340	340,340	379,844	399,596	458,801	478,603	498,355	508,322	518,489	528,856	539,435	550,224	561,229	572,453	583,902	595,580	607,482	619,642
Parkland	4,555,586	-	-	-	-	195,040	293,370	391,160	391,160	436,563	459,264	527,568	550,069	572,770	584,225	595,910	607,828	619,980	632,384	645,032	657,933	671,091	684,513	698,203	712,168
DCCD	2,825,887	-	-	-	-	86,967	130,450	173,933	173,933	194,122	204,216	234,489	244,584	254,688	259,782	264,977	270,272	275,662	281,196	286,820	292,556	298,407	304,376	310,463	316,672
Grand Prairie ISD	26,006,296	-	-	-	-	1,116,500	1,674,750	2,233,000	2,233,000	2,492,188	2,621,781	3,010,563	3,140,156	3,269,750	3,335,145	3,401,848	3,469,885	3,539,283	3,610,068	3,682,270	3,755,915	3,831,033	3,907,654	3,985,607	4,065,523
Total	27,416,326	-	-	-	-	2,038,215	3,057,323	4,076,430	4,076,430	4,549,589	4,786,166	5,495,902	5,732,480	5,869,959	6,008,440	6,147,209	6,286,413	6,426,101	6,566,323	6,707,130	6,848,527	6,990,504	7,133,578	7,276,249	7,419,774
SUMMARY																									
City of Grand Prairie	16,924,262	-	-	-	-	468,999	703,488	937,997	937,997	1,046,872	1,101,309	1,264,821	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
Dallas County	3,983,718	-	-	-	-	170,170	255,255	340,340	340,340	379,844	399,596	458,801	478,603	498,355	508,322	518,489	528,856	539,435	550,224	561,229	572,453	583,902	595,580	607,482	619,642
Parkland	4,555,586	-	-	-	-	195,040	293,370	391,160	391,160	436,563	459,264	527,568	550,069	572,770	584,225	595,910	607,828	619,980	632,384	645,032	657,933	671,091	684,513	698,203	712,168
DCCD	2,825,887	-	-	-	-	86,967	130,450	173,933	173,933	194,122	204,216	234,489	244,584	254,688	259,782	264,977	270,272	275,662	281,196	286,820	292,556	298,407	304,376	310,463	316,672
Grand Prairie ISD	26,006,296	-	-	-	-	1,116,500	1,674,750	2,233,000	2,233,000	2,492,188	2,621,781	3,010,563	3,140,156	3,269,750	3,335,145	3,401,848	3,469,885	3,539,283	3,610,068	3,682,270	3,755,915	3,831,033	3,907,654	3,985,607	4,065,523
Total	27,416,326	-	-	-	-	2,038,215	3,057,323	4,076,430	4,076,430	4,549,589	4,786,166	5,495,902	5,732,480	5,869,959	6,008,440	6,147,209	6,286,413	6,426,101	6,566,323	6,707,130	6,848,527	6,990,504	7,133,578	7,276,249	7,419,774
PARTICIPATION																									
REAL PROPERTY	Taxable Value	-	-	-	-	70,000,000	105,000,000	140,000,000	140,000,000	15															

Financial Feasibility Analysis

ADZ#6 : INPUT & OUTPUT

INPUT

INFLATION RATE	2.00%
----------------	-------

DISCOUNT RATE	6.00%
---------------	-------

REAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.88999800	100%	0.8899980
Dallas County	0.24310000	50%	0.1215500
Parland	0.27940000	0%	0.0000000
DCCD	0.12423800	0%	0.0000000
Grand Prairie ISD	1.89500000	0%	0.0000000
0	0.00000000	0%	0.0000000
	2.91173600		0.7916480

PERSONAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.88999800	0%	0.0000000
Dallas County	0.24310000	0%	0.0000000
Parland	0.27940000	0%	0.0000000
DCCD	0.12423800	0%	0.0000000
Grand Prairie ISD	1.89500000	0%	0.0000000
0	0.00000000	0%	0.0000000
	2.91173600		0.0000000

SALES TAX RATE	0.0200000	0.00%	0.0000000
----------------	-----------	-------	-----------

AREA DEVELOPMENT ZONE #	Year	AREA SF/FUNTS	REAL PROPERTY \$ / SF	TAX VALUE	PERSONAL PROPERTY \$ / SF	TAX VALUE	SALES \$ / SF	TAX VALUE
Hotel	2021	250	\$ 110,000	\$ 27,500,000	\$ -	\$ -	\$ -	\$ -
MultiFamily	2021	300	\$ 130,000	\$ 39,000,000				
Convention Space	2021	-	\$ -	\$ -				
MultiFamily	2023	300	\$ 130,000	\$ 39,000,000				
TOTAL		850		\$ 105,500,000	\$ -	\$ -	\$ -	\$ -

OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	25.4%	\$ 25,078,879	\$ 22,470,738	\$ 3,163,750
Dallas County	8.1%	\$ 8,172,876	\$ 8,153,212	\$ -
Parland	9.3%	\$ 9,393,260	\$ 9,370,860	\$ -
DCCD	4.1%	\$ 4,176,807	\$ 4,186,758	\$ -
Grand Prairie ISD	53.1%	\$ 63,822,939	\$ 63,493,827	\$ -
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 101,044,559	\$ 97,655,294	\$ 3,163,750
		100.0%	96.6%	3.1%

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	84.6%	\$ 22,470,738	\$ -	\$ -
Dallas County	15.4%	\$ 4,078,606	\$ -	\$ -
Parland	0.0%	\$ -	\$ -	\$ -
DCCD	0.0%	\$ -	\$ -	\$ -
Grand Prairie ISD	0.0%	\$ -	\$ -	\$ -
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 26,549,343	\$ -	\$ -
		100.0%	100.0%	0.0%

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	4.3%	\$ 3,207,843	\$ -	\$ 54,193
Dallas County	5.5%	\$ 4,096,289	\$ 4,078,606	\$ 19,063
Parland	12.6%	\$ 9,393,260	\$ 9,370,860	\$ -
DCCD	5.6%	\$ 4,176,807	\$ 4,186,758	\$ -
Grand Prairie ISD	72.0%	\$ 63,822,939	\$ 63,493,827	\$ -
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 74,497,217	\$ 71,107,861	\$ 236,616
		100.0%	95.5%	4.2%

Financial Feasibility Analysis

ADZ#7 : INPUT & OUTPUT

► INPUT

INFLATION RATE	2.00%
DISCOUNT RATE	6.00%

REAL PROPERTY TAX	PARTICIPATION	
City of Grand Prairie	0.6899880	100%
Dallas County	0.2431000	50%
Parkland	0.2784000	0%
DCCD	0.1242389	0%
Grand Prairie ISD	1.5950000	0%
0	0.0000000	0%
	2.9117360	0.7915480

PERSONAL PROPERTY TAX	PARTICIPATION	
City of Grand Prairie	0.6899880	0%
Dallas County	0.2431000	0%
Parkland	0.2784000	0%
DCCD	0.1242389	0%
Grand Prairie ISD	1.5950000	0%
0	0.0000000	0%
	2.9117360	0.0000000

SALES TAX RATE	0.0200000	0.00%	0.0000000
----------------	-----------	-------	-----------

AREA DEVELOPMENT ZONE #7		Year	AREA SF/UNITS	REAL PROPERTY \$ / SF TAX VALUE	PERSONAL PROPERTY \$ / SF TAX VALUE	SALES \$ / SF TAX VALUE
Retail	2019	-	\$ 500,000	\$ 90,000,000	\$ 5.00	\$ 2,500,000
Multifamily	2020	300	-	\$ 39,000,000		
Hotel	2020	110	-	\$ 12,100,000		
Restaurant	2021	-	\$ 75,000	\$ 15,000,000	\$ 15.00	\$ 1,125,000
Hotel	2021	125	-	\$ 13,750,000		
Restaurant	2021	-	\$ 50,000	\$ 10,000,000	\$ 15.00	\$ 750,000
Hotel	2023	125	-	\$ 13,750,000		
TOTAL		680	\$ 193,600,000	\$ 4,375,000	\$ 165,625,000	

OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	26.4%	\$ 25,878,679	\$ 22,470,736	\$ 54,193
Dallas County	8.1%	\$ 8,172,875	\$ 8,153,212	\$ 19,863
Parkland	8.3%	\$ 9,383,260	\$ 9,370,660	\$ 22,599
DCCD	4.1%	\$ 4,176,807	\$ 4,166,758	\$ 10,049
Grand Prairie ISD	53.1%	\$ 53,622,939	\$ 53,493,927	\$ 128,012
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 101,044,559	\$ 97,655,294	\$ 235,516
	100.0%	86.6%	0.2%	3.1%

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	84.6%	\$ 22,470,736	\$ 22,470,736	\$ -
Dallas County	15.4%	\$ 4,076,606	\$ 4,076,606	\$ -
Parkland	0.0%	\$ -	\$ -	\$ -
DCCD	0.0%	\$ -	\$ -	\$ -
Grand Prairie ISD	0.0%	\$ -	\$ -	\$ -
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 26,547,342	\$ 26,547,342	\$ -
	100.0%	100.0%	0.0%	0.0%

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	4.3%	\$ 3,207,843	\$ -	\$ 54,193
Dallas County	5.6%	\$ 4,096,269	\$ 4,076,606	\$ 19,863
Parkland	12.6%	\$ 9,393,260	\$ 9,370,660	\$ 22,599
DCCD	5.6%	\$ 4,176,807	\$ 4,166,758	\$ 10,049
Grand Prairie ISD	72.0%	\$ 53,622,939	\$ 53,493,927	\$ 128,012
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 74,497,217	\$ 71,107,951	\$ 235,516
	100.0%	95.6%	0.7%	4.2%

Financial Feasibility Analysis

TAX REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

Calendar Year		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
TOTAL TAX REVENUE																									
REAL PROPERTY	% OCCUPIED		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Taxable Value	80,000,000	141,100,000	179,850,000	179,850,000	193,600,000	197,472,000	201,421,440	205,449,869	209,558,866	213,750,043	218,025,044	222,385,545	226,833,256	231,369,821	235,997,320	240,717,266	245,531,611	250,442,244	255,451,089	260,562,110	265,771,313	271,086,739	276,508,474	
PV																									
City of Grand Prairie		16,749,741	602,998	945,367	1,204,991	1,204,991	1,297,116	1,323,058	1,349,520	1,376,510	1,404,040	1,432,121	1,460,763	1,489,979	1,519,778	1,550,174	1,581,177	1,612,801	1,645,057	1,677,958	1,711,517	1,745,748	1,780,662	1,816,276	1,852,601
Dallas County		8,714,887	218,790	343,014	437,215	437,215	470,642	480,054	489,656	499,449	509,438	519,626	530,019	551,432	562,448	573,769	585,184	596,887	608,805	621,002	633,422	646,090	658,912	672,195	685,860
Parkland		6,947,897	251,460	394,233	502,501	502,501	540,916	551,737	562,772	574,027	585,507	597,218	609,162	621,345	633,772	646,448	659,377	672,564	686,015	699,736	713,730	728,005	742,565	757,416	772,565
DCCD		5,939,681	111,814	175,300	223,442	223,442	240,525	245,335	250,342	255,562	260,952	266,569	272,370	278,287	284,313	290,458	296,724	303,111	309,620	316,261	323,034	329,939	336,988	344,190	351,505
Grand Prairie ISD		37,483,998	1,435,500	2,250,545	2,868,608	2,868,608	3,087,520	3,145,978	3,212,872	3,279,925	3,347,464	3,405,913	3,474,499	3,543,440	3,612,860	3,682,860	3,753,440	3,824,600	3,896,344	3,968,672	4,041,584	4,115,072	4,189,144	4,263,792	4,339,008
Total		80,000,000	141,100,000	179,850,000	179,850,000	193,600,000	197,472,000	201,421,440	205,449,869	209,558,866	213,750,043	218,025,044	222,385,545	226,833,256	231,369,821	235,997,320	240,717,266	245,531,611	250,442,244	255,451,089	260,562,110	265,771,313	271,086,739	276,508,474	
PERSONAL PROPERTY																									
PERSONAL PROPERTY	% OCCUPIED		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Taxable Value	2,500,000	2,500,000	4,375,000	4,375,000	4,462,500	4,551,750	4,642,785	4,735,641	4,830,354	4,926,961	5,025,560	5,126,010	5,228,530	5,333,107	5,439,763	5,548,558	5,659,529	5,772,730	5,888,174	6,005,937	6,126,058	6,248,577	6,373,549	6,501,020
SALES TAX																									
SALES TAX	% OCCUPIED		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Taxable Value	125,000,000	125,000,000	165,625,000	165,625,000	172,312,500	175,762,575	179,277,827	182,863,383	186,520,651	190,251,064	194,056,085	197,937,207	201,895,851	205,933,870	210,052,547	214,253,598	218,538,670	222,909,444	227,367,632	231,914,985	236,553,285	241,284,350	246,110,037	
SUMMARY																									
City of Grand Prairie		16,749,741	602,998	945,367	1,204,991	1,204,991	1,297,116	1,323,058	1,349,520	1,376,510	1,404,040	1,432,121	1,460,763	1,489,979	1,519,778	1,550,174	1,581,177	1,612,801	1,645,057	1,677,958	1,711,517	1,745,748	1,780,662	1,816,276	1,852,601
Dallas County		8,714,887	218,790	343,014	437,215	437,215	470,642	480,054	489,656	499,449	509,438	519,626	530,019	551,432	562,448	573,769	585,184	596,887	608,805	621,002	633,422	646,090	658,912	672,195	685,860
Parkland		6,947,897	251,460	394,233	502,501	502,501	540,916	551,737	562,772	574,027	585,507	597,218	609,162	621,345	633,772	646,448	659,377	672,564	686,015	699,736	713,730	728,005	742,565	757,416	772,565
DCCD		5,939,681	111,814	175,300	223,442	223,442	240,525	245,335	250,342	255,562	260,952	266,569	272,370	278,287	284,313	290,458	296,724	303,111	309,620	316,261	323,034	329,939	336,988	344,190	351,505
Grand Prairie ISD		37,483,998	1,435,500	2,250,545	2,868,608	2,868,608	3,087,520	3,145,978	3,212,872	3,279,925	3,347,464	3,405,913	3,474,499	3,543,440	3,612,860	3,682,860	3,753,440	3,824,600	3,896,344	3,968,672	4,041,584	4,115,072	4,189,144	4,263,792	4,339,008
Total		80,000,000	141,100,000	179,850,000	179,850,000	193,600,000	197,472,000	201,421,440	205,449,869	209,558,866	213,750,043	218,025,044	222,385,545	226,833,256	231,369,821	235,997,320	240,717,266	245,531,611	250,442,244	255,451,089	260,562,110	265,771,313	271,086,739	276,508,474	
REAL PROPERTY																									
City of Grand Prairie		16,749,741	602,998	945,367	1,204,991	1,204,991	1,297,116	1,323,058	1,349,520	1,376,510	1,404,040	1,432,121	1,460,763	1,489,979	1,519,778	1,550,174	1,581,177	1,612,801	1,645,057	1,677,958	1,711,517	1,745,748	1,780,662	1,816,276	1,852,601
Dallas County		8,714,887	218,790	343,014	437,215	437,215	470,642	480,054	489,656	499,449	509,438	519,626	530,019	551,432	562,448	573,769	585,184	596,887	608,805	621,002	633,422	646,090	658,912	672,195	685,860
Parkland		6,947,897	251,460	394,233	502,501	502,501	540,916	551,737	562,772	574,027	585,507	597,218	609,162	621,345	633,772	646,448	659,377	672,564	686,015	699,736	713,730	728,005	742,565	757,416	772,565
DCCD		5,939,681	111,814	175,300	223,442	223,442	240,525	245,335	250,342	255,562	260,952	266,569	272,370	278,287	284,313	290,458	296,724	303,111	309,620	316,261	323,034	329,939	336,988	344,190	351,505
Grand Prairie ISD		37,483,998	1,435,500	2,250,545	2,868,608	2,868,608	3,087,520	3,145,978	3,212,872	3,279,925	3,347,464	3,405,913	3,474,499	3,543,440	3,612,860	3,682,860	3,753,440	3,824,600	3,896,344	3,968,672	4,041,584	4,115,072	4,189,144	4,263,792	4,339,008
Total		80,000,000	141,100,000	179,850,000	179,850,000	193,600,000	197,472,000	201,421,440	205,449,869	209,558,866	213,750,043	218,025,044	222,385,545	226,833,256	231,369,821	235,997,320	240,717,266	245,531,611	250,442,244	255,451,089	260,562,110	265,771,313	271,086,739	276,508,474	
PERSONAL PROPERTY																									
City of Grand Prairie		16,749,741	602,998	945,367	1,204,991	1,204,991	1,297,116	1,323,058	1,349,520	1,376,510	1,404,040	1,432,121	1,460,763	1,489,979	1,519,778	1,550,174	1,581,177	1,612,801	1,645,057	1,677,958	1,711,517	1,745,748	1,780,662	1,816,276	1,852,601
Dallas County		8,714,887	218,790	343,014	437,215	437,215	470,642	480,054	489,656	499,449	509,438	519,626	530,019	551,432	562,448	573,769	585,184	596,887	608,805	621,002	633,422	646,090	658,912	672,195	685,860
Parkland		6,947,897	251,460	394,233	502,501	502,501	540,916	551,737	562,772	574,027	585,507	597,218	609,162	621,345	633,772	646,448	659,377	672,564	686,015	699,736	713,730	728,005	742,565	757,416	772,565
DCCD		5,939,681	111,814	175,300	223,442	223,442	240,525	245,335	250,342	255,562	260,952	266,569	272,370	278,287	284,313	290,458	296,724	303,111	309,620	316,261	323,034	329,939	336,988	344,190	351,505
Grand Prairie ISD		37,483,998	1,435,500	2,250,545	2,868,608	2,868,608	3,087,520	3,145,978	3,212,872	3,279,925	3,347,464	3,405,913	3,474,499	3,543,440	3,612,860	3,682,860	3,753,440	3,824,600	3,896,344	3,968,672	4,041,584	4,115,072	4,189,144	4,263,792	4,339,008
Total		80,000,000	141,100,000	179,850,000	179,850,000	193,600,000	197,472,000	201,421,440	205,449,869	209,558,866	213,750,043	218,025,044	222,385,545	226,833,256	231,369,821	235,997,320	240,717,266	245,531,611	250,442,244	255,451,089	260,562,110	265,771,313	271,086,739	276,508,474	
SALES TAX																									
City of Grand Prairie		16,749,741	602,998	945,367	1,204,991	1,204,991	1,297,116	1,323,058	1,349,520	1,376,510	1,404,040	1,432,121	1,460,763	1,489,979	1,519,778	1,550,174	1,581,177	1,612,801	1,645,057	1,677,958	1,711,517	1,745,748	1,780,662	1,816,276	1,852,601
Dallas County		8,714,887	218,790	343,014	437,215	437,215	470,642	480,054	489,656	499,449	509,438	519,626	530,019	551,432	562,448	573,769	585,184	596,887	608,805	621,002	633,422	646,090	658,912	672,195	685,860
Parkland		6,947,897	251,460	394,233	502,501	502,501	540,916	551,737	562,772	574,027	585,507	597,218	609,162	621,345	633,772	646,448	659,377	672,564	686,015	699,736	713,730	728,005	742,565	757,416	772,565
DCCD		5,939,681	111,814	175,300	223,442	223,442	240,525	245,335	250,342	255,562															

Financial Feasibility Analysis

ADZ#8 : INPUT & OUTPUT

► INPUT

INFLATION RATE	2.00%
----------------	-------

DISCOUNT RATE	6.00%
---------------	-------

REAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66999800	100%	0.66999800
Dallas County	0.24310000	50%	0.12155000
Parkland	0.27940000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.59500000	0%	0.00000000
0	0.00000000	0%	0.00000000
	2.91173600		0.79164800

PERSONAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66999800	0%	0.00000000
Dallas County	0.24310000	0%	0.00000000
Parkland	0.27940000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.59500000	0%	0.00000000
0	0.00000000	0%	0.00000000
	2.91173600		0.00000000

SALES TAX RATE	0.0200000	0.00%	0.0000000
----------------	-----------	-------	-----------

AREA DEVELOPMENT ZONE #8

	Year	AREA SF/UNITS	REAL PROPERTY TAX VALUE		PERSONAL PROPERTY TAX VALUE		SALES TAX VALUE	
			\$ / SF	TAX VALUE	\$ / SF	TAX VALUE	\$ / SF	TAX VALUE
Restaurant	2025	80,000	\$ 200	\$ 16,000,000	\$ 16.00	\$ 760,000	\$ 325.00	\$ 16,250,000
Retail	2025	100,000	\$ 180	\$ 18,000,000	\$ 5.00	\$ 600,000	\$ 250.00	\$ 25,000,000
TOTAL		180,000		\$ 28,000,000		\$ 1,250,000		\$ 41,250,000

OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	25.4%	\$ 25,678,679	\$ 22,470,736	\$ 54,193
Dallas County	8.1%	\$ 8,172,976	\$ 8,163,212	\$ 19,663
Parkland	9.3%	\$ 9,393,260	\$ 9,370,660	\$ 22,599
DCCD	4.1%	\$ 4,176,807	\$ 4,166,789	\$ 10,049
Grand Prairie ISD	53.7%	\$ 63,622,939	\$ 63,493,927	\$ 129,012
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 101,844,551	\$ 97,665,294	\$ 235,616
		100.0%	96.6%	0.2%
				3.7%

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	84.6%	\$ 22,470,736	\$ 22,470,736	\$ -
Dallas County	15.4%	\$ 4,076,606	\$ 4,076,606	\$ -
Parkland	0.0%	\$ -	\$ -	\$ -
DCCD	0.0%	\$ -	\$ -	\$ -
Grand Prairie ISD	0.0%	\$ -	\$ -	\$ -
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 26,547,342	\$ 26,547,342	\$ -
		100.0%	100.0%	0.0%

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	4.3%	\$ 3,207,843	\$ -	\$ 54,193
Dallas County	5.5%	\$ 4,096,269	\$ 4,076,606	\$ 19,663
Parkland	12.6%	\$ 9,393,260	\$ 9,370,660	\$ 22,599
DCCD	5.6%	\$ 4,176,807	\$ 4,166,789	\$ 10,049
Grand Prairie ISD	72.0%	\$ 63,622,939	\$ 63,493,927	\$ 129,012
0	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 74,497,217	\$ 71,107,951	\$ 235,616
		100.0%	95.6%	0.3%
				4.2%

Financial Feasibility Analysis

TAX REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

Calendar Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21																																																																																																																																																																	
TOTAL TAX REVENUE																																																																																																																																																																																							
REAL PROPERTY	% OCCUPIED	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041																																																																																																																																																														
	Taxable Value	-	-	-	-	-	10,000,000	10,000,000	28,000,000	28,500,000	28,171,200	30,308,100	30,914,282	31,532,548	32,161,159	32,806,483	33,452,592	34,131,844	34,814,491	35,510,770	36,220,888	36,945,405	37,684,313	38,438,000																																																																																																																																																															
<table border="1"> <tr> <td>City of Grand Prairie</td> <td>1,588,364</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>67,000</td> <td>67,000</td> <td>187,589</td> <td>191,351</td> <td>195,178</td> <td>199,082</td> <td>203,064</td> <td>207,125</td> <td>211,267</td> <td>215,493</td> <td>219,803</td> <td>224,199</td> <td>228,683</td> <td>233,256</td> <td>237,921</td> <td>242,680</td> <td>247,533</td> <td>252,484</td> <td>257,534</td> <td>2,888,253</td> </tr> <tr> <td>Dallas County</td> <td>536,535</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>24,510</td> <td>24,510</td> <td>68,068</td> <td>69,628</td> <td>70,818</td> <td>72,234</td> <td>73,879</td> <td>75,551</td> <td>77,258</td> <td>78,996</td> <td>80,764</td> <td>82,562</td> <td>84,389</td> <td>86,237</td> <td>88,105</td> <td>89,994</td> <td>91,911</td> <td>93,845</td> <td>1,416,802</td> </tr> <tr> <td>Perland</td> <td>662,621</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>27,840</td> <td>27,840</td> <td>79,787</td> <td>81,333</td> <td>83,020</td> <td>84,881</td> <td>86,734</td> <td>88,667</td> <td>90,678</td> <td>92,764</td> <td>94,924</td> <td>97,156</td> <td>99,461</td> <td>101,837</td> <td>104,284</td> <td>106,802</td> <td>109,391</td> <td>112,050</td> <td>114,780</td> <td>1,621,664</td> </tr> <tr> <td>DCCD</td> <td>284,463</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>12,624</td> <td>12,624</td> <td>34,287</td> <td>35,482</td> <td>36,182</td> <td>36,916</td> <td>37,684</td> <td>38,487</td> <td>39,326</td> <td>40,198</td> <td>41,103</td> <td>42,041</td> <td>43,012</td> <td>44,016</td> <td>45,053</td> <td>46,124</td> <td>47,228</td> <td>48,364</td> <td>49,532</td> <td>721,000</td> </tr> <tr> <td>Grand Prairie ISD</td> <td>3,782,633</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>159,500</td> <td>159,500</td> <td>446,400</td> <td>455,532</td> <td>464,643</td> <td>473,935</td> <td>483,414</td> <td>493,082</td> <td>502,944</td> <td>513,003</td> <td>523,263</td> <td>533,728</td> <td>544,403</td> <td>555,291</td> <td>566,397</td> <td>577,725</td> <td>589,279</td> <td>601,065</td> <td>613,086</td> <td>5,256,391</td> </tr> <tr> <td>Total</td> <td>4,950,113</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>291,174</td> <td>291,174</td> <td>816,288</td> <td>831,582</td> <td>846,234</td> <td>861,189</td> <td>876,442</td> <td>891,997</td> <td>907,857</td> <td>924,012</td> <td>940,465</td> <td>957,218</td> <td>974,272</td> <td>991,629</td> <td>1,019,288</td> <td>1,047,247</td> <td>1,075,503</td> <td>1,104,058</td> <td>1,132,913</td> <td>12,837,610</td> </tr> </table>																						City of Grand Prairie	1,588,364	-	-	-	-	-	67,000	67,000	187,589	191,351	195,178	199,082	203,064	207,125	211,267	215,493	219,803	224,199	228,683	233,256	237,921	242,680	247,533	252,484	257,534	2,888,253	Dallas County	536,535	-	-	-	-	-	24,510	24,510	68,068	69,628	70,818	72,234	73,879	75,551	77,258	78,996	80,764	82,562	84,389	86,237	88,105	89,994	91,911	93,845	1,416,802	Perland	662,621	-	-	-	-	-	27,840	27,840	79,787	81,333	83,020	84,881	86,734	88,667	90,678	92,764	94,924	97,156	99,461	101,837	104,284	106,802	109,391	112,050	114,780	1,621,664	DCCD	284,463	-	-	-	-	-	12,624	12,624	34,287	35,482	36,182	36,916	37,684	38,487	39,326	40,198	41,103	42,041	43,012	44,016	45,053	46,124	47,228	48,364	49,532	721,000	Grand Prairie ISD	3,782,633	-	-	-	-	-	159,500	159,500	446,400	455,532	464,643	473,935	483,414	493,082	502,944	513,003	523,263	533,728	544,403	555,291	566,397	577,725	589,279	601,065	613,086	5,256,391	Total	4,950,113	-	-	-	-	-	291,174	291,174	816,288	831,582	846,234	861,189	876,442	891,997	907,857	924,012	940,465	957,218	974,272	991,629	1,019,288	1,047,247	1,075,503	1,104,058	1,132,913	12,837,610	
City of Grand Prairie	1,588,364	-	-	-	-	-	67,000	67,000	187,589	191,351	195,178	199,082	203,064	207,125	211,267	215,493	219,803	224,199	228,683	233,256	237,921	242,680	247,533	252,484	257,534	2,888,253																																																																																																																																																													
Dallas County	536,535	-	-	-	-	-	24,510	24,510	68,068	69,628	70,818	72,234	73,879	75,551	77,258	78,996	80,764	82,562	84,389	86,237	88,105	89,994	91,911	93,845	1,416,802																																																																																																																																																														
Perland	662,621	-	-	-	-	-	27,840	27,840	79,787	81,333	83,020	84,881	86,734	88,667	90,678	92,764	94,924	97,156	99,461	101,837	104,284	106,802	109,391	112,050	114,780	1,621,664																																																																																																																																																													
DCCD	284,463	-	-	-	-	-	12,624	12,624	34,287	35,482	36,182	36,916	37,684	38,487	39,326	40,198	41,103	42,041	43,012	44,016	45,053	46,124	47,228	48,364	49,532	721,000																																																																																																																																																													
Grand Prairie ISD	3,782,633	-	-	-	-	-	159,500	159,500	446,400	455,532	464,643	473,935	483,414	493,082	502,944	513,003	523,263	533,728	544,403	555,291	566,397	577,725	589,279	601,065	613,086	5,256,391																																																																																																																																																													
Total	4,950,113	-	-	-	-	-	291,174	291,174	816,288	831,582	846,234	861,189	876,442	891,997	907,857	924,012	940,465	957,218	974,272	991,629	1,019,288	1,047,247	1,075,503	1,104,058	1,132,913	12,837,610																																																																																																																																																													
PERSONAL PROPERTY	% OCCUPIED	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041																																																																																																																																																														
	Taxable Value	-	-	-	-	-	750,000	750,000	1,250,000	1,275,000	1,300,500	1,326,510	1,353,040	1,380,101	1,407,703	1,435,857	1,464,574	1,493,856	1,523,743	1,554,218	1,585,302	1,617,008	1,649,348	1,682,335	1,715,982																																																																																																																																																														
<table border="1"> <tr> <td>City of Grand Prairie</td> <td>73,702</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>5,025</td> <td>5,025</td> <td>3,375</td> <td>4,542</td> <td>4,713</td> <td>4,888</td> <td>5,066</td> <td>5,247</td> <td>5,432</td> <td>5,620</td> <td>5,811</td> <td>6,006</td> <td>6,204</td> <td>6,405</td> <td>6,609</td> <td>6,816</td> <td>7,026</td> <td>7,238</td> <td>7,452</td> <td>8,868</td> </tr> <tr> <td>Dallas County</td> <td>26,749</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>1,823</td> <td>1,823</td> <td>3,039</td> <td>3,100</td> <td>3,162</td> <td>3,225</td> <td>3,289</td> <td>3,355</td> <td>3,422</td> <td>3,491</td> <td>3,560</td> <td>3,632</td> <td>3,704</td> <td>3,778</td> <td>3,854</td> <td>3,931</td> <td>4,009</td> <td>4,089</td> <td>4,170</td> <td>4,448</td> </tr> <tr> <td>Perland</td> <td>38,783</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>2,096</td> <td>2,096</td> <td>3,483</td> <td>3,562</td> <td>3,636</td> <td>3,706</td> <td>3,780</td> <td>3,856</td> <td>3,933</td> <td>4,012</td> <td>4,092</td> <td>4,174</td> <td>4,257</td> <td>4,342</td> <td>4,429</td> <td>4,518</td> <td>4,608</td> <td>4,700</td> <td>4,794</td> <td>5,843</td> </tr> <tr> <td>DCCD</td> <td>13,678</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>832</td> <td>832</td> <td>1,553</td> <td>1,584</td> <td>1,616</td> <td>1,648</td> <td>1,681</td> <td>1,715</td> <td>1,748</td> <td>1,784</td> <td>1,820</td> <td>1,856</td> <td>1,893</td> <td>1,931</td> <td>1,970</td> <td>2,009</td> <td>2,049</td> <td>2,090</td> <td>2,132</td> <td>2,542</td> </tr> <tr> <td>Grand Prairie ISD</td> <td>175,504</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>11,963</td> <td>11,963</td> <td>19,938</td> <td>20,336</td> <td>20,743</td> <td>21,158</td> <td>21,581</td> <td>22,013</td> <td>22,453</td> <td>22,902</td> <td>23,360</td> <td>23,827</td> <td>24,304</td> <td>24,790</td> <td>25,286</td> <td>25,791</td> <td>26,307</td> <td>26,833</td> <td>27,370</td> <td>33,916</td> </tr> <tr> <td>Total</td> <td>170,116</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>21,838</td> <td>21,838</td> <td>36,387</td> <td>37,125</td> <td>37,847</td> <td>38,624</td> <td>39,457</td> <td>40,345</td> <td>41,288</td> <td>42,287</td> <td>43,342</td> <td>44,454</td> <td>45,624</td> <td>46,853</td> <td>48,142</td> <td>49,491</td> <td>50,910</td> <td>52,400</td> <td>53,961</td> <td>67,708</td> </tr> </table>																						City of Grand Prairie	73,702	-	-	-	-	-	5,025	5,025	3,375	4,542	4,713	4,888	5,066	5,247	5,432	5,620	5,811	6,006	6,204	6,405	6,609	6,816	7,026	7,238	7,452	8,868	Dallas County	26,749	-	-	-	-	-	1,823	1,823	3,039	3,100	3,162	3,225	3,289	3,355	3,422	3,491	3,560	3,632	3,704	3,778	3,854	3,931	4,009	4,089	4,170	4,448	Perland	38,783	-	-	-	-	-	2,096	2,096	3,483	3,562	3,636	3,706	3,780	3,856	3,933	4,012	4,092	4,174	4,257	4,342	4,429	4,518	4,608	4,700	4,794	5,843	DCCD	13,678	-	-	-	-	-	832	832	1,553	1,584	1,616	1,648	1,681	1,715	1,748	1,784	1,820	1,856	1,893	1,931	1,970	2,009	2,049	2,090	2,132	2,542	Grand Prairie ISD	175,504	-	-	-	-	-	11,963	11,963	19,938	20,336	20,743	21,158	21,581	22,013	22,453	22,902	23,360	23,827	24,304	24,790	25,286	25,791	26,307	26,833	27,370	33,916	Total	170,116	-	-	-	-	-	21,838	21,838	36,387	37,125	37,847	38,624	39,457	40,345	41,288	42,287	43,342	44,454	45,624	46,853	48,142	49,491	50,910	52,400	53,961	67,708
City of Grand Prairie	73,702	-	-	-	-	-	5,025	5,025	3,375	4,542	4,713	4,888	5,066	5,247	5,432	5,620	5,811	6,006	6,204	6,405	6,609	6,816	7,026	7,238	7,452	8,868																																																																																																																																																													
Dallas County	26,749	-	-	-	-	-	1,823	1,823	3,039	3,100	3,162	3,225	3,289	3,355	3,422	3,491	3,560	3,632	3,704	3,778	3,854	3,931	4,009	4,089	4,170	4,448																																																																																																																																																													
Perland	38,783	-	-	-	-	-	2,096	2,096	3,483	3,562	3,636	3,706	3,780	3,856	3,933	4,012	4,092	4,174	4,257	4,342	4,429	4,518	4,608	4,700	4,794	5,843																																																																																																																																																													
DCCD	13,678	-	-	-	-	-	832	832	1,553	1,584	1,616	1,648	1,681	1,715	1,748	1,784	1,820	1,856	1,893	1,931	1,970	2,009	2,049	2,090	2,132	2,542																																																																																																																																																													
Grand Prairie ISD	175,504	-	-	-	-	-	11,963	11,963	19,938	20,336	20,743	21,158	21,581	22,013	22,453	22,902	23,360	23,827	24,304	24,790	25,286	25,791	26,307	26,833	27,370	33,916																																																																																																																																																													
Total	170,116	-	-	-	-	-	21,838	21,838	36,387	37,125	37,847	38,624	39,457	40,345	41,288	42,287	43,342	44,454	45,624	46,853	48,142	49,491	50,910	52,400	53,961	67,708																																																																																																																																																													
SALES TAX	% OCCUPIED	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041																																																																																																																																																														
	Taxable Value	-	-	-	-	-	16,250,000	16,250,000	41,250,000	42,075,000	42,916,500	43,774,830	44,650,327	45,543,333	46,454,200	47,383,284	48,330,849	49,297,568	50,283,820	51,289,190	52,314,874	53,361,274	54,428,499	55,517,069	56,627,410																																																																																																																																																														
<table border="1"> <tr> <td>City of Grand Prairie</td> <td>6,682,008</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>397,625</td> <td>397,625</td> <td>1,020,974</td> <td>1,041,384</td> <td>1,062,222</td> <td>1,083,466</td> <td>1,105,136</td> <td>1,127,238</td> <td>1,149,773</td> <td>1,172,739</td> <td>1,196,234</td> <td>1,220,159</td> <td>1,244,562</td> <td>1,269,452</td> <td>1,294,842</td> <td>1,320,738</td> <td>1,347,154</td> <td>1,374,097</td> <td>1,401,576</td> <td>1,725,862</td> </tr> <tr> <td>Dallas County</td> <td>603,284</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>26,133</td> <td>26,133</td> <td>71,107</td> <td>72,529</td> <td>73,979</td> <td>75,459</td> <td>76,966</td> <td>78,500</td> <td>80,072</td> <td>81,679</td> <td>83,313</td> <td>84,979</td> <td>86,679</td> <td>88,412</td> <td>90,181</td> <td>91,984</td> <td>93,824</td> <td>95,700</td> <td>97,614</td> <td>1,076,000</td> </tr> <tr> <td>Perland</td> <td>693,265</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>30,036</td> <td>30,036</td> <td>87,175</td> <td>89,359</td> <td>91,590</td> <td>93,868</td> <td>96,197</td> <td>98,576</td> <td>101,004</td> <td>103,482</td> <td>106,010</td> <td>108,588</td> <td>111,216</td> <td>113,894</td> <td>116,622</td> <td>119,400</td> <td>122,228</td> <td>125,106</td> <td>128,034</td> <td>1,605,547</td> </tr> <tr> <td>DCCD</td> <td>369,313</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>13,356</td> <td>13,356</td> <td>36,340</td> <td>37,066</td> <td>37,808</td> <td>38,564</td> <td>39,335</td> <td>40,122</td> <td>40,924</td> <td>41,743</td> <td>42,578</td> <td>43,429</td> <td>44,296</td> <td>45,178</td> <td>46,075</td> <td>47,000</td> <td>47,949</td> <td>48,922</td> <td>49,918</td> <td>603,869</td> </tr> <tr> <td>Grand Prairie ISD</td> <td>3,998,193</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>171,463</td> <td>171,463</td> <td>466,536</td> <td>475,968</td> <td>485,386</td> <td>495,003</td> <td>504,995</td> <td>515,095</td> <td>525,387</td> <td>535,905</td> <td>546,623</td> <td>557,555</td> <td>568,707</td> <td>580,081</td> <td>591,682</td> <td>603,516</td> <td>615,586</td> <td>627,886</td> <td>640,456</td> <td>8,879,307</td> </tr> <tr> <td>Total</td> <td>12,352,113</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>638,612</td> <td>638,612</td> <td>1,676,683</td> <td>1,716,218</td> <td>1,744,421</td> <td>1,779,390</td> <td>1,814,895</td> <td>1,851,193</td> <td>1,888,217</td> <td>1,925,981</td> <td>1,964,501</td> <td>2,003,791</td> <td>2,043,867</td> <td>2,084,744</td> <td>2,126,439</td> <td>2,168,968</td> <td>2,212,347</td> <td>2,256,584</td> <td>2,301,724</td> <td>28,123,516</td> </tr> </table>																						City of Grand Prairie	6,682,008	-	-	-	-	-	397,625	397,625	1,020,974	1,041,384	1,062,222	1,083,466	1,105,136	1,127,238	1,149,773	1,172,739	1,196,234	1,220,159	1,244,562	1,269,452	1,294,842	1,320,738	1,347,154	1,374,097	1,401,576	1,725,862	Dallas County	603,284	-	-	-	-	-	26,133	26,133	71,107	72,529	73,979	75,459	76,966	78,500	80,072	81,679	83,313	84,979	86,679	88,412	90,181	91,984	93,824	95,700	97,614	1,076,000	Perland	693,265	-	-	-	-	-	30,036	30,036	87,175	89,359	91,590	93,868	96,197	98,576	101,004	103,482	106,010	108,588	111,216	113,894	116,622	119,400	122,228	125,106	128,034	1,605,547	DCCD	369,313	-	-	-	-	-	13,356	13,356	36,340	37,066	37,808	38,564	39,335	40,122	40,924	41,743	42,578	43,429	44,296	45,178	46,075	47,000	47,949	48,922	49,918	603,869	Grand Prairie ISD	3,998,193	-	-	-	-	-	171,463	171,463	466,536	475,968	485,386	495,003	504,995	515,095	525,387	535,905	546,623	557,555	568,707	580,081	591,682	603,516	615,586	627,886	640,456	8,879,307	Total	12,352,113	-	-	-	-	-	638,612	638,612	1,676,683	1,716,218	1,744,421	1,779,390	1,814,895	1,851,193	1,888,217	1,925,981	1,964,501	2,003,791	2,043,867	2,084,744	2,126,439	2,168,968	2,212,347	2,256,584	2,301,724	28,123,516
City of Grand Prairie	6,682,008	-	-	-	-	-	397,625	397,625	1,020,974	1,041,384	1,062,222	1,083,466	1,105,136	1,127,238	1,149,773	1,172,739	1,196,234	1,220,159	1,244,562	1,269,452	1,294,842	1,320,738	1,347,154	1,374,097	1,401,576	1,725,862																																																																																																																																																													
Dallas County	603,284	-	-	-	-	-	26,133	26,133	71,107	72,529	73,979	75,459	76,966	78,500	80,072	81,679	83,313	84,979	86,679	88,412	90,181	91,984	93,824	95,700	97,614	1,076,000																																																																																																																																																													
Perland	693,265	-	-	-	-	-	30,036	30,036	87,175	89,359	91,590	93,868	96,197	98,576	101,004	103,482	106,010	108,588	111,216	113,894	116,622	119,400	122,228	125,106	128,034	1,605,547																																																																																																																																																													
DCCD	369,313	-	-	-	-	-	13,356	13,356	36,340	37,066	37,808	38,564	39,335	40,122	40,924	41,743	42,578	43,429	44,296	45,178	46,075	47,000	47,949	48,922	49,918	603,869																																																																																																																																																													
Grand Prairie ISD	3,998,193	-	-	-	-	-	171,463	171,463	466,536	475,968	485,386	495,003	504,995	515,095	525,387	535,905	546,623	557,555	568,707	580,081	591,682	603,516	615,586	627,886	640,456	8,879,307																																																																																																																																																													
Total	12,352,113	-	-	-	-	-	638,612	638,612	1,676,683	1,716,218	1,744,421	1,779,390	1,814,895	1,851,193	1,888,217	1,925,981	1,964,501	2,003,791	2,043,867	2,084,744	2,126,439	2,168,968	2,212,347	2,256,584	2,301,724	28,123,516																																																																																																																																																													
SUMMARY																																																																																																																																																																																							
City of Grand Prairie	1,588,364	-	-	-	-	-	397,625	397,625	1,020,974	1,041,384	1,062,222	1,083,466	1,105,136	1,127,238	1,149,773	1,172,739	1,196,234	1,220,159	1,244,562	1,269,452	1,294,842	1,320,738	1,347,154	1,374,097	1,401,576	1,725,862																																																																																																																																																													
Dallas County	536,535	-	-	-	-	-	26,133	26,133	71,107	72,529	73,979	75,459	76,966	78,500	80,072	81,679	83,313	84,979	86,679	88,412	90,181	91,984	93,824	95,700	97,614	1,076,000																																																																																																																																																													
Perland	662,621	-	-	-	-	-	30,036	30,036	87,175	89,359	91,590	93,868	96,197	98,576	101,004	103,482	106,010	108,588	111,216	113,894	116,622	119,400	122,228	125,106	128,034	1,605,547																																																																																																																																																													
DCCD	284,463	-	-	-	-	-	13,356	13,356	36,340	37,066	37,808	38,564	39,335	40,122	40,924	41,743	42,578	43,429	44,296	45,178	46,075	47,000	47,949	48,922	49,918	603,869																																																																																																																																																													
Grand Prairie ISD	3,782,633	-	-	-	-	-	171,463	171,463	466,536	475,968	485,386	495,003	504,995	515,095	525,387	535,905	546,623	557,555	568,707	580,081	591,682	603,516	615,586	627,886	640,456	8,879,307																																																																																																																																																													
Total	6,852,626	-	-	-	-	-	638,612	638,612	1,676,683	1,716,218	1,744,421	1,779,390	1,814,895	1,851,193	1,888,217	1,925,981	1,964,501	2,003,791	2,043,867	2,084,744	2,126,439	2,168,968	2,212,347	2,256,584	2,301,724	28,123,516																																																																																																																																																													
PARTICIPATION																																																																																																																																																																																							
REAL PROPERTY	Taxable Value	-	-	-	-	-	10,000,000	10,000,000	28,000,000	28,500,000	28,171,200	30,308,100	30,914,282	31,532,548	32,161,159	32,806,483	33,452,592	34,131,844	34,814,491	35,510,770	36,220,888	36,945,405	37,684,313	38,438,000																																																																																																																																																															
<table border="1"> <tr> <td>City of Grand Prairie</td> <td>1,588,364</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>67,000</td> <td>67,000</td> <td>187,589</td> <td>191,351</td> <td>195,178</td> <td>199,082</td> <td>203,064</td> <td>207,125</td> <td>211,267</td> <td>215,493</td> <td>219,803</td> <td>224,199</td> <td>228,683</td> <td>233,256</td> <td>237,921</td> <td>242,680</td> <td>247,533</td> <td>252,484</td> <td>257,534</td> <td>2,888,253</td> </tr> <tr> <td>Dallas County</td> <td>536,535</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>24,510</td> <td>24,510</td> <td>68,068</td> <td>69,628</td> <td>70,818</td> <td>72,234</td> <td>73,879</td> <td>75,551</td> <td>77,258</td> <td>78,996</td> <td>80,764</td> <td>82,562</td> <td>84,389</td> <td>86,237</td> <td>88,105</td> <td>89,994</td> <td>91,911</td> <td>93,845</td> <td>1,416,802</td> </tr> <tr> <td>Perland</td> <td>662,621</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>27,840</td> <td>27,840</td> <td>79,787</td> <td>81,333</td> <td>83,020</td> <td>84,881</td> <td>86,734</td> <td>88,667</td> <td>90,678</td> <td>92,764</td> <td>94,924</td> <td>97,156</td> <td>99,461</td> <td>101,837</td> <td>104,284</td> <td>106,802</td> <td>109,391</td> <td>112,050</td> <td>1,621,664</td> </tr> <tr> <td>DCCD</td> <td>284,463</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>12,624</td> <td>12,624</td> <td>34,287</td> <td>35,482</td> <td>36,182</td> <td>36,916</td> <td>37,684</td> <td>38,487</td> <td>39,326</td> <td>40,198</td> <td>41,103</td> <td>42,041</td> <td>43,012</td> <td>44,016</td> <td>45,053</td> <td>46,124</td> <td>47,228</td> <td>48,364</td> <td>721,000</td> </tr> <tr> <td>Grand Prairie ISD</td> <td>3,782,633</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>159,500</td> <td>159,500</td> <td>446,400</td> <td>455,532</td> <td>464,643</td> <td>473,935</td> <td>483,414</td> <td>493,082</td> <td>502,944</td> <td>513,003</td> <td>523,263</td> <td>533,728</td> <td>544,403</td> <td>555,291</td> <td>566,397</td> <td>577,725</td> <td>589,279</td> <td>601,065</td> <td>5,256,391</td> </tr> <tr> <td>Total</td> <td>4,950,113</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>291,174</td> <td>291,174</td> <td>816,288</td> <td>831,582</td> <td>846,234</td> <td>861,189</td> <td>876,442</td> <td>891,997</td> <td>907,857</td> <td>924,012</td> <td>940,465</td> <td>957,218</td> <td>974,272</td> <td>991,629</td> <td>1,019,288</td> <td>1,047,247</td> <td>1,075,503</td> <td></td></tr></table>																						City of Grand Prairie	1,588,364	-	-	-	-	-	67,000	67,000	187,589	191,351	195,178	199,082	203,064	207,125	211,267	215,493	219,803	224,199	228,683	233,256	237,921	242,680	247,533	252,484	257,534	2,888,253	Dallas County	536,535	-	-	-	-	-	24,510	24,510	68,068	69,628	70,818	72,234	73,879	75,551	77,258	78,996	80,764	82,562	84,389	86,237	88,105	89,994	91,911	93,845	1,416,802	Perland	662,621	-	-	-	-	-	27,840	27,840	79,787	81,333	83,020	84,881	86,734	88,667	90,678	92,764	94,924	97,156	99,461	101,837	104,284	106,802	109,391	112,050	1,621,664	DCCD	284,463	-	-	-	-	-	12,624	12,624	34,287	35,482	36,182	36,916	37,684	38,487	39,326	40,198	41,103	42,041	43,012	44,016	45,053	46,124	47,228	48,364	721,000	Grand Prairie ISD	3,782,633	-	-	-	-	-	159,500	159,500	446,400	455,532	464,643	473,935	483,414	493,082	502,944	513,003	523,263	533,728	544,403	555,291	566,397	577,725	589,279	601,065	5,256,391	Total	4,950,113	-	-	-	-	-	291,174	291,174	816,288	831,582	846,234	861,189	876,442	891,997	907,857	924,012	940,465	957,218	974,272	991,629	1,019,288	1,047,247	1,075,503							
City of Grand Prairie	1,588,364	-	-	-	-	-	67,000	67,000	187,589	191,351	195,178	199,082	203,064	207,125	211,267	215,493	219,803	224,199	228,683	233,256	237,921	242,680	247,533	252,484	257,534	2,888,253																																																																																																																																																													
Dallas County	536,535	-	-	-	-	-	24,510	24,510	68,068	69,628	70,818	72,234	73,879	75,551	77,258	78,996	80,764	82,562	84,389	86,237	88,105	89,994	91,911	93,845	1,416,802																																																																																																																																																														
Perland	662,621	-	-	-	-	-	27,840	27,840	79,787	81,333	83,020	84,881	86,734	88,667	90,678	92,764	94,924	97,156	99,461	101,837	104,284	106,802	109,391	112,050	1,621,664																																																																																																																																																														
DCCD	284,463	-	-	-	-	-	12,624	12,624	34,287	35,482	36,182	36,916	37,684	38,487	39,326	40,198	41,103	42,041	43,012	44,016	45,053	46,124	47,228	48,364	721,000																																																																																																																																																														
Grand Prairie ISD	3,782,633	-	-	-	-	-	159,500	159,500	446,400	455,532	464,643	473,935	483,414	493,082	502,944	513,003	523,263	533,728	544,403	555,291	566,397	577,725	589,279	601,065	5,256,391																																																																																																																																																														
Total	4,950,113	-	-	-	-	-	291,174	291,174	816,288	831,582	846,234	861,189	876,442	891,997	907,857	924,012	940,465	957,218	974,272	991,629	1,019,288	1,047,247	1,075,503																																																																																																																																																																

Financial Feasibility Analysis

		HOT Generated																								
Revenue Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Hotel Rooms				330	580	780	780	780	780	780	780	780	780	780	780	780	780	780	780	780	780	780	780	780	780	780
Occupancy		0%	0%	60%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
Hotel Occupancy Tax				120,450	211,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700
# of Available Rooms		-	-	120,450	211,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700
# of Occupied Rooms		0	0	72,270	148,190	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290
Average Daily Rate		\$ -	\$ 120,00	\$ 122,40	\$ 124,85	\$ 127,34	\$ 129,89	\$ 132,49	\$ 135,14	\$ 137,84	\$ 140,60	\$ 143,41	\$ 146,28	\$ 149,20	\$ 152,19	\$ 155,23	\$ 158,34	\$ 161,50	\$ 164,73	\$ 168,03	\$ 171,39	\$ 174,82	\$ 178,31	\$ 181,86	\$ 185,52	\$ 189,23
Annual Taxable Revenue		\$ -	\$ -	\$ 8,845,848	\$ 18,501,225	\$ 25,378,577	\$ 25,886,149	\$ 26,403,872	\$ 26,931,949	\$ 27,470,588	\$ 28,020,000	\$ 28,580,400	\$ 29,152,008	\$ 29,735,048	\$ 30,328,749	\$ 30,933,344	\$ 31,555,071	\$ 32,186,172	\$ 32,828,866	\$ 33,486,483	\$ 34,156,223	\$ 34,839,348	\$ 35,536,135	\$ 36,246,857	\$ 36,971,795	\$ 37,711,231
City Tax Rate	7%	\$ -	\$ -	\$ 619,209	\$ 1,295,086	\$ 1,776,500	\$ 1,812,030	\$ 1,848,271	\$ 1,885,236	\$ 1,922,841	\$ 1,961,400	\$ 2,000,828	\$ 2,040,841	\$ 2,081,453	\$ 2,123,082	\$ 2,165,544	\$ 2,208,855	\$ 2,253,032	\$ 2,298,093	\$ 2,344,055	\$ 2,390,936	\$ 2,438,754	\$ 2,487,529	\$ 2,537,280	\$ 2,588,026	\$ 2,639,786
State Tax Rate	6%	\$ -	\$ -	\$ 530,751	\$ 1,110,074	\$ 1,522,715	\$ 1,553,169	\$ 1,584,232	\$ 1,615,917	\$ 1,648,235	\$ 1,681,200	\$ 1,714,824	\$ 1,749,120	\$ 1,784,103	\$ 1,819,785	\$ 1,856,181	\$ 1,893,304	\$ 1,931,170	\$ 1,969,794	\$ 2,009,190	\$ 2,049,373	\$ 2,090,361	\$ 2,132,168	\$ 2,174,811	\$ 2,218,308	\$ 2,262,674
		\$ -	\$ -	\$ 1,149,960	\$ 2,405,159	\$ 3,299,215	\$ 3,365,199	\$ 3,432,503	\$ 3,501,153	\$ 3,571,176	\$ 3,642,600	\$ 3,715,452	\$ 3,789,761	\$ 3,865,556	\$ 3,942,867	\$ 4,021,725	\$ 4,102,159	\$ 4,184,202	\$ 4,267,886	\$ 4,353,244	\$ 4,440,309	\$ 4,529,115	\$ 4,619,688	\$ 4,712,091	\$ 4,806,333	\$ 4,902,460
																										\$47,718,968
																										\$40,907,456
																										\$88,619,827

Financial Feasibility Analysis

ESTIMATE OF GENERAL IMPACT OF PROPOSED ZONE PROPERTY VALUES AND TAX REVENUES

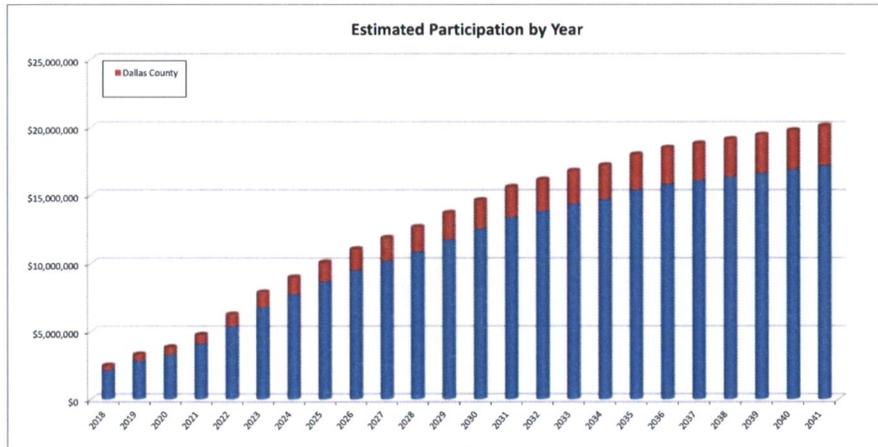
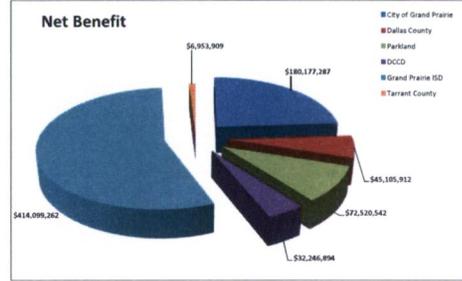
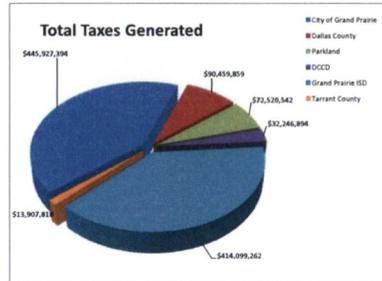
TAXABLE BASE YEAR GROWTH		DISCOUNT RATE		REAL PROPERTY TAX		BUSINESS PERSONAL PROPERTY TAX		TARRANT COUNTY		TARRANT COUNTY		TARRANT COUNTY													
2.00%	6.00%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000												
City of Grand Prairie	Dallas County	City of Grand Prairie	Dallas County	City of Grand Prairie	Dallas County	City of Grand Prairie	Dallas County	City of Grand Prairie	Dallas County	City of Grand Prairie	Dallas County	City of Grand Prairie	Dallas County												
0.241000	0.241000	0.241000	0.241000	0.241000	0.241000	0.241000	0.241000	0.241000	0.241000	0.241000	0.241000	0.241000	0.241000												
0.276000	0.276000	0.276000	0.276000	0.276000	0.276000	0.276000	0.276000	0.276000	0.276000	0.276000	0.276000	0.276000	0.276000												
0.124200	0.124200	0.124200	0.124200	0.124200	0.124200	0.124200	0.124200	0.124200	0.124200	0.124200	0.124200	0.124200	0.124200												
1.680000	1.680000	1.680000	1.680000	1.680000	1.680000	1.680000	1.680000	1.680000	1.680000	1.680000	1.680000	1.680000	1.680000												
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000												
0	0	0	0	0	0	0	0	0	0	0	0	0	0												
2.977700	2.977700	2.977700	2.977700	2.977700	2.977700	2.977700	2.977700	2.977700	2.977700	2.977700	2.977700	2.977700	2.977700												
REVENUE YEAR	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	TOTALS	
BASE YEAR (ORIGINAL BOUNDARY)	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	52,673,066	
TAXABLE VALUE	368,281,364	372,607,833	381,076,798	388,721,329	396,475,356	404,464,963	412,482,800	420,742,819	429,157,819	437,740,828	446,495,648	455,426,599	464,534,074	473,824,761	483,304,346	492,987,211	502,867,811	512,946,611	523,126,142	533,406,928	544,779,771	556,745,215	569,298,638	577,980,819	5,878,529,819
TAXABLE VALUE INCREMENT	313,908,680	329,834,687	338,406,849	346,826,243	354,802,210	363,171,777	369,918,874	376,889,738	384,146,806	391,742,502	399,620,743	407,842,419	416,461,886	425,438,180	434,821,166	444,581,806	454,780,142	465,376,126	476,422,711	487,889,544	499,847,281	512,273,591	525,151,922	538,462,842	5,488,905,544
REVENUE (ORIGINAL BOUNDARY)	1,210,173	1,210,226	1,210,281	1,210,336	1,210,391	1,210,446	1,210,501	1,210,556	1,210,611	1,210,666	1,210,721	1,210,776	1,210,831	1,210,886	1,210,941	1,210,996	1,211,051	1,211,106	1,211,161	1,211,216	1,211,271	1,211,326	1,211,381	1,211,436	12,114,361
TAXABLE VALUE GROWTH	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
BASE YEAR (EXPANDED BOUNDARY)	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730
TAXABLE VALUE	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730	250,244,730
TAXABLE VALUE INCREMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REVENUE (EXPANDED BOUNDARY)	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939	718,939
TAXABLE VALUE GROWTH	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
BASE YEAR TARRANT COUNTY	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895	472,778,895
TAXABLE VALUE	482,234,442	481,678,111	501,716,714	511,751,549	521,888,008	532,425,790	543,074,306	553,855,732	565,014,798	576,734,798	589,041,004	599,937,811	611,588,875	623,812,872	636,298,100	649,024,988	662,594,548	676,244,844	690,146,533	705,526,522	716,578,014	730,908,514	745,524,644	760,435,137	7,662,435,137
TAXABLE VALUE INCREMENT	4,855,577	18,100,266	28,837,844	38,872,183	49,207,264	59,846,925	70,265,441	81,156,827	92,265,643	103,535,933	115,062,229	126,819,011	138,811,010	151,042,807	163,524,203	176,245,203	189,228,644	202,465,775	215,970,688	229,745,654	243,796,148	258,127,648	272,746,779	287,664,273	2,876,664,273
REVENUE TARRANT COUNTY	1,382,927	23,072	46,495	72,698	95,992	120,095	149,538	171,521	198,225	225,595	252,628	280,724	309,618	339,899	368,544	398,867	430,039	461,711	494,016	526,968	560,579	594,863	629,831	665,500	7,019,216
TAXABLE VALUE GROWTH	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
AREA DEVELOPMENT ZONE #1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REAL PROPERTY TAX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BUSINESS PERSONAL PROPERTY TAX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AREA DEVELOPMENT ZONE #2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REAL PROPERTY TAX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BUSINESS PERSONAL PROPERTY TAX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



Financial Feasibility Analysis

Revenue Summary

Taxing Jurisdictions	Total Taxes Generated	TIF	Net Benefit
City of Grand Prairie	\$445,927,394	\$265,750,107	\$180,177,287
Dallas County	\$90,459,859	\$45,353,946	\$45,105,912
Parkland	\$72,520,542	\$0	\$72,520,542
DCCD	\$32,246,894	\$0	\$32,246,894
Grand Prairie ISD	\$414,099,262	\$0	\$414,099,262
Tarrant County	\$13,907,819	\$6,953,909	\$6,953,909
Total	\$1,069,161,769	\$318,057,963	\$751,103,806



Terms and Conditions

Projects Cost Estimates:

All project costs listed in the project plan shall be considered estimates and shall not be considered a cap on expenditures.

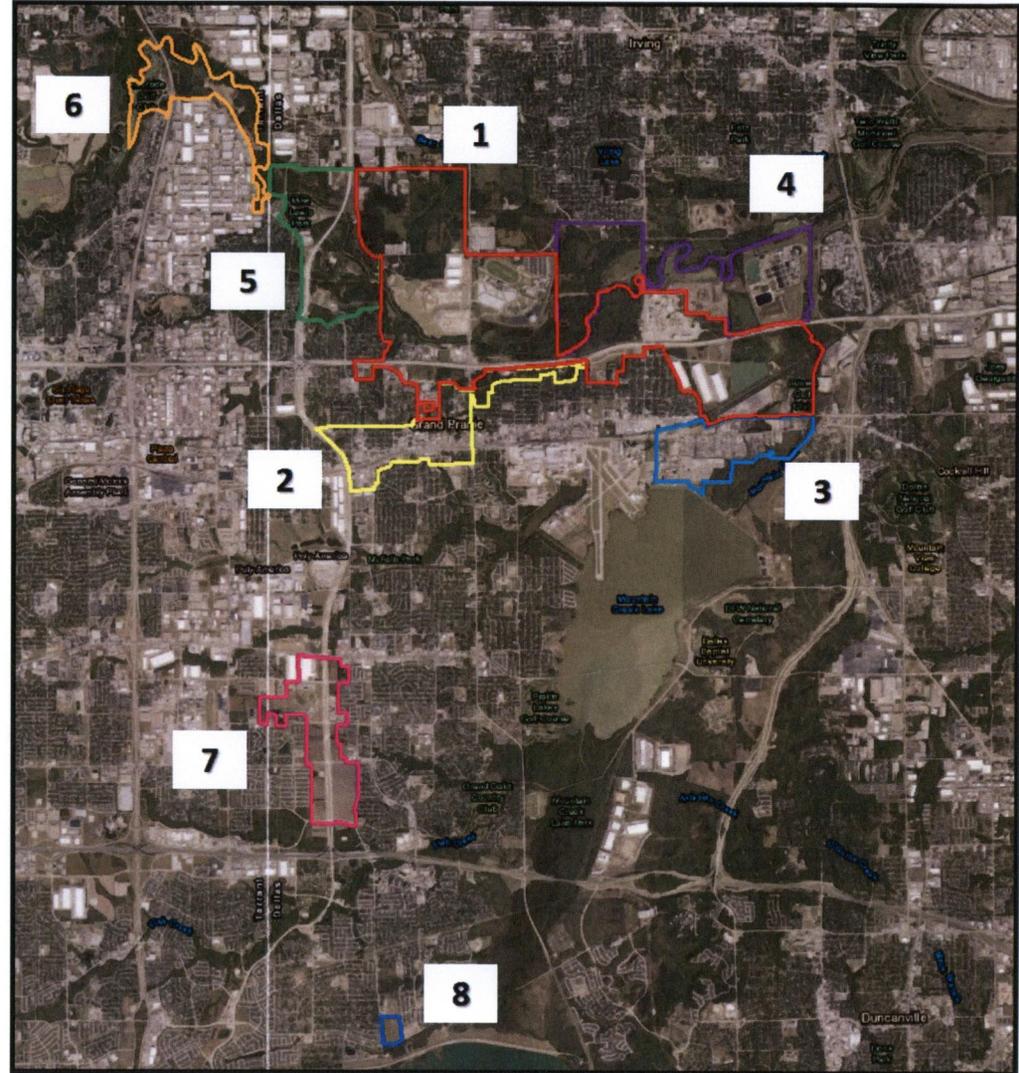
Length of TIRZ #1 in Years:

The TIRZ will be extended for an additional 20 year term and is scheduled to end on December 31, 2040.

Powers and Duties of Board of Directors:

The Board shall have all powers granted to it by Chapter 311 of the Texas Tax Code, including powers of a municipality under Chapter 380, Local Government Code. The Board shall not be authorized to:

- issue bonds;
- impose taxes or fees;
- exercise the power of eminent domain; or
- give final approval to the Zone's project and financing plan.



Star-Telegram MEDIA

Arlington Citizen-Journal | The Keller Citizen | La Estrella
Mansfield News-Mirror | Star-Telegram Northeast | Weatherford Star-Telegram
star-telegram.com | 808 Throckmorton St. | Ft Worth, Tx. 76102-6315 | 800.776.7827



AFFIDAVIT OF PUBLICATION

Account #	Ad Number	Identification	PO	Amount	Cols	Depth
600622	0004080266	PUBLIC HEARING NOTICE NOTICE OF PUBLIC	PFP AMENDMENT HEARING	\$122.80	1	62.00 Li

Attention: LEE HARRIS

CITY OF GRAND PRAIRIE
PO BOX 534045
GRAND PRAIRIE, TX 750534045

THE STATE OF TEXAS

County of Tarrant

Before me, a Notary Public in and for said County and State, this day personally appeared CHRISTINE LOPEZ, Bid and Legal Coordinator for the Star-Telegram, published by the Star-Telegram, Inc. at Fort Worth, in Tarrant County, Texas; and who, after being duly sworn, did depose and say that the attached clipping of an advertisement was published in the above named paper on the listed dates:

1 Insertion(s)

Published On:
February 09, 2019

PUBLIC HEARING NOTICE
NOTICE OF PUBLIC HEARING OF
THE CITY COUNCIL OF THE
CITY OF GRAND PRAIRIE TO
CONSIDER AMENDING THE
PROJECT AND FINANCING
PLAN OF TAX INCREMENT RE-
INVESTMENT ZONE NUMBER
ONE, CITY OF GRAND PRAIRIE,
TEXAS

NOTICE IS HEREBY GIVEN THAT
the City Council of the City of
Grand Prairie, Texas (the "Ci-
ty"), pursuant to Chapter
311.003 Texas Tax Code, as
amended, (the "Act"), will hold
a public hearing at 6:00 p.m. on
the 19th day of February 2019,
at Grand Prairie City Hall, 317
College St., Grand Prairie, TX
75050, for the purpose of
amending the Project and Fin-
ancing Plan of Tax Increment
Reinvestment Zone Number
One.

The public hearing is being held in
accordance with the Tax In-
crement Financing Act, Chapter
311 of the Texas Tax Code (the
"Act"). Section 311.011(e) of
the Act requires that if an
amendment reduces or expands
the geographic area of the zone,
increases the amount of bonded
indebtedness to be incurred, in-
creases or decreases the per-
centage of a tax increment to be
contributed by a taxing unit, in-
creases the total estimated
project costs, or designates ad-
ditional property in the zone to
be acquired by the municipality,
a public hearing must be held
before approval of the amend-
ment by the City Council.

All interested persons and prop-
erty owners within and outside
the TIRZ will be given the op-
portunity to appear and be
heard at such public hearing.
Written or oral statements will
be considered. The proposed
Amended Project and Financing
Plan is on file and open for pub-
lic inspection in the office of the
City Secretary at the address
stated above. Questions or re-
quests for additional informa-
tion may be directed to David
Pettit, David Pettit Economic
Development, LLC, dpettit@dped
llc.com; 817-439-9515

PUBLIC HEARING NOTICE
NOTICE OF PUBLIC HEARING OF
THE CITY COUNCIL OF THE
CITY OF GRAND PRAIRIE TO
CONSIDER AMENDING THE
PROJECT AND FINANCING
PLAN OF TAX INCREMENT RE-
INVESTMENT ZONE NUMBER
ONE, CITY OF GRAND PRAIRIE,
TEXAS

NOTICE IS HEREBY GIVEN THAT
the City Council of the City of
Grand Prairie, Texas (the "Ci-
ty"), pursuant to Chapter
311.003 Texas Tax Code, as
amended, (the "Act"), will hold
a public hearing at 6:00 p.m. on
the 19th day of February 2019,
at Grand Prairie City Hall, 317
College St., Grand Prairie, TX
75050, for the purpose of
amending the Project and Fin-
ancing Plan of Tax Increment
Reinvestment Zone Number
One.

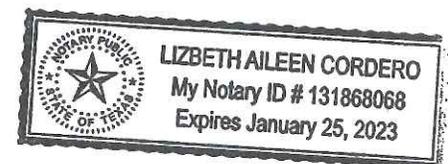
The public hearing is being held in
accordance with the Tax In-
crement Financing Act, Chapter
311 of the Texas Tax Code (the
"Act"). Section 311.011(e) of
the Act requires that if an
amendment reduces or expands
the geographic area of the zone,
increases the amount of bonded
indebtedness to be incurred, in-
creases or decreases the per-
centage of a tax increment to be
contributed by a taxing unit, in-
creases the total estimated
project costs, or designates ad-
ditional property in the zone to
be acquired by the municipality,
a public hearing must be held
before approval of the amend-
ment by the City Council.

All interested persons and prop-
erty owners within and outside
the TIRZ will be given the op-
portunity to appear and be
heard at such public hearing.
Written or oral statements will
be considered. The proposed
Amended Project and Financing
Plan is on file and open for pub-
lic inspection in the office of the
City Secretary at the address
stated above. Questions or re-
quests for additional informa-
tion may be directed to David
Pettit, David Pettit Economic
Development, LLC, dpettit@dped
llc.com; 817-439-9515

(Principal Clerk)

SUBSCRIBED AND SWORN TO
BEFORE ME, THIS 11th day of
February in the year of 2019

Notary Public -



AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS, APPROVING AN AMENDED PROJECT AND FINANCING PLAN FOR TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, CITY OF GRAND PRAIRIE, TEXAS, ESTABLISHED PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE

WHEREAS, the City of Grand Prairie, Texas (the "City"), pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, the Act provides that the governing body of a municipality by ordinance may designate a noncontiguous geographic area that is in the corporate limits of the municipality to be a reinvestment zone if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future; and

WHEREAS, the City Council desires to promote the development of a certain noncontiguous geographic area in the City (the "Zone"), through the expansion of a reinvestment zone as authorized by and in accordance with the Tax Increment Financing Act, codified at Chapter 311 of the Texas Tax Code; and

WHEREAS, on July 13, 1999, the City Council of the City of Grand Prairie, Texas, pursuant to Chapter 311 of the Texas Tax Code, approved Ordinance No. 6095 designating a contiguous geographic area within the City as a Reinvestment Zone Number One, City of Grand Prairie, Texas (the "Zone"); and

WHEREAS, on August 17, 1999, the City Council of the City of Grand Prairie, Texas, pursuant to Chapter 311 of the Texas Tax Code, approved Ordinance No. 6122 amending Reinvestment Zone Number One, City of Grand Prairie, Texas (the "Zone"); and

WHEREAS, the City Council of the City of Grand Prairie, Texas, pursuant to Chapter 311 of the Texas Tax Code, has, from time to time, approved Ordinances amending the Project Plan to alter the funding for specific project costs for Reinvestment Zone Number One, City of Grand Prairie, Texas (the "Zone"); and

WHEREAS, on October 16, 2018, the City Council of the City of Grand Prairie, Texas, pursuant to Chapter 311 of the Texas Tax Code, approved Ordinance No. 10556-2018 amending Reinvestment Zone Number One, City of Grand Prairie, Texas (the "Zone") to expand the boundaries and extend the term; and

WHEREAS, the City Council of the City of Grand Prairie, Texas, pursuant to Chapter 311 of the Texas Tax Code, now desires to further amend the Project Plan to expand the boundaries and extend the term for Reinvestment Zone Number One, City of Grand Prairie, Texas (the "Zone"); and

WHEREAS, as authorized by Section 311.011(e), and 311.008, of the Act, on February 18, 2019, the Board amended the Plan, as depicted within the amended Project and Financing Plan (the "Plan") in Exhibit "A", and recommended that the Plan, as amended, be approved by the City Council:

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS:

SECTION 1. RECITALS INCORPORATED.

The facts and recitation contained in the preamble of this Ordinance are hereby found and declared to be true and correct.

SECTION 2. FINDINGS.

That the City Council hereby makes the following findings of fact:

- i. That the Plan, as amended, includes all information required by Sections 311.011(b) and (c) of the Act.
- ii. That the Plan, as amended, is feasible and the amended project plan conforms to the City's master plan.
- iii. That consistent with Section 311.011(e) of the Act, a public hearing is required prior to the adoption of this Ordinance because the Plan, as amended, does (i) reduce or increase the geographic area of the Zone; (ii) increase or decrease the tax increment to be contributed by a taxing unit; (iii) increase the total estimated project costs; or (iv) designate additional property in the Zone to be acquired by the City.

SECTION 3. APPROVAL OF AMENDED PLAN.

That based on the findings set forth in Section 2 of this Ordinance, the Plan, as amended in Exhibit "A" is hereby approved.

SECTION 4. DELIVERY OF AMENDED PLANS TO TAXING ENTITIES.

That the City of Grand Prairie, is hereby directed to provide a copy of the Plan, as amended, to the governing body of each taxing unit that taxes real property located in the zone.

SECTION 5. SEVERABILITY CLAUSE.

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

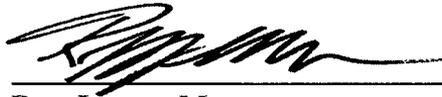
SECTION 6. OPEN MEETINGS.

It is hereby found, determined, and declared that sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding its meeting, as required by Chapter 551 of the Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon. The City Council further ratified, approves and confirms such written notice and the contents and posting thereof.

SECTION 7. That this Ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the charter of the City of Grand Prairie, Texas and it is accordingly so ordained.

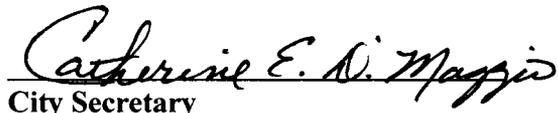
PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE,
TEXAS, ON THIS THE 19TH DAY OF FEBRUARY 2019.

APPROVED:



Ron Jensen, Mayor

ATTEST:



Catherine E. Di Maggio
City Secretary

APPROVED AS TO FORM:



Megan Maher
City Attorney

Tax Increment Reinvestment Zone #1 City of Grand Prairie, Texas

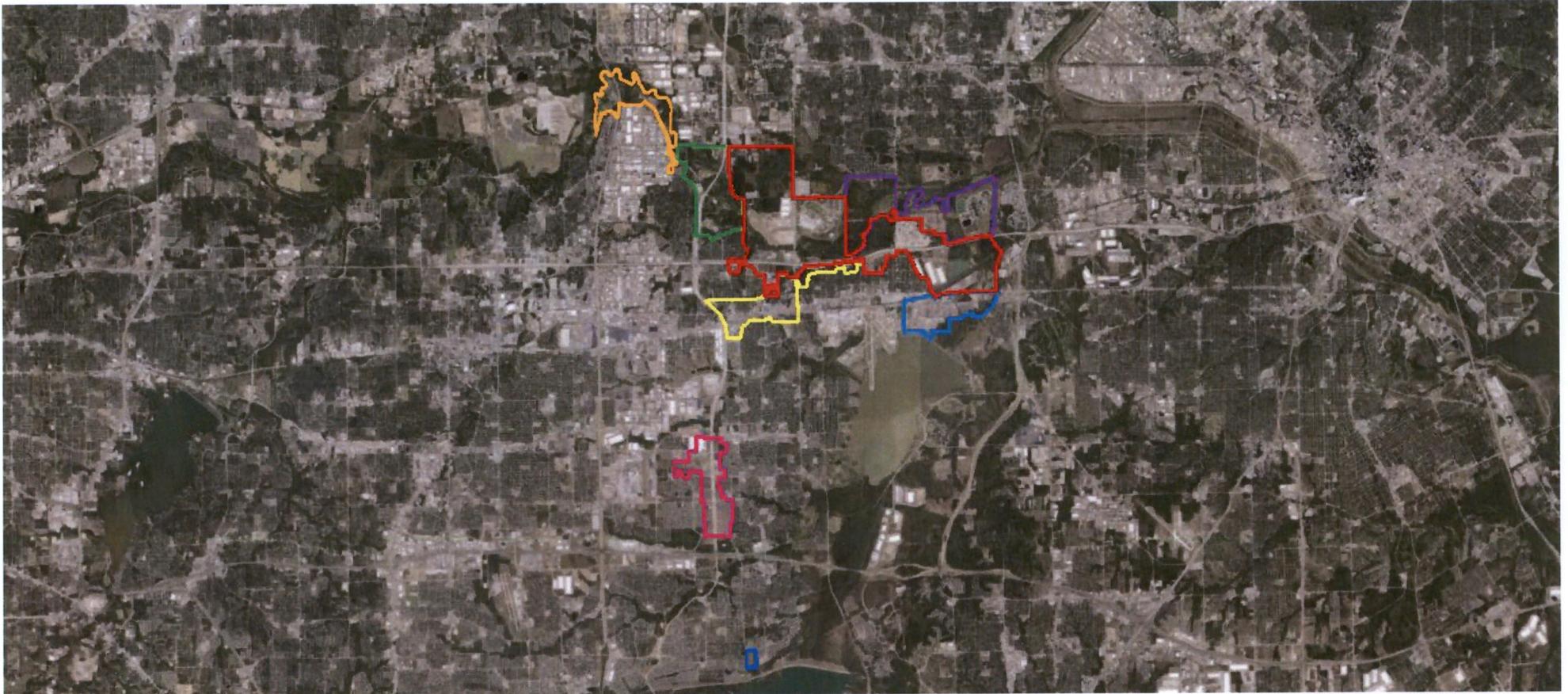


Table of Contents

- Introduction 1
- TIRZ Boundary..... 2
- Current Conditions 14
- Project Costs 16
- Anticipated Development 17
- Financial Feasibility Analysis 18
- Terms and Conditions 42



Grand Prairie, Texas, is centrally located in the Dallas-Fort Worth-Arlington Metropolitan Statistical Area and covers about 81 square miles. With a 2017 population of 190,682, it is the 15th largest city in Texas and in the top 150 nationwide.

The city's northern border lies 5 to 10 minutes south of the Dallas-Fort Worth International Airport. Passing east and west through Grand Prairie and linking the city with major markets are Interstate 30, a strong entertainment and business corridor, and Interstate 20, developing as a significant retail and corporate location. Quick access to the Dallas-Fort Worth International Airport, the large local markets of Dallas and Fort Worth, and convenient rail and interstate highways continue to attract the new construction of warehouse, distribution and manufacturing buildings.

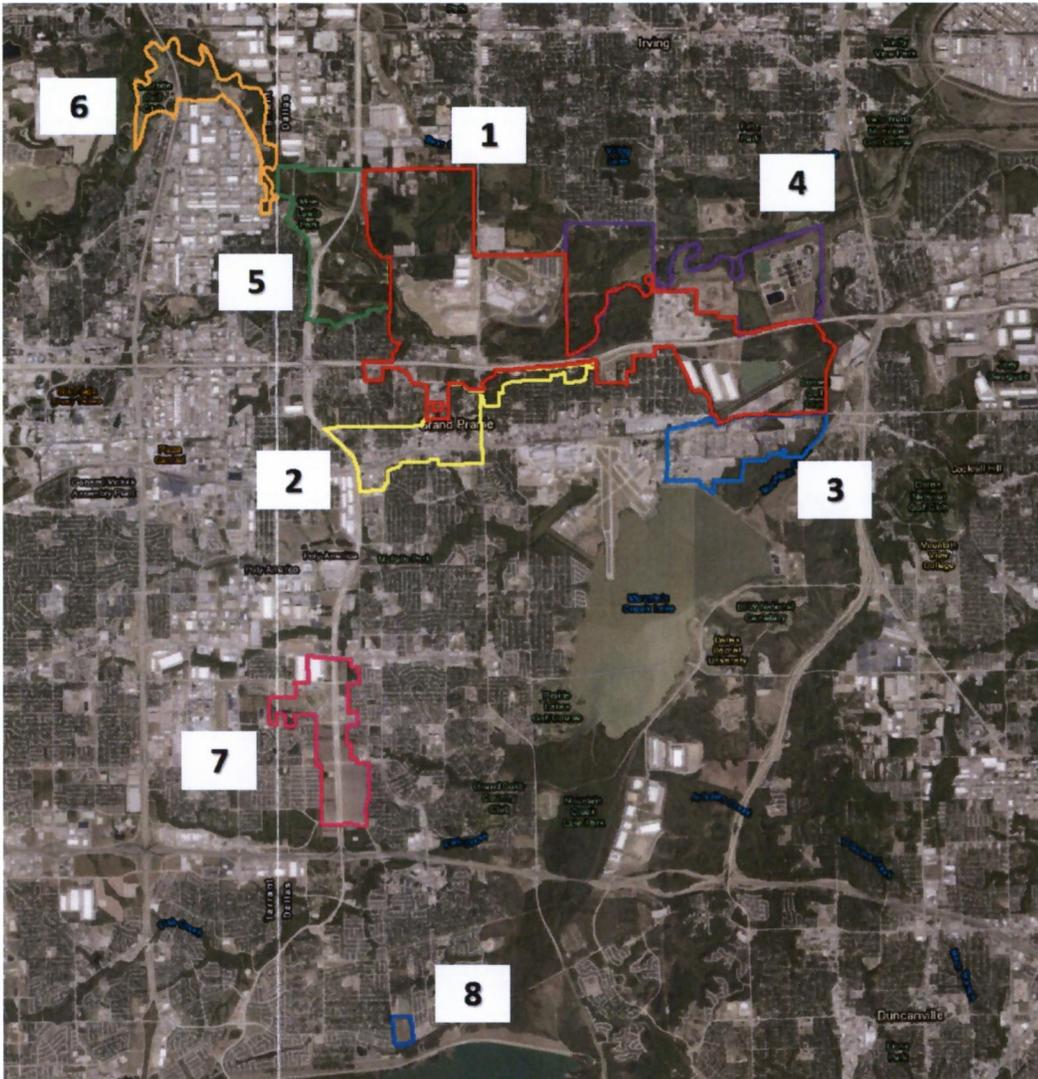
Local attractions within Grand Prairie include Epic Waters, a community-driven indoor waterpark showcasing 80,000 square-foot of year-round water fun, Lone Star Park, a Class 1 track featuring a European-style paddock and live racing on dirt and grass surfaces, The Theatre at Grand Prairie, a 6,350-seat live performance hall, Action Park Grand Prairie, a \$1.2 million outdoor skate park, and much more.



DISCLAIMER

Our conclusions and recommendations are based on current market conditions and the expected performance of the national, and/or local economy and real estate market. Given that economic conditions can change and real estate markets are cyclical, it is critical to monitor the economy and real estate market continuously, and to revisit key project assumptions periodically to ensure that they are still justified.

The future is difficult to predict, particularly given that the economy and housing markets can be cyclical, as well as subject to changing consumer and market psychology. There will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and the differences may be material.



Tax Increment Reinvestment Zone #1, City of Grand Prairie

The goal of Tax Increment Reinvestment Zone #1 (TIRZ) is to fund the construction of needed public infrastructure and to encourage private development that will yield additional tax revenue to all local taxing jurisdictions. TIRZ #1 will promote the creation of commercial development consisting of retail, office, hotel, as well as residential development.

The project and financing plan outlines the funding of \$286,642,231 in public improvements related to streets, water and sewer improvements, parks and open spaces, and economic development grants. The TIRZ can fund these improvements through the contribution of the City's real property tax increment within the Zone.

Without the implementation of the TIRZ, the specified property would impair the sound growth of the municipality.

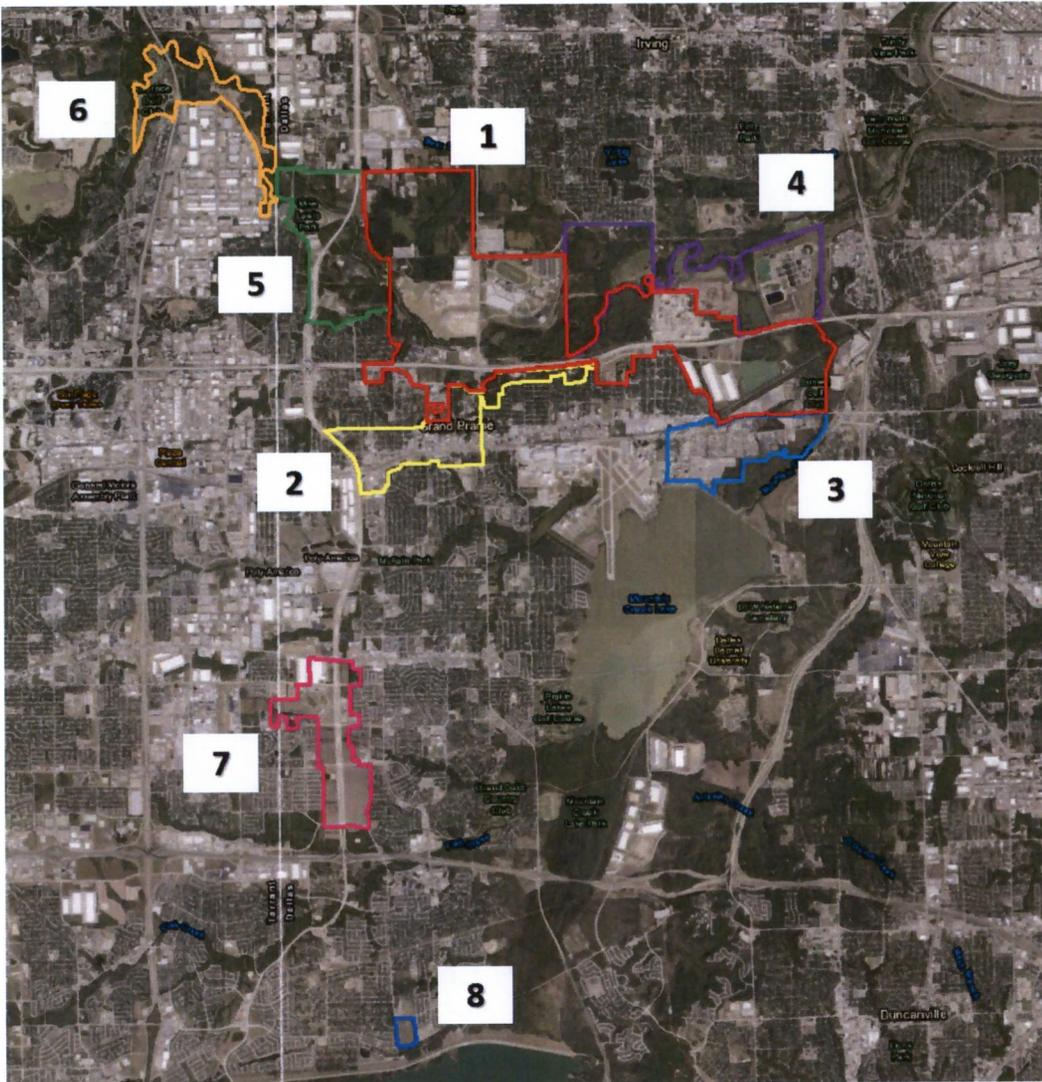
Powers and Duties of Board of Directors:

The board of directors of a reinvestment zone shall make recommendations to the governing body of the municipality or county that created the zone concerning the administration of this chapter in the zone. The governing body of the municipality by ordinance or resolution or the county by order or resolution may authorize the board to exercise any of the municipality's or county's powers with respect to the administration, management, or operation of the zone or the implementation of the project plan for the zone, **except that the governing body may not authorize the board to:**

- (1) issue bonds;
- (2) impose taxes or fees;
- (3) exercise the power of eminent domain; or
- (4) give final approval to the project plan.

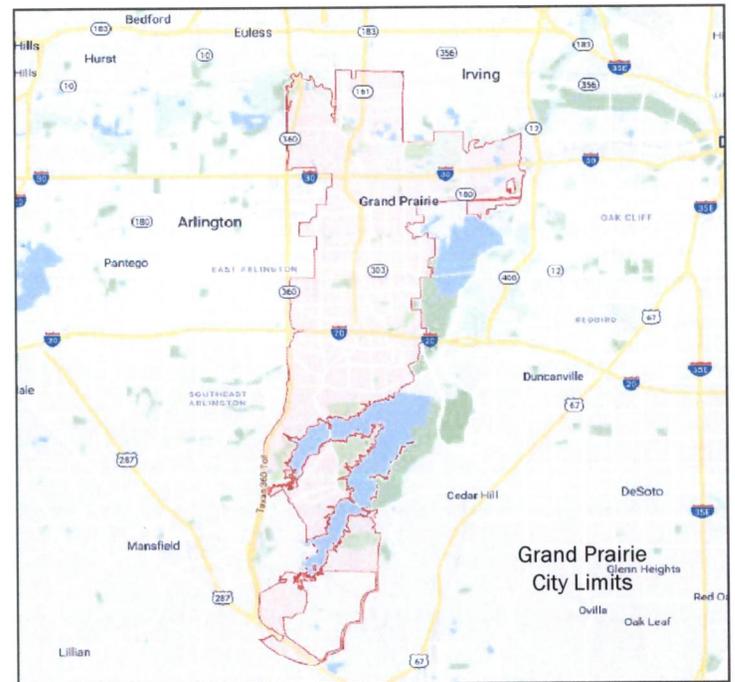
In addition, the Texas Legislature, as a result of the Supreme Court case and other societal factors, has significantly limited and clarified that eminent domain may only be used by a municipality for a "public use" as opposed to a "public purpose." **As stated above, the board of directors is not granted the power of eminent domain.**

TIRZ Boundary



Boundary Description

Grand Prairie TIRZ #1 is noncontiguous and is made up of eight area development zones. Area #1 consists of the original boundaries of the TIRZ created in 1999. The expanded areas created in 2018 include Areas #2, #3, #4, and #5 which are directly adjacent to Area #1, all within Dallas County. Also added in 2018 is Area #6, which is adjacent to Area #5, and located in Tarrant County. Area #7 is located further south and is in both Dallas and Tarrant County. Lastly, Area #8 is located further south, and is within Dallas County. Legal descriptions of each area are included in the following pages of this Project and Financing Plan.



TIRZ Boundary

Area # 1 – Original Boundaries (Continued)

THENCE N 89° 23' E, along the south line of said Meadow Green Addition a distance of 185.85 feet to the southeast corner of said Meadow Green Addition;

THENCE N 21° 12' 57" E, along the east line of said Meadow Green Addition, a distance of 683 .85 feet to the northeast corner of said Meadow Green Addition;

THENCE N 88° 37' 18" W, along the north line of said Meadow Green Addition a distance of 456.77 feet to the east line of N.W. 7th Street;

THENCE northerly, along the east line of N.W. 7th Street to the southeast corner of Esquire Manor Addition;

THENCE northerly, westerly, and northerly along the east line of said Esquire Manor Addition along the following bearings and distances:

N 0° 45' E 1 10.0 feet

N 89° 15' W 75.0 feet

N 0° 45' E 1215.0 feet

N 37° 37' E 125.0 feet

N 0° 45' E 169.0 feet

to the north east corner of said Esquire Manor Addition;

THENCE northerly, along the extension of the east line of the Esquire Manor Addition crossing the Trinity River to the south line of Wildlife Park way;

THENCE westerly, along the south line of Wildlife Park way to a point where the curving south line of Wildlife Parkway turns into the western right-of-way line of Hardrock Road;

THENCE northerly, along the west line of Hard rock Road passing the southwest corner of Hard rock Road and Oakdale Road, and continuing north across Oakdale Road to the north line of Oak dale Road;

THENCE easterly, along the north line of Oak dale Road to Grand Prairie/Irving City limit line;

THENCE southerly, along the Grand Prairie/Irving City limit line to the south line of Hunter-Ferrell Road;

THENCE easterly, along the south line of Hunter-Ferrell road, to the northeast corner of Lon e Star Park, also being the northeast corner of GPMURD property;

THENCE southerly, along the east line of said GPMURD property, cross the GPMURD overflow property to the north ban k of the Trinity river;

THENCE northeasterly, northerly, and easterly, along the meanders of the north bank of the Trinity River to the west line of MacArthur Blvd., being the city limits line of Grand Prairie;

THENCE southerly, along the Grand Prairie City limits line to the centerline of the Trinity River;

THENCE easterly, along the centerline of the Trinity River to the east line of MacArthur Blvd.;

THENCE southerly, along the east line of MacArthur Blvd., to the south line of the entrance road of the City of Grand Prairie Sanitary Landfill, also being the north line of the Gifford Hill property;

THENCE easterly, along the entrance road to the Grand Prairie Sanitary Landfill approximately 2540 feet;

THENCE southerly, approximately 1400 feet; THENCE easterly, approximately 1300 feet; THENCE southerly, approximately 290 feet;

THENCE easterly, approximately 1422 feet to the southeast corner of the Grand Prairie Sanitary Landfill;

THENCE southerly, along the extension of the east line of the Grand Prairie Sanitary Landfill to the north line of IH-30;

THENCE easterly, along the north line of IH-30 to the east City limits of Grand Prairie;

THENCE southerly, along the east City limits of Grand Prairie to the north line of SH-180;

THENCE westerly along the north line of SH-180 the following bearings and distances:

s 88° 23'4" w 190.2'

N 46° 37' 14" W 84.85'

s 86° 50' 51" w 370.14'

S 88° 23' 44" W 698.48

s 88° 23' 44" w 53 1.52'

s 78° 23' 03" w 172.58'

s 88° 23' 44" w 500'

N 86° 42' 20" W 139.99'

N 86° 42' 20" W 21 1.29'

s 88° 23' 44" w 473.69'

s 88° 23' 44" w 89.82'

s 88° 23' 44" w 236.49'

s 83° 49' 18" w 376.20'

Bagdad Road to the east line of My Estates;

THENCE northerly, along the east line of My Estates, to the south line of IH-30; THENCE westerly, along the south line of IH-30 to the centerline of the original Trinity River Channel;

THENCE southerly and southwesterly, along the meanders of the old Trinity River Channel to its intersection with Turner Branch;

TIRZ Boundary

Area #1 – Original Boundaries (Continued)

THENCE southerly, along the meanders of Turner Branch adjacent to the Racetrac Petroleum site to the south line of Tarrant road;
THENCE westerly, along the south line of Tarrant Road to the PLACE OF BEGINNING.

Area #2

Beginning at the northwest corner of Property ID 28052501510010000 at the point it meets the southern ROW boundary of Hill Street, thence

North to the northern ROW boundary of Hill Street, thence

East along the northern ROW boundary of Hill Street to the point it meets the southwest corner of Property ID 65100340510120000, thence

North along the western boundary of Property ID 65100340510120000, thence

East along the northern boundary of Property ID 65100340510120000 to the point it meets the western ROW boundary of Stadium Drive, thence

East to the eastern ROW boundary of Stadium Drive to the point it meets the northwest corner of Property ID 65100340510100000, thence

East along the northern boundary of Property ID 65100340510100000 to the point it meets the northern ROW boundary of Hill Street, thence

East along the northern ROW boundary of Hill Street to the point it meets the southeast corner of Property ID 28166000010010000, thence

North along the eastern boundary of Property ID 28166000010010000 to the point it meets the southeast corner of Property ID 65037678510030000, thence

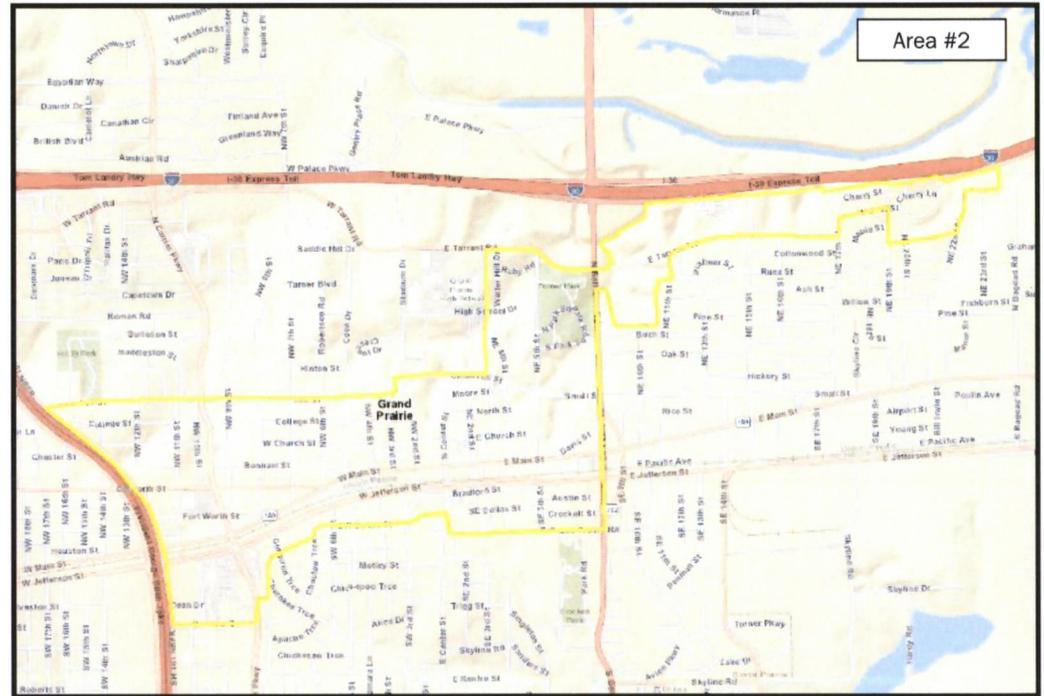
North along the eastern boundary of Property ID 65037678510030000 to the point it meets the southern ROW boundary of High School Drive, thence

North to the northern ROW boundary of High School Drive to the point it meets the southeast corner of Property ID 28073750010010000, thence

North along the eastern boundary of Property ID 28073750010010000 to the point it meets the southern ROW boundary of E Tarrant Road, thence

East along the southern ROW boundary of E Tarrant Road, past S Belt Line Road, thence

North to the northern ROW boundary of E Tarrant Road to the point it meets the southwest corner of Property ID 65154825510110000, thence



TIRZ Boundary

Area #2 (Continued)

North along the western boundary of Property ID 65154825510110000, thence

East along the northern boundary of Property ID 65154825510110000 to the point it meets the northwest corner of Property ID 65154825510110100, thence

Northeast along the northern boundary of Property ID 65154825510110100 to the point it meets the southern ROW boundary of Interstate 30, thence

East along the southern ROW boundary of Interstate 30 to the point it meets the northeast corner of Property ID 65050616010270400, thence

South along the eastern boundary of Property ID 65050616010270400, thence

West along the southern boundary of Property ID 65050616010270400 to the point it meets the southeast corner of Property ID 28236500210200000, thence

West along the southern boundary of Property ID 28236500210200000 to the point it meets the ROW boundary of NE 22nd Street, thence

South along the eastern ROW boundary of NE 22nd Street to the point it meets the southern ROW boundary of Cottonwood Street, thence

West along the southern ROW boundary of Cottonwood Street to the point it meets the western ROW boundary of NE 19th Street, thence

North along the western boundary of NE 19th Street to the point it meets the southern ROW boundary of Walnut Street, thence

West along the southern ROW boundary of Walnut Street to the point it meets the eastern ROW boundary of NE 17th Street, thence

South along the eastern ROW boundary of NE 17th Street to the point it meets the southern ROW boundary of Walnut Street, thence

West along the southern ROW boundary of Walnut Street to the point it becomes E Tarrant Road, thence

West along the southern ROW boundary of E Tarrant Road to the point it meets the northeast corner of Property ID 65154825510110300, thence

South along the eastern boundary of Property ID 65154825510110300 to the point it meets the northeast corner of Property ID 65154825510160000, thence

South along the eastern boundary of Property ID 65154825510160000, thence

West along the southern boundary of Property ID 65154825510160000, thence

North along the western boundary of Property ID 65154825510160000 to the point it meets the northeast corner of Property ID 65154825510130000, thence

West along the northern boundary of Property ID 65154825510130000 to the point it meets the eastern ROW boundary of S Belt Line Road, thence

South along the eastern ROW boundary of S Belt Line Road to the point it meets the southern ROW boundary of E Grand Prairie Road, thence

West along the southern ROW boundary of E Grand Prairie Road to the point it meets the western ROW boundary of S Center Street, thence

North along the western boundary of S Center Street to the point it meets the southern ROW boundary of SW Dallas Street, thence

West along the southern ROW boundary of SW Dallas Street to the point it becomes Shawnee Trce, thence

South along the eastern ROW boundary of Shawnee Trce to the point it meets the southern ROW boundary of Cherokee Trce, thence

West along the southern ROW boundary of Cherokee Trce to the point it meets the eastern ROW boundary of S Carrier Parkway, thence

South along the eastern ROW boundary of S Carrier Parkway to the point it meets the southern ROW boundary of Conover Drive, thence

West along the southern ROW boundary of Conover Drive to the point it meets the eastern ROW boundary of State Highway 161, thence

North along the eastern ROW boundary of State Highway 161 to the point it meets the southwest corner of Property ID 28052501520090000, thence

North to the southwest corner of Property ID 28052501510010000, thence

North along the western boundary of Property ID 28052501510010000 to the northwest corner of Property ID 28052501510010000, which is the point of beginning.

TIRZ Boundary

Area #3

Beginning at the northwest corner of Property ID 99101208110000000, thence

East along the northern boundary of Property ID 99101208110000000 to the point it meets the northwest corner of Property ID 99892850000076350, thence

East along the northern boundary of Property ID 99892850000076350 to the point it meets the northwest corner of Property ID 99091026670000000, thence

East along the northern boundary of Property ID 99091026670000000 to the point it meets the northwest corner of Property ID 65089149610070000 to the northwest corner of Property ID 65089149810050000, thence

South along the eastern boundary of Property ID 65089149810050000 to the point it meets the northern boundary of Property ID 65098929510010100, thence

South along the eastern boundary of Property ID 65098929510010100 to the northern ROW boundary E Main Street, thence

East along the northern ROW boundary of E Main Street to the point it meets the Grand Prairie City Limit, thence

South to the northern boundary of Property ID 65114250110140000, thence

South along the Grand Prairie City limit boundary through Property ID 65114250110140000, thence

Continuing south along the Grand Prairie City limit boundary through Property ID 65114250010070100, thence

Continuing south along the Grand Prairie City limit boundary through Property ID 65081676520030100, thence

Continuing south along the Grand Prairie City limit boundary through Property ID 00000806551000000, thence

West along the southern Grand Prairie City limit boundary, continuing west along said boundary to the point it meets the southwest corner of Property ID 65089149510400000, thence

North along the western boundary of Property ID 65089149510400000, thence

Continuing north along the Grand Prairie City limit boundary through Property ID 65089149510400000, thence

Continuing north along the Grand Prairie City limit to the northwest corner of Property ID 99101208110000000, which is the point of beginning.



TIRZ Boundary

Area #4

Beginning at the northwest corner of Property ID 65067957010140000, thence

North to the northern ROW boundary of W Hunter Ferrell Road, to the point it meets the Grand Prairie city limit boundary, thence

East along the Grand Prairie city limit boundary to the point it meets MacArthur Boulevard, thence

South along the Grand Prairie city limit boundary to the point it meets the West Fork River, thence

East along the Grand Prairie city limit boundary, that follows the West Fork River, to the point it meets Mountain Creek, thence

South along the Grand Prairie city limit boundary, that follows Mountain Creek, to the point it meets the northern ROW boundary of Interstate 30, thence

West along the northern ROW boundary of Interstate 30 to the point it meets the southwest corner of Property ID 65084603510080300, thence

North along the western boundary of Property ID 65084603510080300, thence

Continuing north along the eastern boundary of Property ID 65084603510080000 to the point it meets the southeast corner of Property ID 65084603510080100, thence

West along the southern boundary of Property ID 65084603510080100, thence

North along the western boundary of Property ID 65084603510080100 to the point it meets the southern boundary of Property ID 65061722510070000, thence

West along the southern boundary of Property ID 65061722510070000 to the point it meets the southern boundary of Property ID 65061722510020000, thence

West along the southern boundary of Property ID 65061722510020000 to the point it meets the West Fork River, thence

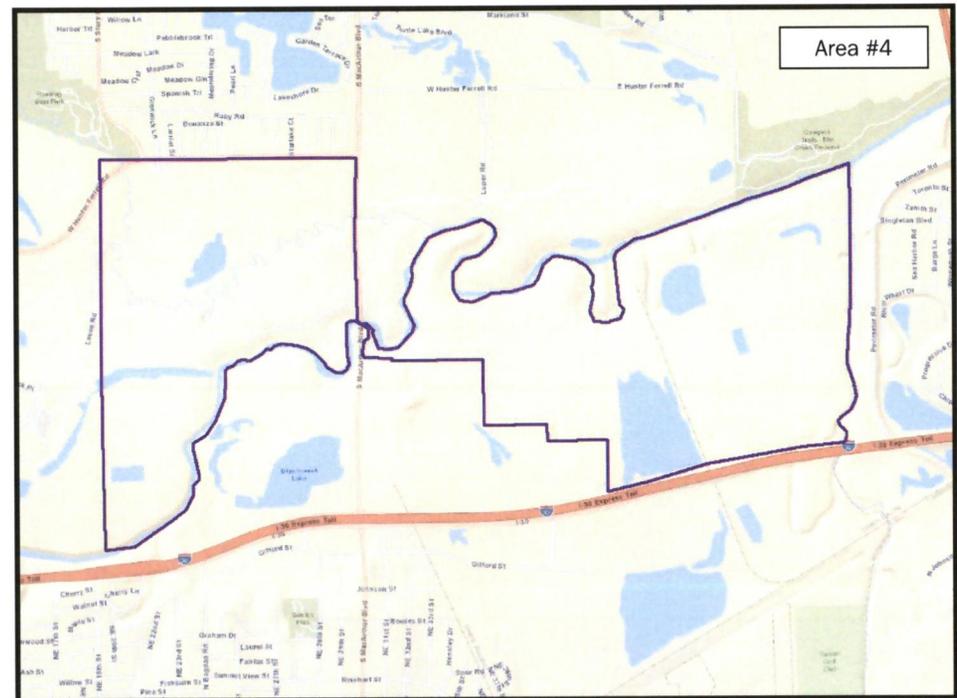
West following the West Fork River to the point it meets the southwest corner of Property ID 65050616010240000, thence

North along the western boundary of Property ID 65050616010240000 to the point it meets the southwest corner of Property ID 65050716510010100, thence

North along the western boundary of Property ID 65050716510010100 to the point it meets the southwest corner of Property ID 65067957010260000, thence

North along the western boundary of Property ID 65067957010260000 to the point it meets the southwest corner of Property ID 65067957010140000, thence

North along the western boundary of Property ID 65067957010140000 to northwest corner of Property ID 65067957010140000, which is the point of beginning.



TIRZ Boundary

Area #5

Beginning at the northwest corner of Property ID 65170347010040000, thence

East along the northern boundary of Property ID 65170347010040000 to the point it meets the western ROW boundary of Roy Orr Boulevard, thence

East across Roy Orr Boulevard to the northwest corner of Property ID 65170347010010000, thence

East along the northern boundary of Property ID 65170347010010000 to the point it meets the western ROW boundary of W Oakland Boulevard, thence

East to the eastern ROW boundary of W Oakland Boulevard, thence

South along the eastern ROW boundary of W Oakland Boulevard, thence

East along the northern ROW boundary of W Oakland Boulevard to the point it meets the western ROW boundary of Hardrock Road, thence

South along the western ROW boundary of Hardrock Road to the point it meets the northern boundary of Property ID 65012183510010000, thence

South along the eastern boundary of Property ID 65012183510010000, thence

South to the southeastern corner of Property ID 65012183510150400, thence

West along the southern boundary of Property ID 65012183510150400 to the point it meets Property ID 65012183510150100, thence

West along the southern boundary of Property ID 65012183510150100 to the point it meets the eastern ROW boundary of N Carrier Parkway, thence

West to the western ROW boundary of N Carrier Parkway to the point it meets the southeast corner of Property ID 65012183510360000, thence

West along the southern boundary of Property ID 65012183510360000 to the point it meets the southeast corner of Property ID 65012183510160400, thence

West along the southern boundary of Property ID 65012183510160400 to the point it meets the southeast corner of Property ID 65012183510160500, thence

West along the southern boundary of Property ID 65012183510160500 to the point it meets the southeast corner of Property ID 28246600010010000, thence

West along the southern boundary of Property ID 28246600010010000 to the point it meets the eastern ROW boundary of State Highway 161, thence

West to the western ROW boundary of State Highway 161, thence

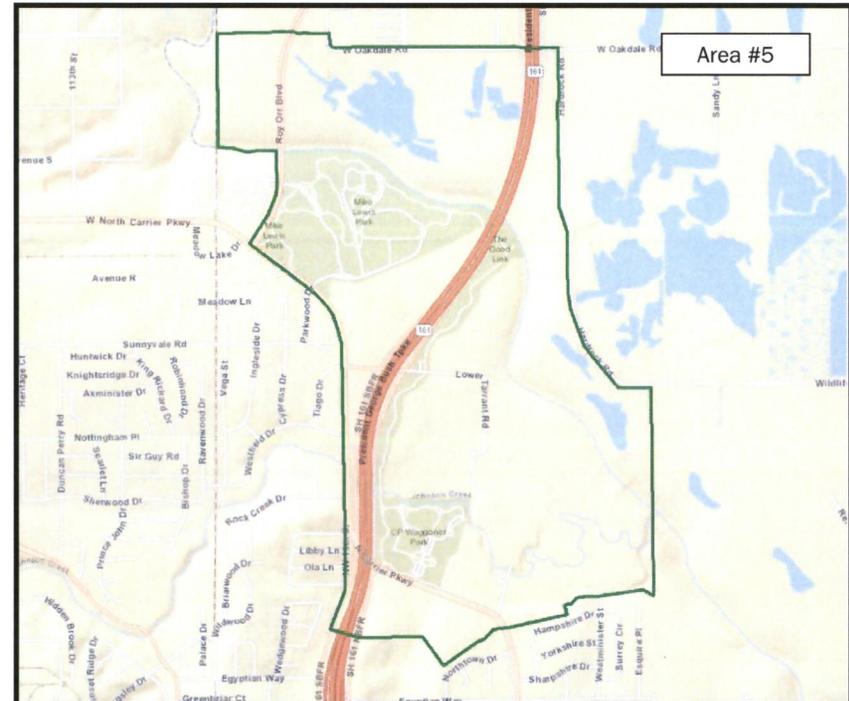
North along the western ROW boundary of State Highway 161 to the point it meets the western ROW boundary of N Carrier Parkway, thence

North along the western ROW boundary of N Carrier Parkway to the point it meets the western ROW boundary of Roy Orr Road, thence

North along the western ROW boundary of Roy Orr Road to the point it meets the southern boundary of Property ID 65170347010040000, thence

West along the southern boundary of Property ID 65170347010040000, thence

North along the western boundary of Property ID 65170347010040000, to the northwest corner of Property ID 65170347010040000, which is the point of beginning.



TIRZ Boundary

Area #7

Beginning at the northwest corner of Property ID 28184580010030000 at the point it meets the southern ROW boundary of W Pioneer Parkway, thence

East along the southern ROW boundary of W Pioneer Parkway to the point it meets the western boundary of Southgate Drive, thence

South and then east along the western and southern ROW boundary of Southgate Drive to the point it meets the western ROW boundary of Robinson Road, thence

South along the western ROW boundary of Robinson Road to the point it meets the southern ROW boundary of Arkansas Lane, thence

West along the southern ROW boundary of Arkansas Lane to the point it meets the northeast corner of Property ID 282604500A0030000, thence

South along the eastern boundary of Property ID 282604500A0030000 to the point it meets the northeast corner of Property ID 282604500A0060000, thence

South along the eastern boundary of Property ID 282604500A0060000 to the point it meets the northeast corner of Property ID 28021560010010000, thence

South along the eastern boundary of Property ID 28021560010010000 to the point it meets the western ROW boundary of Fieldcrest Drive, thence

East to the eastern ROW boundary of Fieldcrest Drive, thence

South along the eastern ROW boundary of Fieldcrest Drive to the point it meets the northwest corner of Property ID 280145400G0390000, thence

West along the northern boundary of Property ID 280145400G0390000, thence

South along the eastern boundary of Property ID 280145400G0390000 to the point it meets the northern ROW boundary of W Warrior Trail, thence

South to the southern ROW boundary of W Warrior Trail to the point it meets the northwest corner of Property ID 28144600030010000, thence

West to the southeast corner of Property ID 65029532010041200, thence

West along the southern boundary of Property ID 65029532010041200 to the point it meets the southeast corner of Property ID 28021560010000000, thence

West along the southern boundary of Property ID 28021560010000000 to the point it meets the northeast corner of Property ID 65005944510020400, thence

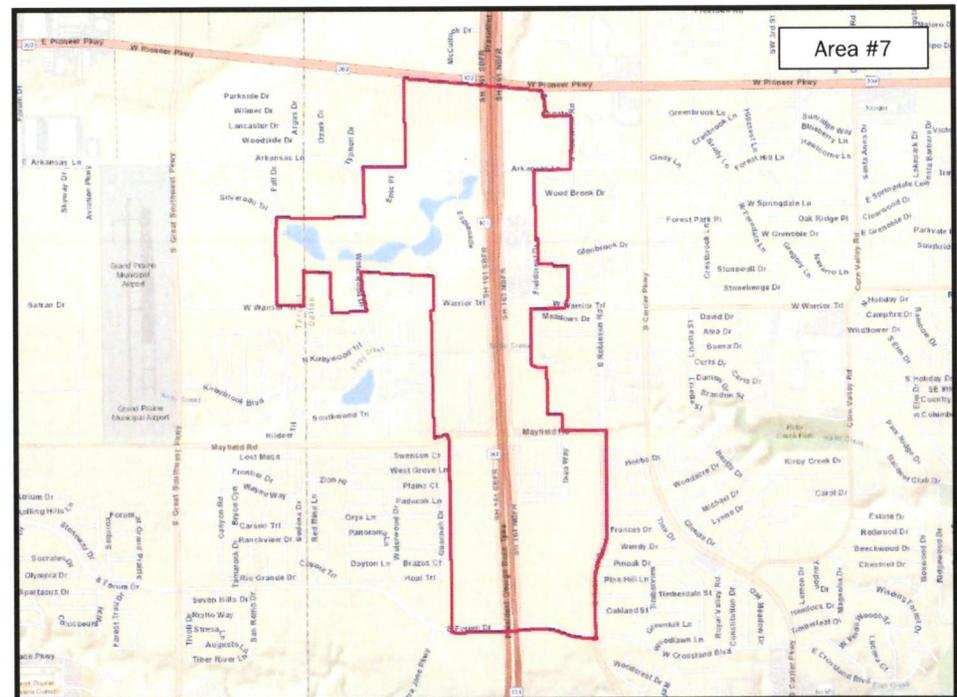
South along the eastern boundary of Property ID 65005944510020400 to the point it meets the northeast corner of Property ID 65005944510020700, thence

South along the eastern boundary of Property ID 65005944510020700 to the point it meets the northeast corner of Property ID 65005944510020500, thence

South along the eastern boundary of Property ID 65005944510020500 to the point it meets the northwest corner of Property ID 28006600010020000, thence

West and then south along the boundary of Property ID 28006600010020000 to the point it meets the northern ROW boundary of Mayfield Road, thence

East along the northern ROW boundary of Mayfield Road to the point it meets the eastern ROW boundary of S Robinson Road, thence



TIRZ Boundary

Area #7 (Continued)

South along the eastern ROW boundary of S Robinson Road to the point it meets the southern ROW boundary of Forum Drive, thence

West along the southern ROW boundary of Forum Drive to the point it meets the northwest corner of Property ID 65039511010020100, thence

North to the northern ROW boundary of Forum Drive to the point it meets the southwest corner of Property ID 65039511010010100, thence

North along the western boundary of Property ID 65039511010010100 to the point it meets the southwest corner of Property ID 65119312510070000, thence

North along the western boundary of Property ID 65119312510070000 to the point it meets the southwest corner of Property ID 65119312510030000, thence

North along the western boundary of Property ID 65119312510030000 to the point it meets the southern ROW boundary of Mayfield Road, thence

North to the northern ROW boundary of Mayfield Road to the point it meets the southern boundary of Property ID 65005944510020100, thence

West to the southwest corner of Property ID 65005944510020100, thence

North along the western boundary of Property ID 65005944510020100 to the point it meets the southwest corner of Property ID 65005944510020600, thence

North along the western boundary of Property ID 65005944510020600 to the point it meets the southwest corner of Property ID 65005944510020800, thence

North along the western boundary of Property ID 65005944510020800 to the point it meets the southwest corner of Property ID 65005944510020000, thence

North along the western boundary of Property ID 65005944510020000 to the point it meets the southwest corner of Property ID 28023750050010000, thence

North along the western boundary of Property ID 28023750050010000 to the point it meets the southern ROW boundary of W Warrior Trail, thence

North to the northern ROW boundary of Warrior Trail to the point it meets Property ID 28023750020030000, thence

North along the western boundary of Property ID 28023750020030000 to the point it meets Property ID 28023750020040000, thence

West along the southern boundary of Property ID 28023750020040000 to the point it meets the eastern ROW boundary of Waterwood Drive, thence

South along the eastern ROW boundary of Waterwood Drive to the point it meets the northern ROW boundary of W Warrior Trail, thence

West along the northern ROW boundary of W Warrior Trail to the point it meets the southeast corner of Property ID 28023750010040000, thence

North along the eastern boundary, west along the northern boundary, and then south along the western boundary of Property ID 28023750010040000 to the point it meets the northern ROW boundary of W Warrior Trail, thence

West along the northern ROW boundary of W Warrior Trail to the point it meets the southwest corner of Property ID 41463307, thence

North along the western boundary of Property ID 41463307, thence

East along the northern boundary of Property ID 41463307 to the point it meets the northwest corner of Property ID 28023750010020000, thence

East along the northern boundary of Property ID 28023750010020000 to the point it meets the southwest corner of Property ID 28023750010010000, thence

North along the western boundary of Property ID 28023750010010000 to the point it meets the southern ROW boundary of Arkansas Lane, thence

North to the northern ROW boundary of Arkansas Lane to the point it meets the southern boundary of Property ID 28184580010010000, thence

East along the northern ROW boundary of Arkansas Lane to the point it meets the southwest corner of Property ID 28184580010030000, thence

North along the western boundary of Property ID 28184580010030000 to the northwest corner of Property ID 28184580010030000 at the point it meets the southern ROW boundary of W Pioneer Parkway, which is the point of beginning.

TIRZ Boundary

Area #8

Beginning at the northwest corner of Property ID 65146023510120000, thence

East along the northern boundary of Property ID 65146023510120000 to the point it meets the northwest corner of Property ID 65146023510110000, thence

East along the northern boundary of Property ID 65146023510110000, thence

South along the eastern boundary of Property ID 65146023510110000, thence

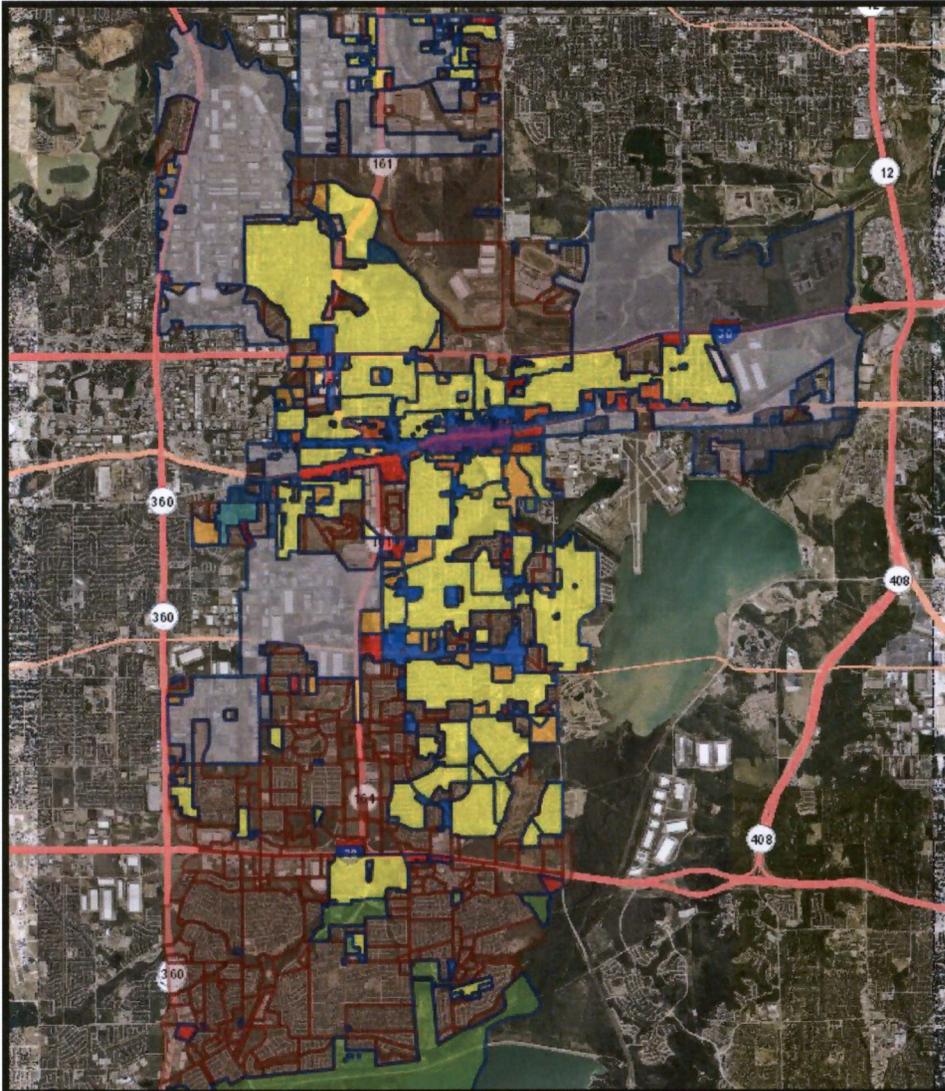
West along the southern boundary of Property ID 65146023510110000 to the point it meets the southeast corner of Property ID 65146023510120000, thence

West along the southern boundary of Property ID 65146023510120000, thence

North along the western boundary of Property ID 65146023510120000 to the northwest corner of Property ID 65146023510120000, which is the point of beginning.



Current Conditions



Land Use

The TIRZ contains both commercial and residential improvements as well as some vacant land.

Method of Relocating Persons to be Displaced

It is not anticipated that any persons will be displaced or need to be relocated as result of implementation.

Zoning

The property within the TIRZ is currently zoned for a wide variety of uses as can be seen in the shading on the map to the left. The current zoning includes Industrial (gray), Single Family (yellow), Agricultural (green), Multifamily (orange), Retail and Office (blue), as well as areas designated for Planned Development.

It is not anticipated that there will be any changes to the master plan, building codes or other municipal ordinances or subdivision rules and regulations of the City at this time.

Taxable Value Information

There are currently 2,342 parcels within Tax Increment Reinvestment Zone #1. The estimated base 2018 taxable value is \$1,152,200,878.

Proposed Development

TIRZ #1 is expected to facilitate the construction of a wide variety of development uses, including multifamily, industrial, hotel, retail, and office.



Project Costs

Project Costs of the Zone

There are a number of improvements within Tax Increment Reinvestment Zone #1 that will be financed by in part by incremental real property tax generated within the TIRZ.

TIRZ #1

Proposed Project Costs		
Water Facilities and Improvements	\$ 42,996,335	15.0%
Sanitary Sewer Facilities and Improvements	\$ 42,996,335	15.0%
Storm Water Facilities and Improvements	\$ 42,996,335	15.0%
Transit/Parking Improvements	\$ 21,498,167	7.5%
Street and Intersection Improvements	\$ 42,996,335	15.0%
Open Space, Park and Recreation Facilities and Improvements	\$ 28,664,223	10.0%
Economic Development Grants	\$ 57,328,446	20.0%
Administrative Costs	\$ 7,166,056	2.5%
	\$ 286,642,231	100.0%

The costs illustrated in the table above are estimates and may be revised. Savings from one line item may be applied to a cost increase in another line item.

Chapter 311 of the Texas Tax Code

Sec. 311.002.

(1) "Project costs" means the expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the municipality or county designating a reinvestment zone that are listed in the project plan as costs of public works, public improvements, programs, or other projects benefiting the zone, plus other costs incidental to those expenditures and obligations. "Project costs" include:

(A) capital costs, including the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; the actual costs of the remediation of conditions that contaminate public or private land or buildings; the actual costs of the preservation of the facade of a public or private building; the actual costs of the demolition of public or private buildings; and the actual costs of the acquisition of land and equipment and the clearing and grading of land;

(B) financing costs, including all interest paid to holders of evidences of indebtedness or other obligations issued to pay for project costs and any premium paid over the principal amount of the obligations because of the redemption of the obligations before maturity;

(C) real property assembly costs;

(D) professional service costs, including those incurred for architectural, planning, engineering, and legal advice and services;

(E) imputed administrative costs, including reasonable charges for the time spent by employees of the municipality or county in connection with the implementation of a project plan;

(F) relocation costs;

(G) organizational costs, including the costs of conducting environmental impact studies or other studies, the cost of publicizing the creation of the zone, and the cost of implementing the project plan for the zone;

(H) interest before and during construction and for one year after completion of construction, whether or not capitalized;

(I) the cost of operating the reinvestment zone and project facilities;

(J) the amount of any contributions made by the municipality or county from general revenue for the implementation of the project plan;

(K) the costs of school buildings, other educational buildings, other educational facilities, or other buildings owned by or on behalf of a school district, community college district, or other political subdivision of this state; and

(L) payments made at the discretion of the governing body of the municipality or county that the governing body finds necessary or convenient to the creation of the zone or to the implementation of the project plans for the zone.

Anticipated Development

Anticipated Development

The anticipated development within TIRZ #1 is expected to be a combination of commercial uses including retail, office, industrial, and hotel, as well as residential. The development is projected to be constructed over the next several years and financed in part by incremental real property tax generated within the TIRZ.

The table to the right provides an overview of the potential development that is expected to occur during the life of the TIRZ along with estimated dates of when the incremental revenue would flow into the TIRZ fund.

Assumptions

	Projected Completion Date	Square Feet	Units	Taxable Value P\$F/Unit	Incremental Value	Sales P\$F	Total Sales
AREA DEVELOPMENT ZONE #1							
Hotel	2020		200	\$ 110,000	\$ 22,000,000		
Restaurant	2020	6,000		\$ 200	\$ 1,200,000	325	\$ 1,950,000
Conference Space	2020	12,000			\$		
Industrial	2020	500,000		\$ 70	\$ 35,000,000		
Hotel	2020		130	\$ 110,000	\$ 14,300,000		
Multifamily	2021		320	\$ 130,000	\$ 41,600,000		
Retail	2021	135,000		\$ 180	\$ 24,300,000	250	\$ 33,750,000
Retail	2022	6,000		\$ 180	\$ 1,080,000	250	\$ 1,500,000
Hotel	2022		200	\$ 110,000	\$ 22,000,000		
Multifamily	2022		300	\$ 130,000	\$ 39,000,000		
Multifamily	2022		280	\$ 130,000	\$ 36,400,000		
Retail	2024	29,000		\$ 180	\$ 5,220,000	250	\$ 7,250,000
Office	2024	240,000		\$ 140	\$ 33,600,000		
Multifamily	2024		600	\$ 130,000	\$ 78,000,000		
Multifamily	2026		300	\$ 130,000	\$ 39,000,000		
Office	2028	240,000		\$ 140	\$ 33,600,000		
Office	2028	180,000		\$ 140	\$ 25,200,000		
Office	2028	240,000		\$ 140	\$ 33,600,000		
Office	2028	240,000		\$ 140	\$ 33,600,000		
Multifamily	2028		300	\$ 130,000	\$ 39,000,000		
Office	2030	300,000		\$ 140	\$ 42,000,000		
Retail	2030	140,000		\$ 180	\$ 25,200,000	250	\$ 35,000,000
Office	2032	180,000		\$ 140	\$ 25,200,000		
Office	2032	240,000		\$ 140	\$ 33,600,000		
Office	2034	210,000		\$ 140	\$ 29,400,000		
Office	2034	240,000		\$ 140	\$ 33,600,000		
Office	2034	240,000		\$ 140	\$ 33,600,000		
		3,378,000	2,630		\$ 780,300,000		\$79,450,000
AREA DEVELOPMENT ZONE #2							
Restaurant	2019	6,000		\$ 200	\$ 1,200,000	325	\$ 1,950,000
Park Improvements	2021						
Multifamily	2022		225	\$ 130,000	\$ 29,250,000		
Restaurant	2022	10,000		\$ 200	\$ 2,000,000	325	\$ 3,250,000
Retail	2022	6,000		\$ 180	\$ 1,080,000	250	\$ 1,500,000
Office	2022	15,000		\$ 140	\$ 2,100,000		
Multifamily	2022		320	\$ 130,000	\$ 41,600,000		
Multifamily	2024		280	\$ 130,000	\$ 36,400,000		
Multifamily	2026		250	\$ 130,000	\$ 32,500,000		
Multifamily	2028		280	\$ 130,000	\$ 36,400,000		
Multifamily	2030		320	\$ 130,000	\$ 41,600,000		
		37,000	1,878		\$ 224,130,000		\$4,700,000
AREA DEVELOPMENT ZONE #3							
Industrial	2030	500,000		\$ 70	\$ 35,000,000		
AREA DEVELOPMENT ZONE #4							
Industrial	2030	500,000		\$ 70	\$ 35,000,000		
Industrial	2030	500,000		\$ 70	\$ 35,000,000		
		1,000,000			\$ 70,000,000		
AREA DEVELOPMENT ZONE #5							
Industrial	2022	2,000,000		\$ 70	\$ 140,000,000		
Multifamily	2026		250	\$ 130,000	\$ 32,500,000		
Multifamily	2028		250	\$ 130,000	\$ 32,500,000		
		2,000,000	500		\$ 205,000,000		
AREA DEVELOPMENT ZONE #6							
Hotel	2021		250	\$ 110,000	\$ 27,500,000		
Multifamily	2021		300	\$ 130,000	\$ 39,000,000		
Convention Space	2021	19,000					
Multifamily	2023		300	\$ 130,000	\$ 39,000,000		
		19,000	850		\$ 105,500,000		
AREA DEVELOPMENT ZONE #7							
Hotel	2019	50,000		\$ 180	\$ 9,000,000	\$250.00	\$125,000,000
Multifamily	2020		300	\$ 130,000	\$ 39,000,000		
Hotel	2020		110	\$ 110,000	\$ 12,100,000		
Restaurant	2021	75,000		\$ 200	\$ 15,000,000	\$325.00	\$24,375,000
Hotel	2021		125	\$ 110,000	\$ 13,750,000		
Restaurant	2021	50,000		\$ 200	\$ 10,000,000	\$325.00	\$16,250,000
Hotel	2023		125	\$ 110,000	\$ 13,750,000		
		225,000	660		\$ 152,800,000		\$185,625,000
AREA DEVELOPMENT ZONE #8							
Restaurant	2023	50,000		\$ 200	\$ 10,000,000	\$325.00	\$16,250,000
Retail	2025	100,000		\$ 180	\$ 18,000,000	\$250.00	\$25,000,000
		150,000			\$ 28,000,000		\$41,250,000
Total		8,108,000	6,316		\$1,669,630,000		\$293,025,000

Financial Feasibility Analysis

Method of Financing

To fund the public improvements outlined on the previous pages, it is anticipated that the City of Grand Prairie will contribute 100% of its real property increment. It is also anticipated that Tarrant County will contribute 50% of its real property increment. Participation negotiations with other taxing entities is anticipated.

Debt Service

It is not anticipated at this time that the TIRZ will incur any bonded indebtedness.

Economic Feasibility Study

A taxable value analysis was developed as part of the project and financing plan to determine the economic feasibility of the project. The study examined the expected tax revenue the TIRZ would receive based on the previously outlined developments. A summary overview of the anticipated development square footages, the anticipated sales per square foot and the anticipated taxable value per square foot can be found on the table below.

The following pages show the estimated captured appraised value of the zone during each year of its existence and the net benefits of the zone to each of the local taxing jurisdictions as well as the method of financing and debt service.

Utilizing the information outlined in this feasibility study, we have found that the TIRZ is economically feasible and will provide the City and other taxing jurisdictions with economic benefits that would not occur without its implementation.

Real Property Tax		Participation	
City of Grand Prairie	0.66999800	100%	0.6699980
Dallas County	0.24310000	0%	0.0000000
Parkland	0.27940000	0%	0.0000000
DCCD	0.12423800	0%	0.0000000
Grand Prairie ISD	1.59500000	0%	0.0000000
	2.91173600		0.66999800

Personal Property Tax		Participation	
City of Grand Prairie	0.66999800	0%	0.0000000
Dallas County	0.24310000	0%	0.0000000
Parkland	0.27940000	0%	0.0000000
DCCD	0.12423800	0%	0.0000000
Grand Prairie ISD	1.59500000	0%	0.0000000
	2.91173600		0.00000000

Real Property Tax		Participation	
Tarrant County	0.24400000	50%	0.1220000

*Participation negotiations anticipated

Financial Feasibility Analysis

ADZ#1 : INPUT & OUTPUT

► INPUT

INFLATION RATE	2.00%		
DISCOUNT RATE	6.00%		
REAL PROPERTY TAX PARTICIPATION			
City of Grand Prairie	0.6889980	100%	0.6889980
Dallas County	0.2431000	0%	0.0000000
ParMend	0.2784000	0%	0.0000000
DCCD	1.1742380	0%	0.0000000
Grand Prairie ISD	1.9990000	0%	0.0000000
	2.8117360		0.6889980
PERSONAL PROPERTY TAX PARTICIPATION			
City of Grand Prairie	0.6889980	0%	0.0000000
Dallas County	0.2431000	0%	0.0000000
ParMend	0.2784000	0%	0.0000000
DCCD	1.1883390	0%	0.0000000
Grand Prairie ISD	1.9990000	0%	0.0000000
	2.8117360		0.0000000
Sales Tax Rate			
	0.5200000	6.00%	0.0000000

AREA DEVELOPMENT ZONE #1

Year	Area	REAL PROPERTY		PERSONAL PROPERTY		SALES	
		\$ / SF	TAX VALUE	\$ / SF	TAX VALUE	\$ / SF	TAX VALUE
2020	Hotel	200	\$ 110,000.00	\$ 22,000.00	\$ -	\$ -	\$ -
2020	Restaurant	6,000	\$ 200,000.00	\$ 1,200,000.00	\$ 18.00	\$ 90,000.00	\$ 325.00
2020	Conference Space	12,000	\$ -	\$ -	\$ -	\$ -	\$ -
2020	Industrial	900,000	\$ 70.00	\$ 35,000.00	\$ -	\$ -	\$ -
2020	Hotel	120	\$ 110,000.00	\$ 14,000.00	\$ -	\$ -	\$ -
2021	MultiFamily	320	\$ 130,000.00	\$ 41,600.00	\$ -	\$ -	\$ -
2021	Retail	138,000	\$ 180.00	\$ 24,840,000.00	\$ 5.00	\$ 695,000.00	\$ 250.00
2022	Retail	6,000	\$ 180.00	\$ 1,080,000.00	\$ 5.00	\$ 25,000.00	\$ 250.00
2022	Hotel	200	\$ 110,000.00	\$ 22,000.00	\$ -	\$ -	\$ -
2022	MultiFamily	300	\$ 130,000.00	\$ 39,000.00	\$ -	\$ -	\$ -
2022	MultiFamily	280	\$ 130,000.00	\$ 36,400.00	\$ -	\$ -	\$ -
2022	Retail	38,000	\$ 180.00	\$ 6,840,000.00	\$ 5.00	\$ 145,000.00	\$ 250.00
2024	Office	240,000	\$ 140.00	\$ 33,600,000.00	\$ 5.00	\$ 1,200,000.00	\$ -
2024	MultiFamily	900	\$ 130,000.00	\$ 78,000.00	\$ -	\$ -	\$ -
2026	MultiFamily	300	\$ 130,000.00	\$ 39,000.00	\$ -	\$ -	\$ -
2026	Office	240,000	\$ 140.00	\$ 33,600,000.00	\$ 5.00	\$ 1,200,000.00	\$ -
2028	Office	180,000	\$ 140.00	\$ 25,200,000.00	\$ 5.00	\$ 900,000.00	\$ -
2028	Office	240,000	\$ 140.00	\$ 33,600,000.00	\$ 5.00	\$ 1,200,000.00	\$ -
2028	Office	240,000	\$ 140.00	\$ 33,600,000.00	\$ 5.00	\$ 1,200,000.00	\$ -
2028	MultiFamily	300	\$ 130,000.00	\$ 39,000.00	\$ -	\$ -	\$ -
2029	Office	300,000	\$ 140.00	\$ 42,000,000.00	\$ 5.00	\$ 1,500,000.00	\$ -
2030	Retail	140,000	\$ 180.00	\$ 25,200,000.00	\$ 5.00	\$ 700,000.00	\$ 250.00
2032	Office	180,000	\$ 140.00	\$ 25,200,000.00	\$ 5.00	\$ 900,000.00	\$ -
2032	Office	240,000	\$ 140.00	\$ 33,600,000.00	\$ 5.00	\$ 1,200,000.00	\$ -
2034	Office	210,000	\$ 140.00	\$ 29,400,000.00	\$ 5.00	\$ 1,050,000.00	\$ -
2034	Office	240,000	\$ 140.00	\$ 33,600,000.00	\$ 5.00	\$ 1,200,000.00	\$ -
2034	Office	240,000	\$ 140.00	\$ 33,600,000.00	\$ 5.00	\$ 1,200,000.00	\$ -
TOTAL			780,300,000		14,390,000		79,450,000

► OUTPUT

	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
TOTAL TAX REVENUE	28.7%	\$ 97,528,027	\$ 71,463,228	\$ 1,051,448
City of Grand Prairie	7.7%	\$ 26,292,857	\$ 25,929,496	\$ 363,382
Dallas County	8.8%	\$ 30,218,840	\$ 29,801,321	\$ 417,819
ParMend	4.0%	\$ 13,437,193	\$ 13,251,455	\$ 185,899
DCCD	6.0%	\$ 17,269,697	\$ 17,126,891	\$ 2,384,047
Grand Prairie ISD	100.0%	\$ 151,984,618	\$ 110,571,148	\$ 4,352,172
	100.0%		91.3%	1.3%
				7.4%
TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	100.0%	\$ 71,463,228	\$ 71,463,228	\$ -
Dallas County	0.0%	\$ -	\$ -	\$ -
ParMend	0.0%	\$ -	\$ -	\$ -
DCCD	0.0%	\$ -	\$ -	\$ -
Grand Prairie ISD	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 71,463,228	\$ -	\$ -
	100.0%		100.0%	0.0%
NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	0.7%	\$ 26,292,857	\$ -	\$ 1,051,448
Dallas County	8.8%	\$ 30,218,840	\$ 25,929,496	\$ 363,382
ParMend	11.3%	\$ 30,218,840	\$ 29,801,321	\$ 417,819
DCCD	6.0%	\$ 13,437,193	\$ 13,251,455	\$ 185,899
Grand Prairie ISD	64.2%	\$ 172,909,697	\$ 170,126,891	\$ 2,384,047
	100.0%	\$ 248,531,448	\$ 239,107,922	\$ 4,352,172
	100.0%		89.0%	1.0%
				9.3%

Financial Feasibility Analysis

TAX REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

Calendar Year	0	0	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
TOTAL TAX REVENUE																									
	% OCCUPIED	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2036	2038	2039	2040	2041		
	Taxable Value	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	PV																								
REAL PROPERTY					36,290,000	87,325,000	171,165,000	212,260,000	295,290,000	324,495,000	373,200,000	382,450,000	475,200,000	516,450,000	591,300,000	608,100,000	654,300,000	669,000,000	732,000,000	756,150,000	756,150,000	756,150,000	756,150,000	756,150,000	
City of Grand Prairie				242,874	585,076	1,146,802	1,422,138	1,978,437	2,174,110	2,500,433	2,565,757	3,163,830	3,460,205	3,961,688	4,074,258	4,383,797	4,482,287	4,904,385	5,066,190	5,066,190	5,066,190	5,066,190	5,066,190	5,066,190	
Dallas County				88,124	212,287	416,102	518,004	717,850	788,847	907,249	930,951	1,155,211	1,255,460	1,437,450	1,478,291	1,590,603	1,626,339	1,779,492	1,838,201	1,838,201	1,838,201	1,838,201	1,838,201	1,838,201	
Parkland				101,283	243,986	478,295	593,054	826,040	905,639	1,042,721	1,099,962	1,327,708	1,442,961	1,652,092	1,699,031	1,828,114	1,869,186	2,045,208	2,112,683	2,112,683	2,112,683	2,112,683	2,112,683	2,112,683	
DCCD				45,038	108,491	213,852	293,708	398,922	403,146	463,656	475,760	580,379	641,627	734,619	755,491	812,869	831,152	909,422	939,428	939,428	939,428	939,428	939,428	939,428	
Grand Prairie ISD				578,186	1,392,834	2,730,042	3,385,547	4,709,876	5,175,995	5,852,540	6,108,053	7,579,440	8,237,378	9,431,235	9,696,195	10,436,085	10,670,550	11,675,400	12,060,563	12,060,563	12,060,563	12,060,563	12,060,563	12,060,563	
Total				1,058,904	2,542,673	4,983,873	6,180,451	8,598,065	9,446,438	10,866,099	11,150,493	13,836,669	15,037,661	17,217,095	17,706,267	19,081,489	19,479,614	21,313,908	22,017,092	22,017,092	22,017,092	22,017,092	22,017,092	22,017,092	
	PV																								
PERSONAL PROPERTY				45,000	405,000	611,250	787,500	1,497,500	1,803,750	2,140,000	2,140,000	4,390,000	5,515,000	7,740,000	8,290,000	9,890,000	10,415,000	12,665,000	13,527,500	13,527,500	13,527,500	13,527,500	13,527,500	13,527,500	
City of Grand Prairie				301	2,713	4,095	5,276	8,832	12,085	14,338	14,338	29,413	36,950	51,858	55,543	66,283	80,780	84,865	80,634	80,634	80,634	80,634	80,634	80,634	
Dallas County				109	989	1,498	1,914	3,567	4,385	5,202	5,202	10,672	13,407	18,616	20,153	24,043	25,319	30,789	32,885	32,885	32,885	32,885	32,885	32,885	
Parkland				126	1,132	1,708	2,200	4,100	5,040	5,979	5,979	12,296	15,409	21,626	23,762	27,833	29,109	35,386	37,796	37,796	37,796	37,796	37,796	37,796	
DCCD				96	503	759	978	1,823	2,241	2,859	2,859	5,464	6,852	9,616	10,299	12,287	12,939	15,735	16,806	16,806	16,806	16,806	16,806	16,806	
Grand Prairie ISD				718	6,460	9,749	12,561	23,407	28,770	34,133	34,133	70,221	87,964	123,453	132,226	157,746	166,116	202,027	215,764	215,764	215,764	215,764	215,764	215,764	
Total				1,310	11,793	17,798	22,820	42,730	62,311	62,311	127,825	160,882	225,388	301,383	301,383	368,771	393,885								
	PV																								
SALES TAX				975,000	18,337,500	28,012,500	36,825,000	40,825,000	42,637,500	44,450,000	44,450,000	44,450,000	44,450,000	44,450,000	61,950,000	70,700,000	79,450,000	81,039,000	82,659,780	84,312,976	85,999,235	87,719,220	89,473,604	91,263,076	93,088,338
Total				19,600	396,750	580,250	736,800	816,800	852,750	889,000	889,000	889,000	889,000	1,239,000	1,414,000	1,589,000	1,620,780	1,653,196	1,686,260	1,719,885	1,754,384	1,789,472	1,825,262	1,861,767	1,900,368
	PV																								
SUMMARY																									
	PV																								
City of Grand Prairie				282,676	654,539	1,711,147	2,163,914	2,804,769	3,038,945	3,403,770	3,489,095	4,102,243	4,396,155	5,252,556	5,543,801	6,039,090	6,172,847	6,642,436	6,843,083	6,876,909	6,911,208	6,946,296	6,982,085	7,018,591	
Dallas County				88,233	213,272	417,588	517,916	721,417	793,232	912,452	938,154	1,165,883	1,268,897	1,456,296	1,498,444	1,614,646	1,651,658	1,810,261	1,871,086	1,871,086	1,871,086	1,871,086	1,871,086	1,871,086	1,871,086
Parkland				101,408	245,118	479,943	593,255	828,140	911,679	1,048,700	1,075,941	1,329,974	1,454,370	1,673,718	1,722,194	1,855,747	1,898,286	2,060,584	2,150,479	2,150,479	2,150,479	2,150,479	2,150,479	2,150,479	
DCCD				45,092	108,994	213,411	264,688	368,686	405,387	466,315	478,428	595,833	646,479	744,235	765,791	825,176	844,992	925,157	956,232	956,232	956,232	956,232	956,232	956,232	
Grand Prairie ISD				578,905	1,399,294	2,739,831	3,398,108	4,733,282	5,204,465	5,998,673	6,142,196	7,649,491	8,325,342	9,554,688	9,831,421	10,593,831	10,838,669	11,877,407	12,278,358	12,278,358	12,278,358	12,278,358	12,278,358	12,278,358	
Total				1,076,316	2,811,216	5,661,921	6,839,881	9,457,295	10,383,708	11,817,910	12,191,804	14,683,395	16,087,243	18,691,483	19,361,680	20,928,459	21,403,651	23,336,874	24,097,236	24,130,962	24,165,391	24,200,449	24,236,238	24,272,744	24,309,472
	PV																								
PARTICIPATION																									
REAL PROPERTY				36,290,000	87,325,000	171,165,000	212,260,000	295,290,000	324,495,000	373,200,000	382,450,000	475,200,000	516,450,000	591,300,000	608,100,000	654,300,000	669,000,000	732,000,000	756,150,000	756,150,000	756,150,000	756,150,000	756,150,000	756,150,000	
City of Grand Prairie				242,874	585,076	1,146,802	1,422,138	1,978,437	2,174,110	2,500,433	2,565,757	3,163,830	3,460,205	3,961,688	4,074,258	4,383,797	4,482,287	4,904,385	5,066,190	5,066,190	5,066,190	5,066,190	5,066,190	5,066,190	
Dallas County				88,124	212,287	416,102	518,004	717,850	788,847	907,249	930,951	1,155,211	1,255,460	1,437,450	1,478,291	1,590,603	1,626,339	1,779,492	1,838,201	1,838,201	1,838,201	1,838,201	1,838,201	1,838,201	
Parkland				101,283	243,986	478,295	593,054	826,040	905,639	1,042,721	1,099,962	1,327,708	1,442,961	1,652,092	1,699,031	1,828,114	1,869,186	2,045,208	2,112,683	2,112,683	2,112,683	2,112,683	2,112,683	2,112,683	
DCCD				45,038	108,491	213,852	293,708	398,922	403,146	463,656	475,760	580,379	641,627	734,619	755,491	812,869	831,152	909,422	939,428	939,428	939,428	939,428	939,428	939,428	
Grand Prairie ISD				578,186	1,392,834	2,730,042	3,385,547	4,709,876	5,175,995	5,852,540	6,108,053	7,579,440	8,237,378	9,431,235	9,696,195	10,436,085	10,670,550	11,675,400	12,060,563	12,060,563	12,060,563	12,060,563	12,060,563	12,060,563	
Total				1,058,904	2,542,673	4,983,873	6,180,451	8,598,065	9,446,438	10,866,099	11,150,493	13,836,669	15,037,661	17,217,095	17,706,267	19,081,489	19,479,614	21,313,908	22,017,092	22,017,092	22,017,092	22,017,092	22,017,092	22,017,092	
	PV																								
PERSONAL PROPERTY				45,000	405,000	611,250	787,500	1,497,500	1,803,750	2,140,000	2,140,000	4,390,000	5,515,000	7,740,000	8,290,000	9,890,000	10,415,000	12,665,000	13,527,500	13,527,500	13,527,500	13,527,500	13,527,500	13,527,500	
City of Grand Prairie				301	2,713																				

Financial Feasibility Analysis

ADZ#2: INPUT & OUTPUT

INPUT

INFLATION RATE	2.00%
----------------	-------

DISCOUNT RATE	6.00%
---------------	-------

REAL PROPERTY TAX	PARTICIPATION	
City of Grand Prairie	0.66999800	100%
Dallas County	0.24310000	0%
Parkland	0.27940000	0%
DCCD	0.12423800	0%
Grand Prairie ISD	1.59500000	0%
	2.91173600	0.66999800

PERSONAL PROPERTY TAX	PARTICIPATION	
City of Grand Prairie	0.66999800	0%
Dallas County	0.24310000	0%
Parkland	0.27940000	0%
DCCD	0.12423800	0%
Grand Prairie ISD	1.59500000	0%
	2.91173600	0.00000000

SALES TAX RATE	0.02000000	0.00%	0.00000000
----------------	------------	-------	------------

AREA DEVELOPMENT ZONE #2		Year	AREA S/F/PAIRS	REAL PROPERTY \$/SF TAX VALUE	PERSONAL PROPERTY \$/SF TAX VALUE	SALES \$/SF TAX VALUE
Restaurant	2019	6,000	\$ 200	\$ 1,200,000	\$ 15.00	\$ 90,000
Park Improvements	2021	-	\$ -	\$ -	\$ -	\$ -
MultiFamily	2022	225	\$ 130,000	\$ 29,250,000	\$ -	\$ -
Restaurant	2022	10,000	\$ 200	\$ 2,000,000	\$ 15.00	\$ 150,000
Retail	2022	6,000	\$ 180	\$ 1,080,000	\$ 5.00	\$ 30,000
Office	2022	15,000	\$ 140	\$ 2,100,000	\$ 5.00	\$ 75,000
MultiFamily	2022	320	\$ 130,000	\$ 41,600,000	\$ -	\$ -
MultiFamily	2024	280	\$ 130,000	\$ 36,400,000	\$ -	\$ -
MultiFamily	2026	250	\$ 130,000	\$ 32,500,000	\$ -	\$ -
MultiFamily	2028	280	\$ 130,000	\$ 36,400,000	\$ -	\$ -
MultiFamily	2030	320	\$ 130,000	\$ 41,600,000	\$ -	\$ -
TOTAL				\$ 224,130,000	\$ 345,000	\$ 6,700,000

OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	25.4%	\$ 25,478,678	= \$ 22,470,736	+ \$ 54,193
Dallas County	8.1%	\$ 8,172,875	= \$ 8,153,212	+ \$ -
Parkland	9.3%	\$ 9,393,280	= \$ 9,370,660	+ \$ 22,599
DCCD	4.1%	\$ 4,176,807	= \$ 4,166,758	+ \$ 10,049
Grand Prairie ISD	63.1%	\$ 53,822,939	= \$ 53,493,927	+ \$ 129,012
	100.0%	\$ 101,944,559	= \$ 97,655,284	+ \$ 235,516
	100.0%		86.6%	0.2%
				3.1%

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	100.0%	\$ 22,470,736	= \$ 22,470,736	+ \$ -
Dallas County	0.0%	\$ -	= \$ -	+ \$ -
Parkland	0.0%	\$ -	= \$ -	+ \$ -
DCCD	0.0%	\$ -	= \$ -	+ \$ -
Grand Prairie ISD	0.0%	\$ -	= \$ -	+ \$ -
	100.0%	\$ 22,470,736	= \$ 22,470,736	+ \$ -
	100.0%		100.0%	0.0%

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	4.1%	\$ 3,207,843	= \$ -	+ \$ 54,193
Dallas County	10.4%	\$ 8,172,875	= \$ 8,153,212	+ \$ 19,663
Parkland	12.0%	\$ 9,393,280	= \$ 9,370,660	+ \$ 22,599
DCCD	5.3%	\$ 4,176,807	= \$ 4,166,758	+ \$ 10,049
Grand Prairie ISD	68.2%	\$ 53,822,939	= \$ 53,493,927	+ \$ 129,012
	100.0%	\$ 78,573,823	= \$ 75,184,558	+ \$ 3,153,750
	100.0%		95.7%	0.3%
				4.0%

Financial Feasibility Analysis

ADZ#3: INPUT & OUTPUT

► INPUT

INFLATION RATE	2.00%
----------------	-------

DISCOUNT RATE	6.00%
---------------	-------

REAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66999800	100%	0.66999800
Dallas County	0.24310000	0%	0.00000000
Parkland	0.27940000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.59500000	0%	0.00000000
	2.91173600		0.66999800

PERSONAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66999800	0%	0.00000000
Dallas County	0.24310000	0%	0.00000000
Parkland	0.27940000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.59500000	0%	0.00000000
	2.91173600		0.00000000

Sales Tax Rate	0.02000000	0.00%	0.00000000
----------------	------------	-------	------------

AREA DEVELOPMENT ZONE #3		Year	AREA SF/UNITS	REAL PROPERTY \$ / SF	REAL PROPERTY TAX VALUE	PERSONAL PROPERTY \$ / SF	PERSONAL PROPERTY TAX VALUE	SALES \$ / SF	SALES TAX VALUE
	Industrial	2030	500,000	70.00	35,000,000	-	-	-	-
TOTAL					35,000,000		-		-

► OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	23.0%	\$ 2,860,826	\$ 2,860,826	\$ -
Dallas County	8.3%	\$ 1,038,013	\$ 1,038,013	\$ -
Parkland	9.6%	\$ 1,193,011	\$ 1,193,011	\$ -
DCCD	4.3%	\$ 530,484	\$ 530,484	\$ -
Grand Prairie ISD	64.8%	\$ 6,810,494	\$ 6,810,494	\$ -
	100.0%	\$ 12,432,828	\$ 12,432,828	\$ -
		100.0%	100.0%	0.0%

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	100.0%	\$ 2,860,826	\$ 2,860,826	\$ -
Dallas County	0.0%	\$ -	\$ -	\$ -
Parkland	0.0%	\$ -	\$ -	\$ -
DCCD	0.0%	\$ -	\$ -	\$ -
Grand Prairie ISD	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 2,860,826	\$ 2,860,826	\$ -
		100.0%	100.0%	0.0%

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	0.0%	\$ -	\$ -	\$ -
Dallas County	10.8%	\$ 1,038,013	\$ 1,038,013	\$ -
Parkland	12.5%	\$ 1,193,011	\$ 1,193,011	\$ -
DCCD	5.5%	\$ 530,484	\$ 530,484	\$ -
Grand Prairie ISD	71.2%	\$ 6,810,494	\$ 6,810,494	\$ -
	100.0%	\$ 9,572,002	\$ 9,572,002	\$ -
		100.0%	100.0%	0.0%

Financial Feasibility Analysis

ADZ#4 : INPUT & OUTPUT

▶ INPUT

INFLATION RATE	2.00%
----------------	-------

DISCOUNT RATE	6.00%
---------------	-------

REAL PROPERTY TAX	PARTICIPATION	
City of Grand Prairie	0.66999800	100%
Dallas County	0.24310000	0%
Parkland	0.27940000	0%
DCCD	0.12423800	0%
Grand Prairie ISD	1.59600000	0%
	2.91173600	0.66999800

PERSONAL PROPERTY TAX	PARTICIPATION	
City of Grand Prairie	0.66999800	0%
Dallas County	0.24310000	0%
Parkland	0.27940000	0%
DCCD	0.12423800	0%
Grand Prairie ISD	1.59600000	0%
	2.91173600	0.00000000

Sales Tax Rate	0.0200000	0.00%	0.00000000
----------------	-----------	-------	------------

AREA DEVELOPMENT ZONE #4		Year	AREA SF	REAL PROPERTY \$ / SF	REAL PROPERTY TAX VALUE	PERSONAL PROPERTY \$ / SF	PERSONAL PROPERTY TAX VALUE	SALES \$ / SF	SALES TAX VALUE
	Industrial	2025	900,000	\$ 70.00	\$ 63,000,000	\$ -	\$ -	\$ -	\$ -
	Industrial	2030	500,000	\$ 70.00	\$ 35,000,000				
TOTAL					98,000,000				

▶ OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	23.0%	\$ 9,698,708	\$ 9,698,708	\$ -
Dallas County	8.3%	\$ 3,519,049	\$ 3,519,049	\$ -
Parkland	9.6%	\$ 4,044,518	\$ 4,044,518	\$ -
DCCD	4.3%	\$ 1,798,435	\$ 1,798,435	\$ -
Grand Prairie ISD	54.8%	\$ 23,088,784	\$ 23,088,784	\$ -
	100.0%	\$ 42,149,494	\$ 42,149,494	\$ -
		100.0%	100.0%	0.0%

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	100.0%	\$ 9,698,708	\$ 9,698,708	\$ -
Dallas County	0.0%	\$ -	\$ -	\$ -
Parkland	0.0%	\$ -	\$ -	\$ -
DCCD	0.0%	\$ -	\$ -	\$ -
Grand Prairie ISD	0.0%	\$ -	\$ -	\$ -
	100.0%	\$ 9,698,708	\$ 9,698,708	\$ -
		100.0%	100.0%	0.0%

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	0.0%	\$ -	\$ -	\$ -
Dallas County	10.8%	\$ 3,519,049	\$ 3,519,049	\$ -
Parkland	12.6%	\$ 4,044,518	\$ 4,044,518	\$ -
DCCD	5.6%	\$ 1,798,435	\$ 1,798,435	\$ -
Grand Prairie ISD	71.2%	\$ 23,088,784	\$ 23,088,784	\$ -
	100.0%	\$ 32,450,786	\$ 32,450,786	\$ -
		100.0%	100.0%	0.0%

Financial Feasibility Analysis

TAX REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

Calendar Year	0	0	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
TOTAL TAX REVENUE																									
	% OCCUPIED Taxable Value	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	PV																								
REAL PROPERTY																									
City of Grand Prairie	3,763,718	-	-	-	-	-	-	-	211,049	316,574	422,099	422,099	539,348	597,973	656,598	699,730	683,125	696,787	710,723	724,937	739,436	754,225	769,309	784,695	GROSS 9,699,709
Dallas County	1,372,872	-	-	-	-	-	-	-	76,577	114,885	153,153	153,153	195,696	216,967	236,238	243,003	247,863	252,820	257,876	263,024	268,295	273,661	279,134	284,716	3,519,049
Parkland	1,577,871	-	-	-	-	-	-	-	88,011	132,017	176,022	176,022	224,917	246,365	273,812	279,268	284,874	290,571	296,363	302,311	308,357	314,524	320,814	327,231	4,044,518
DCCD	791,616	-	-	-	-	-	-	-	39,135	58,702	78,270	78,270	100,012	110,882	121,753	124,188	126,672	129,209	131,790	134,425	137,114	139,856	142,653	145,506	1,798,435
Grand Prairie ISD	8,007,534	-	-	-	-	-	-	-	502,425	753,638	1,004,850	1,004,850	1,283,975	1,423,538	1,563,100	1,594,362	1,626,249	1,658,774	1,691,950	1,725,789	1,760,304	1,795,511	1,831,421	1,868,049	23,088,784
Total	12,523,511								917,187	1,376,795	1,834,394	1,834,394	2,343,947	2,598,724	2,853,601	2,910,571	2,968,783	3,028,168	3,088,722	3,150,496	3,213,606	3,277,776	3,343,332	3,410,198	27,276,626
	% OCCUPIED Taxable Value	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	PV																								
PERSONAL PROPERTY																									
City of Grand Prairie	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	GROSS -
Dallas County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parkland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DCCD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Prairie ISD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-																								
	% OCCUPIED Taxable Value	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	PV																								
SALES TAX																									
City of Grand Prairie	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	GROSS -
Dallas County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parkland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DCCD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Prairie ISD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-																								
	% OCCUPIED Taxable Value	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	PV																								
SUMMARY																									
City of Grand Prairie	3,763,718	-	-	-	-	-	-	-	211,049	316,574	422,099	422,099	539,348	597,973	656,598	699,730	683,125	696,787	710,723	724,937	739,436	754,225	769,309	784,695	GROSS 9,699,709
Dallas County	1,372,872	-	-	-	-	-	-	-	76,577	114,885	153,153	153,153	195,696	216,967	236,238	243,003	247,863	252,820	257,876	263,024	268,295	273,661	279,134	284,716	3,519,049
Parkland	1,577,871	-	-	-	-	-	-	-	88,011	132,017	176,022	176,022	224,917	246,365	273,812	279,268	284,874	290,571	296,363	302,311	308,357	314,524	320,814	327,231	4,044,518
DCCD	791,616	-	-	-	-	-	-	-	39,135	58,702	78,270	78,270	100,012	110,882	121,753	124,188	126,672	129,209	131,790	134,425	137,114	139,856	142,653	145,506	1,798,435
Grand Prairie ISD	8,007,534	-	-	-	-	-	-	-	502,425	753,638	1,004,850	1,004,850	1,283,975	1,423,538	1,563,100	1,594,362	1,626,249	1,658,774	1,691,950	1,725,789	1,760,304	1,795,511	1,831,421	1,868,049	23,088,784
Total	16,443,632								917,187	1,376,795	1,834,394	1,834,394	2,343,947	2,598,724	2,853,601	2,910,571	2,968,783	3,028,168	3,088,722	3,150,496	3,213,606	3,277,776	3,343,332	3,410,198	27,276,626
PARTICIPATION																									
REAL PROPERTY	Taxable Value	-	-	-	-	-	-	-	31,500,000	47,250,000	63,000,000	63,000,000	80,500,000	89,250,000	98,000,000	99,960,000	101,959,200	103,988,384	106,078,352	108,199,919	110,363,917	112,571,195	114,822,619	117,119,072	GROSS 9,699,709
City of Grand Prairie	3,763,718	-	-	-	-	-	-	-	211,049	316,574	422,099	422,099	539,348	597,973	656,598	699,730	683,125	696,787	710,723	724,937	739,436	754,225	769,309	784,695	9,699,709
Dallas County	-	-	-	-	-	-	-	-	76,577	114,885	153,153	153,153	195,696	216,967	236,238	243,003	247,863	252,820	257,876	263,024	268,295	273,661	279,134	284,716	3,519,049
Parkland	-	-	-	-	-	-	-	-	88,011	132,017	176,022	176,022	224,917	246,365	273,812	279,268	284,874	290,571	296,363	302,311	308,357	314,524	320,814	327,231	4,044,518
DCCD	-	-	-	-	-	-	-	-	39,135	58,702	78,270	78,270	100,012	110,882	121,753	124,188	126,672	129,209	131,790	134,425	137,114	139,856	142,653	145,506	1,798,435
Grand Prairie ISD	-	-	-	-	-	-	-	-	502,425	753,638	1,004,850	1,004,850	1,283,975	1,423,538	1,563,100	1,594,362	1,626,249	1,658,774	1,691,950	1,725,789	1,760,304	1,795,511	1,831,421	1,868,049	23,088,784
Total	3,763,718								211,049	316,574	422,099	422,099	539,348	597,973	656,598	699,730	683,125	696,787	710,723	724,937	739,436	754,225	769,309	784,695	9,699,709
PERSONAL PROPERTY	Taxable Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	GROSS -
City of Grand Prairie	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dallas County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parkland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DCCD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Prairie ISD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-																								
SALES TAX	Taxable Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Grand Prairie	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	GROSS -
Dallas County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parkland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DCCD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Prairie ISD	-	-																							

Financial Feasibility Analysis

ADZ#5 : INPUT & OUTPUT

► INPUT

INFLATION RATE	2.00%
----------------	-------

DISCOUNT RATE	6.00%
---------------	-------

REAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66999800	100%	0.66999800
Dallas County	0.24310000	0%	0.00000000
Parkland	0.27940000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.59500000	0%	0.00000000
	2.91173600		0.66999800

PERSONAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66999800	0%	0.00000000
Dallas County	0.24310000	0%	0.00000000
Parkland	0.27940000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.59500000	0%	0.00000000
	2.91173600		0.00000000

SALES TAX RATE	0.0200000	0.00%	0.0000000
----------------	-----------	-------	-----------

AREA DEVELOPMENT ZONE #5								
	Year	AREA SF/UNITS	REAL PROPERTY \$ / SF	REAL PROPERTY TAX VALUE	PERSONAL PROPERTY \$ / SF	PERSONAL PROPERTY TAX VALUE	SALES \$ / SF	SALES TAX VALUE
Industrial	2022	2,000,000	\$ 70	\$ 140,000,000	\$ -	\$ -	\$ -	\$ -
Multifamily	2026	250	\$ 130,000	\$ 32,500,000				
Multifamily	2028	250	\$ 130,000	\$ 32,500,000				
TOTAL				\$ 205,000,000		\$ -		\$ -

OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES				
City of Grand Prairie	23.0%	\$ 26,201,802	=	\$ 26,201,802	+	\$ -	+	\$ -
Dallas County	8.3%	\$ 9,506,991	=	\$ 9,506,991	+	\$ -	+	\$ -
Parkland	9.0%	\$ 10,926,876	=	\$ 10,926,876	+	\$ -	+	\$ -
DCCD	4.3%	\$ 4,858,811	=	\$ 4,858,811	+	\$ -	+	\$ -
Grand Prairie ISD	54.6%	\$ 62,376,118	=	\$ 62,376,118	+	\$ -	+	\$ -
	100.0%	\$ 113,870,087		\$ 113,870,087		\$ -		\$ -
		100.0%		100.0%		0.0%		0.0%

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES				
City of Grand Prairie	100.0%	\$ 26,201,802	=	\$ 26,201,802	+	\$ -	+	\$ -
Dallas County	0.0%	\$ -	=	\$ -	+	\$ -	+	\$ -
Parkland	0.0%	\$ -	=	\$ -	+	\$ -	+	\$ -
DCCD	0.0%	\$ -	=	\$ -	+	\$ -	+	\$ -
Grand Prairie ISD	0.0%	\$ -	=	\$ -	+	\$ -	+	\$ -
	100.0%	\$ 26,201,802		\$ 26,201,802		\$ -		\$ -
		100.0%		100.0%		0.0%		0.0%

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES				
City of Grand Prairie	0.0%	\$ -	=	\$ -	+	\$ -	+	\$ -
Dallas County	70.8%	\$ 9,506,991	=	\$ 9,506,991	+	\$ -	+	\$ -
Parkland	12.5%	\$ 10,926,876	=	\$ 10,926,876	+	\$ -	+	\$ -
DCCD	5.5%	\$ 4,858,811	=	\$ 4,858,811	+	\$ -	+	\$ -
Grand Prairie ISD	71.2%	\$ 62,376,118	=	\$ 62,376,118	+	\$ -	+	\$ -
	100.0%	\$ 87,668,284		\$ 87,668,284		\$ -		\$ -
		100.0%		100.0%		0.0%		0.0%

Financial Feasibility Analysis

TAX REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

Calendar Year		0	0	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
TOTAL TAX REVENUE																									
	% OCCUPIED Taxable Value	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
REAL PROPERTY		-	-	-	-	70,000,000	105,000,000	140,000,000	140,000,000	156,250,000	164,375,000	188,750,000	196,875,000	205,000,000	208,100,000	213,282,000	217,547,640	221,898,563	226,336,565	230,863,296	235,480,562	240,190,173	244,993,977	249,893,856	254,891,733
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Grand Prairie	#REF!	-	-	-	-	498,999	703,498	937,997	937,997	1,048,872	1,101,309	1,264,621	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
Dallas County	#REF!	-	-	-	-	170,170	255,255	340,340	340,340	379,844	399,596	458,851	478,603	498,355	508,322	518,489	528,858	538,435	550,224	561,229	572,453	583,902	595,580	607,492	619,642
Parkland	4,555,588	-	-	-	-	195,580	293,370	391,160	391,160	436,563	459,264	527,368	550,099	572,770	584,225	595,910	607,828	619,985	632,384	645,032	657,933	671,091	684,513	698,203	712,168
DCCD	2,025,687	-	-	-	-	86,967	130,450	173,933	173,933	194,122	204,216	234,499	244,594	254,688	259,782	264,877	270,277	275,882	281,196	286,820	292,556	298,407	304,378	310,463	316,672
Grand Prairie ISD	26,905,296	-	-	-	-	1,116,500	1,674,750	2,233,000	2,233,000	2,492,188	2,621,781	3,010,563	3,140,156	3,269,750	3,335,145	3,401,848	3,469,865	3,539,283	3,610,098	3,682,270	3,755,915	3,831,033	3,907,664	3,985,807	4,065,523
Total	47,475,523	-	-	-	-	2,038,215	3,057,323	4,076,430	4,076,430	4,549,688	4,786,168	5,495,902	5,732,480	5,969,059	6,088,440	6,210,209	6,334,413	6,461,101	6,590,323	6,722,130	6,856,872	6,993,704	7,133,578	7,276,249	7,421,774
	GROSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PERSONAL PROPERTY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Grand Prairie	#REF!	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dallas County	#REF!	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parkland	#REF!	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DCCD	#REF!	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Prairie ISD	#REF!	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GROSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SALES TAX		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GROSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUMMARY																									
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Grand Prairie	10,924,242	-	-	-	-	498,999	703,498	937,997	937,997	1,048,872	1,101,309	1,264,621	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
Dallas County	3,963,718	-	-	-	-	170,170	255,255	340,340	340,340	379,844	399,596	458,851	478,603	498,355	508,322	518,489	528,858	538,435	550,224	561,229	572,453	583,902	595,580	607,492	619,642
Parkland	4,555,588	-	-	-	-	195,580	293,370	391,160	391,160	436,563	459,264	527,368	550,099	572,770	584,225	595,910	607,828	619,985	632,384	645,032	657,933	671,091	684,513	698,203	712,168
DCCD	2,025,687	-	-	-	-	86,967	130,450	173,933	173,933	194,122	204,216	234,499	244,594	254,688	259,782	264,877	270,277	275,882	281,196	286,820	292,556	298,407	304,378	310,463	316,672
Grand Prairie ISD	26,905,296	-	-	-	-	1,116,500	1,674,750	2,233,000	2,233,000	2,492,188	2,621,781	3,010,563	3,140,156	3,269,750	3,335,145	3,401,848	3,469,865	3,539,283	3,610,098	3,682,270	3,755,915	3,831,033	3,907,664	3,985,807	4,065,523
Total	47,475,523	-	-	-	-	2,038,215	3,057,323	4,076,430	4,076,430	4,549,688	4,786,168	5,495,902	5,732,480	5,969,059	6,088,440	6,210,209	6,334,413	6,461,101	6,590,323	6,722,130	6,856,872	6,993,704	7,133,578	7,276,249	7,421,774
	GROSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PARTICIPATION																									
REAL PROPERTY	Taxable Value	-	-	-	-	70,000,000	105,000,000	140,000,000	140,000,000	156,250,000	164,375,000	188,750,000	196,875,000	205,000,000	208,100,000	213,282,000	217,547,640	221,898,563	226,336,565	230,863,296	235,480,562	240,190,173	244,993,977	249,893,856	254,891,733
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Grand Prairie	10,924,242	-	-	-	-	498,999	703,498	937,997	937,997	1,048,872	1,101,309	1,264,621	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
Dallas County	3,963,718	-	-	-	-	170,170	255,255	340,340	340,340	379,844	399,596	458,851	478,603	498,355	508,322	518,489	528,858	538,435	550,224	561,229	572,453	583,902	595,580	607,492	619,642
Parkland	4,555,588	-	-	-	-	195,580	293,370	391,160	391,160	436,563	459,264	527,368	550,099	572,770	584,225	595,910	607,828	619,985	632,384	645,032	657,933	671,091	684,513	698,203	712,168
DCCD	2,025,687	-	-	-	-	86,967	130,450	173,933	173,933	194,122	204,216	234,499	244,594	254,688	259,782	264,877	270,277	275,882	281,196	286,820	292,556	298,407	304,378	310,463	316,672
Grand Prairie ISD	26,905,296	-	-	-	-	1,116,500	1,674,750	2,233,000	2,233,000	2,492,188	2,621,781	3,010,563	3,140,156	3,269,750	3,335,145	3,401,848	3,469,865	3,539,283	3,610,098	3,682,270	3,755,915	3,831,033	3,907,664	3,985,807	4,065,523
Total	10,924,242	-	-	-	-	498,999	703,498	937,997	937,997	1,048,872	1,101,309	1,264,621	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
	GROSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PERSONAL PROPERTY	Taxable Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Grand Prairie	#REF!	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dallas County	#REF!	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parkland	#REF!	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DCCD	#REF!	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Prairie ISD	#REF!	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GROSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SALES TAX	Taxable Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GROSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUMMARY																									
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Grand Prairie	10,924,242	-	-	-	-	498,999	703,498	937,997	937,997	1,048,872	1,101,309	1,264,621	1,319,059	1,373,496	1,400,966	1,428,985	1,457,565	1,486,716	1,516,450	1,546,779	1,577,715	1,609,269	1,641,455	1,674,284	1,707,770
Dallas County	3,963,718	-	-	-	-	170,170	255,255	340,340	340,340	379,844	399,596	45													

Financial Feasibility Analysis

ADZ#6 : INPUT & OUTPUT

► INPUT

INFLATION RATE	2.00%
----------------	-------

DISCOUNT RATE	6.00%
---------------	-------

REAL PROPERTY TAX		PARTICIPATION	
Tarrant County	0.24400000	50%	0.12200000
	2.91263600		0.79199800

PERSONAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66999800	0%	0.00000000
Parkland	0.27940000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.69500000	0%	0.00000000
Tarrant County	0.24400000	0%	0.00000000
	2.91263600		0.00000000

SALES TAX RATE	0.02000000	0.00%	0.00000000
----------------	------------	-------	------------

AREA DEVELOPMENT ZONE #6		Year	AREA SF/UNITS	REAL PROPERTY \$ / SF	REAL PROPERTY TAX VALUE	PERSONAL PROPERTY \$ / SF	PERSONAL PROPERTY TAX VALUE	SALES \$ / SF	SALES TAX VALUE
Hotel	2021	250	\$ 110,000	\$ 27,500,000	\$ -	\$ -	\$ -	\$ -	
Multifamily	2021	300	\$ 130,000	\$ 39,000,000					
Convention Space	2021	-	\$ -	\$ -					
Multifamily	2023	300	\$ 130,000	\$ 39,000,000					
TOTAL		850	\$ 105,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	

OUTPUT

TOTAL TAX REVENUE		TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	23.0%	\$ 15,920,147	\$ 15,920,147	\$ -	\$ -
Parkland	9.6%	\$ 6,638,959	\$ 6,638,959	\$ -	\$ -
DCCD	4.3%	\$ 2,952,079	\$ 2,952,079	\$ -	\$ -
Grand Prairie ISD	54.8%	\$ 37,899,568	\$ 37,899,568	\$ -	\$ -
Tarrant County	8.4%	\$ 5,797,802	\$ 5,797,802	\$ -	\$ -
	100.0%	\$ 69,208,556	\$ 69,208,556	\$ -	\$ -
		100.0%	100.0%	0.0%	0.0%

TOTAL PARTICIPATION		TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	84.6%	\$ 15,920,147	\$ 15,920,147	\$ -	\$ -
Parkland	0.0%	\$ -	\$ -	\$ -	\$ -
DCCD	0.0%	\$ -	\$ -	\$ -	\$ -
Grand Prairie ISD	0.0%	\$ -	\$ -	\$ -	\$ -
Tarrant County	15.4%	\$ 2,898,901	\$ 2,898,901	\$ -	\$ -
	100.0%	\$ 19,819,048	\$ 19,819,048	\$ -	\$ -
		100.0%	100.0%	0.0%	0.0%

NET BENEFIT		TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Grand Prairie	0.0%	\$ -	\$ -	\$ -	\$ -
Parkland	14.0%	\$ 6,638,959	\$ 6,638,959	\$ -	\$ -
DCCD	6.2%	\$ 2,952,079	\$ 2,952,079	\$ -	\$ -
Grand Prairie ISD	79.8%	\$ 37,899,568	\$ 37,899,568	\$ -	\$ -
Tarrant County	6.1%	\$ 2,898,901	\$ 2,898,901	\$ -	\$ -
	100.0%	\$ 47,490,607	\$ 47,490,607	\$ -	\$ -
		100.0%	100.0%	0.0%	0.0%

Financial Feasibility Analysis

ADZ#7 : INPUT & OUTPUT

▶ INPUT

INFLATION RATE	2.00%
----------------	-------

DISCOUNT RATE	6.00%
---------------	-------

REAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66998800	100%	0.66998800
Dallas County	0.24310000	0%	0.00000000
Parkland	0.27940000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.69500000	0%	0.00000000
	2.91173600		0.66998800

PERSONAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.66998800	0%	0.00000000
Dallas County	0.24310000	0%	0.00000000
Parkland	0.27940000	0%	0.00000000
DCCD	0.12423800	0%	0.00000000
Grand Prairie ISD	1.69500000	0%	0.00000000
	2.91173600		0.00000000

SALES TAX RATE	0.0200000	0.00%	0.00000000
----------------	-----------	-------	------------

AREA DEVELOPMENT ZONE #7	Year	AREA SFAUNITS	REAL PROPERTY		PERSONAL PROPERTY		SALES	
			\$ / SF	TAX VALUE	\$ / SF	TAX VALUE	\$ / SF	TAX VALUE
Retail	2019	-	\$ 600,000	\$ 90,000,000	\$ 5.00	\$ 2,500,000	\$ 250.00	\$ 125,000,000
Multifamily	2020	300	\$ -	\$ 39,000,000			\$ -	\$ -
Hotel	2020	110	\$ -	\$ 12,100,000			\$ -	\$ -
Restaurant	2021	-	\$ 75,000	\$ 15,000,000	\$ 15.00	\$ 1,125,000	\$ 325.00	\$ 24,375,000
Hotel	2021	125	\$ -	\$ 13,750,000			\$ -	\$ -
Restaurant	2021	-	\$ 60,000	\$ 10,000,000	\$ 15.00	\$ 750,000	\$ 325.00	\$ 16,250,000
Hotel	2023	125	\$ -	\$ 13,750,000			\$ -	\$ -
TOTAL		660	\$ 193,600,000	\$ 4,375,000	\$ 165,625,000			

OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES				
City of Grand Prairie	52.0%	\$ 124,781,714	=	\$ 33,585,205	+	\$ 789,271	+	\$ 90,407,238
Dallas County	5.2%	\$ 12,472,329	=	\$ 12,185,952	+	\$ 286,377	+	\$ -
Parkland	6.0%	\$ 14,334,712	=	\$ 14,005,574	+	\$ 329,139	+	\$ -
DCCD	2.7%	\$ 6,374,073	=	\$ 6,227,718	+	\$ 146,355	+	\$ -
Grand Prairie ISD	34.1%	\$ 81,832,020	=	\$ 79,953,078	+	\$ 1,878,942	+	\$ -
	100.0%	\$ 239,796,848		\$ 145,957,527		\$ 3,430,084		\$ 90,407,238
		100.0%		60.9%		1.4%		37.7%

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES				
City of Grand Prairie	100.0%	\$ 33,585,205	=	\$ 33,585,205	+	\$ -	+	\$ -
Dallas County	0.0%	\$ -	=	\$ -	+	\$ -	+	\$ -
Parkland	0.0%	\$ -	=	\$ -	+	\$ -	+	\$ -
DCCD	0.0%	\$ -	=	\$ -	+	\$ -	+	\$ -
Grand Prairie ISD	0.0%	\$ -	=	\$ -	+	\$ -	+	\$ -
	100.0%	\$ 33,585,205		\$ 33,585,205		\$ -		\$ -
		100.0%		100.0%		0.0%		0.0%

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES				
City of Grand Prairie	44.2%	\$ 91,196,509	=	\$ -	+	\$ 789,271	+	\$ 90,407,238
Dallas County	6.0%	\$ 12,472,329	=	\$ 12,185,952	+	\$ 286,377	+	\$ -
Parkland	7.0%	\$ 14,334,712	=	\$ 14,005,574	+	\$ 329,139	+	\$ -
DCCD	3.1%	\$ 6,374,073	=	\$ 6,227,718	+	\$ 146,355	+	\$ -
Grand Prairie ISD	39.7%	\$ 81,832,020	=	\$ 79,953,078	+	\$ 1,878,942	+	\$ -
	100.0%	\$ 206,799,643		\$ 112,372,321		\$ 3,430,084		\$ 90,407,238
		100.0%		54.5%		1.7%		43.6%

Financial Feasibility Analysis

TAX REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

Calendar Year	0	0	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
TOTAL TAX REVENUE																									
	% OCCUPIED	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Taxable Value	80,000,000	141,100,000	179,850,000	179,850,000	193,600,000	197,472,000	201,421,440	205,449,889	209,558,866	213,750,043	218,025,044	222,385,945	226,833,256	231,369,621	235,997,320	240,717,266	245,531,611	250,442,244	255,451,089	260,560,110	265,771,313	271,088,739	276,508,474	
REAL PROPERTY																									
	PIV	15,748,741	802,998	945,367	1,204,991	1,204,991	1,297,116	1,323,058	1,349,520	1,376,510	1,404,040	1,432,121	1,460,763	1,489,979	1,519,778	1,550,174	1,581,177	1,612,801	1,645,057	1,677,958	1,711,517	1,745,748	1,780,662	1,816,276	1,852,601
City of Grand Prairie																									
Dallas County																									
Parkland																									
DCCD																									
Grand Prairie ISD																									
Total																									
	PIV	15,748,741	802,998	945,367	1,204,991	1,204,991	1,297,116	1,323,058	1,349,520	1,376,510	1,404,040	1,432,121	1,460,763	1,489,979	1,519,778	1,550,174	1,581,177	1,612,801	1,645,057	1,677,958	1,711,517	1,745,748	1,780,662	1,816,276	1,852,601
GROSS																									
	PIV	33,585,205	12,985,092	14,006,974	18,277,982	18,277,982	19,574,174	19,900,076	20,226,596	20,552,716	20,878,836	21,204,956	21,531,076	21,857,196	22,183,316	22,509,436	22,835,556	23,161,676	23,487,796	23,813,916	24,140,036	24,466,156	24,792,276	25,118,396	25,444,516
PERSONAL PROPERTY																									
	PIV	2,900,000	2,900,000	4,375,000	4,462,500	4,551,750	4,642,785	4,735,941	4,830,354	4,926,961	5,025,500	5,126,010	5,228,530	5,333,101	5,439,763	5,548,558	5,659,529	5,772,720	5,888,174	6,005,937	6,126,056	6,248,577	6,373,549	6,501,020	
City of Grand Prairie																									
Dallas County																									
Parkland																									
DCCD																									
Grand Prairie ISD																									
Total																									
	PIV	789,271	789,271	1,183,864	1,211,876	1,240,913	1,270,478	1,300,673	1,331,498	1,362,963	1,395,078	1,427,853	1,461,298	1,495,423	1,529,228	1,563,713	1,598,888	1,634,763	1,671,348	1,708,643	1,746,648	1,785,373	1,824,818	1,864,983	1,905,868
GROSS																									
	PIV	14,269,574	14,269,574	21,403,111	21,403,111	22,326,657	22,326,657	23,151,247	23,151,247	23,975,837	23,975,837	24,800,427	24,800,427	25,625,017	25,625,017	26,449,607	26,449,607	27,274,197	27,274,197	28,100,787	28,100,787	28,926,377	28,926,377	29,751,967	29,751,967
SALES TAX																									
	PIV	2,858,272	2,858,272	4,287,408	4,287,408	4,511,496	4,511,496	4,735,584	4,735,584	4,959,672	4,959,672	5,183,760	5,183,760	5,407,848	5,407,848	5,631,936	5,631,936	5,856,024	5,856,024	6,080,112	6,080,112	6,304,200	6,304,200	6,528,288	6,528,288
Total																									
	PIV	80,000,000	141,100,000	179,850,000	179,850,000	193,600,000	197,472,000	201,421,440	205,449,889	209,558,866	213,750,043	218,025,044	222,385,945	226,833,256	231,369,621	235,997,320	240,717,266	245,531,611	250,442,244	255,451,089	260,560,110	265,771,313	271,088,739	276,508,474	
SALES TAX																									
	PIV	2,858,272	2,858,272	4,287,408	4,287,408	4,511,496	4,511,496	4,735,584	4,735,584	4,959,672	4,959,672	5,183,760	5,183,760	5,407,848	5,407,848	5,631,936	5,631,936	5,856,024	5,856,024	6,080,112	6,080,112	6,304,200	6,304,200	6,528,288	
Total																									
SUMMARY																									
	PIV	58,974,936	3,119,748	3,462,117	4,546,804	4,613,640	4,773,838	4,869,417	4,966,805	5,066,144	5,167,464	5,270,813	5,376,229	5,483,754	5,593,429	5,705,298	5,819,403	5,935,792	6,054,507	6,175,598	6,299,109	6,425,092	6,553,584	6,684,695	6,818,359
City of Grand Prairie																									
Dallas County																									
Parkland																									
DCCD																									
Grand Prairie ISD																									
Total																									
	PIV	124,781,714	124,781,714	181,234,129	181,234,129	190,926,653	190,926,653	195,162,021	195,162,021	199,397,389	199,397,389	203,632,757	203,632,757	207,868,125	207,868,125	212,103,493	212,103,493	216,338,861	216,338,861	220,574,229	220,574,229	224,809,597	224,809,597	229,044,965	229,044,965
GROSS																									
	PIV	14,006,974	14,006,974	20,878,836	20,878,836	21,900,076	21,900,076	22,326,596	22,326,596	22,753,116	22,753,116	23,179,636	23,179,636	23,606,156	23,606,156	24,032,676	24,032,676	24,459,196	24,459,196	24,885,716	24,885,716	25,312,236	25,312,236	25,738,756	25,738,756
SALES TAX																									
	PIV	2,858,272	2,858,272	4,287,408	4,287,408	4,511,496	4,511,496	4,735,584	4,735,584	4,959,672	4,959,672	5,183,760	5,183,760	5,407,848	5,407,848	5,631,936	5,631,936	5,856,024	5,856,024	6,080,112	6,080,112	6,304,200	6,304,200	6,528,288	
Total																									
SUMMARY																									
	PIV	43,225,157	2,516,750	2,516,750	3,341,812	3,408,549	3,476,822	3,546,358	3,617,285	3,689,631	3,763,424	3,838,892	3,915,466	3,993,775	4,073,851	4,155,124	4,238,228	4,322,991	4,409,451	4,497,940	4,587,562	4,679,344	4,772,931	4,869,390	4,965,757
City of Grand Prairie																									
Dallas County																									
Parkland																									
DCCD																									
Grand Prairie ISD																									
Total																									
	PIV	2,858,272	2,858,272	4,287,408	4,287,408	4,511,496	4,511,496	4,735,584	4,735,584	4,959,672	4,959,672	5,183,760	5,183,760	5,407,848	5,407,848	5,631,936	5,631,936	5,856,024	5,856,024	6,080,112	6,080,112	6,304,200	6,304,200	6,528,288	
Total																									
TOTAL TAX REVENUE - PARTICIPATION = NET BENEFIT																									
SUMMARY																									
	PIV	43,225,157	2,516,750	2,516,750	3,341,812	3,408,549	3,476,822	3,546,358	3,617,285	3,689,631	3,763,424	3,838,892	3,915,466	3,993,775	4,073,851	4,155,124	4,238,228	4,322,991	4,409,451	4,497,940	4,587,562	4,679,344	4,772,931	4,869,390	4,965,757
City of Grand Prairie																									

Financial Feasibility Analysis

ADZ#8 : INPUT & OUTPUT

▶ INPUT

INFLATION RATE	2.00%
----------------	-------

DISCOUNT RATE	6.00%
---------------	-------

REAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.6699800	100%	0.6699800
Dallas County	0.24310000	0%	0.0000000
Parkland	0.27940000	0%	0.0000000
DCCD	0.12423800	0%	0.0000000
Grand Prairie ISD	1.59500000	0%	0.0000000
	2.91173600		0.6699800

PERSONAL PROPERTY TAX		PARTICIPATION	
City of Grand Prairie	0.6699800	0%	0.0000000
Dallas County	0.24310000	0%	0.0000000
Parkland	0.27940000	0%	0.0000000
DCCD	0.12423800	0%	0.0000000
Grand Prairie ISD	1.59500000	0%	0.0000000
	2.91173600		0.0000000

SALES TAX RATE	0.0200000	0.00%	0.0000000
----------------	-----------	-------	-----------

AREA DEVELOPMENT ZONE #8	Year	AREA SF/UNITS	REAL PROPERTY		PERSONAL PROPERTY		SALES	
			\$ / SF	TAX VALUE	\$ / SF	TAX VALUE	\$ / SF	TAX VALUE
Restaurant	2023	50,000	\$ 200	\$ 10,000,000	\$ 15.00	\$ 750,000	\$ 325.00	\$ 16,250,000
Retail	2025	100,000	\$ 180	\$ 18,000,000	\$ 5.00	\$ 500,000	\$ 250.00	\$ 25,000,000
TOTAL		150,000		\$ 28,000,000		\$ 1,250,000		\$ 41,250,000

OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES				
City of Grand Prairie	60.9%	\$ 21,225,862	=	\$ 3,888,253	+	\$ 177,651	+	\$ 17,159,959
Dallas County	4.2%	\$ 1,475,260	=	\$ 1,410,802	+	\$ 64,458	+	\$ -
Parkland	4.9%	\$ 1,695,547	=	\$ 1,621,464	+	\$ 74,083	+	\$ -
DCCD	2.2%	\$ 753,942	=	\$ 721,000	+	\$ 32,942	+	\$ -
Grand Prairie ISD	27.8%	\$ 9,679,307	=	\$ 9,256,391	+	\$ 422,916	+	\$ -
100.0%	\$ 34,829,918	\$ 16,897,910		\$ 772,049		\$ 17,159,959		
	100.0%		48.5%		2.2%		49.3%	

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES				
City of Grand Prairie	100.0%	\$ 3,888,253	=	\$ 3,888,253	+	\$ -	+	\$ -
Dallas County	0.0%	\$ -	=	\$ -	+	\$ -	+	\$ -
Parkland	0.0%	\$ -	=	\$ -	+	\$ -	+	\$ -
DCCD	0.0%	\$ -	=	\$ -	+	\$ -	+	\$ -
Grand Prairie ISD	0.0%	\$ -	=	\$ -	+	\$ -	+	\$ -
100.0%	\$ 3,888,253	\$ 3,888,253		\$ -		\$ -		\$ -
	100.0%	100.0%		0.0%		0.0%		

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES				
City of Grand Prairie	56.0%	\$ 17,337,609	=	\$ -	+	\$ 177,651	+	\$ 17,159,959
Dallas County	4.8%	\$ 1,475,260	=	\$ 1,410,802	+	\$ 64,458	+	\$ -
Parkland	5.5%	\$ 1,695,547	=	\$ 1,621,464	+	\$ 74,083	+	\$ -
DCCD	2.4%	\$ 753,942	=	\$ 721,000	+	\$ 32,942	+	\$ -
Grand Prairie ISD	31.3%	\$ 9,679,307	=	\$ 9,256,391	+	\$ 422,916	+	\$ -
100.0%	\$ 30,841,665	\$ 13,008,657		\$ 772,049		\$ 17,159,959		
	100.0%	42.0%		2.5%		55.5%		

Financial Feasibility Analysis

TAX REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

Calendar Year		0	0	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
TOTAL TAX REVENUE																										
REAL PROPERTY	% OCCUPIED	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
	Taxable Value	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	pv						10,000,000	10,000,000	28,000,000	28,900,000	29,131,200	29,713,824	30,308,100	30,914,262	31,532,548	32,163,199	32,806,463	33,462,592	34,131,844	34,814,481	35,510,770	36,220,988	36,945,405	37,684,313	38,438,000	
City of Grand Prairie								67,000	187,599	191,351	195,178	199,082	203,064	207,125	211,267	215,493	219,803	224,199	228,683	233,256	237,921	242,680	247,533	252,484	257,534	3,888,253
Dallas County								24,310	66,068	69,429	70,818	72,234	73,679	75,153	76,656	78,189	79,753	81,348	82,975	84,634	86,327	88,053	89,814	91,611	93,443	1,410,802
Parkland								27,940	79,232	79,797	81,393	83,020	84,681	86,374	88,102	89,864	91,661	93,494	95,364	97,272	99,217	101,201	103,225	105,290	107,396	1,621,464
DCCD								12,624	34,787	35,482	36,182	36,919	37,684	38,467	39,275	39,999	40,758	41,573	42,405	43,253	44,118	45,000	45,900	46,818	47,755	721,000
Grand Prairie ISD								159,500	446,800	455,532	464,643	473,935	483,414	493,082	502,944	513,003	523,258	533,728	544,403	555,291	566,397	577,725	589,279	601,065	613,086	9,256,391
Total								291,174	815,286	831,892	848,224	865,188	882,492	900,142	918,145	936,507	955,238	974,342	993,829	1,013,706	1,033,980	1,054,659	1,075,763	1,097,288	1,119,213	16,037,010
PERSONAL PROPERTY	% OCCUPIED	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Taxable Value						750,000	750,000	1,250,000	1,275,000	1,300,500	1,326,510	1,353,040	1,380,101	1,407,703	1,435,857	1,464,574	1,493,866	1,523,743	1,554,218	1,585,302	1,617,008	1,649,348	1,682,335	1,715,982	
City of Grand Prairie								5,025	8,375	8,542	8,713	8,888	9,065	9,247	9,432	9,620	9,813	10,009	10,209	10,413	10,621	10,834	11,051	11,272	11,497	1,177,651
Dallas County								1,823	3,039	3,100	3,162	3,225	3,289	3,355	3,422	3,491	3,562	3,632	3,704	3,778	3,854	3,931	4,010	4,090	4,172	64,498
Parkland								2,096	3,405	3,562	3,654	3,746	3,838	3,932	4,027	4,124	4,222	4,322	4,424	4,527	4,632	4,739	4,848	4,959	4,794	74,083
DCCD								932	1,553	1,584	1,616	1,648	1,681	1,715	1,749	1,784	1,820	1,856	1,893	1,931	1,970	2,009	2,049	2,090	2,132	32,842
Grand Prairie ISD								11,963	19,938	20,336	20,743	21,158	21,581	22,013	22,455	22,902	23,360	23,827	24,304	24,790	25,286	25,791	26,307	26,833	27,370	422,916
Total								21,838	36,397	37,125	37,887	38,674	39,487	40,329	41,199	42,098	43,026	43,983	44,969	45,985	47,031	48,108	49,216	50,355	51,526	777,019
SALES TAX	% OCCUPIED	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Taxable Value						16,250,000	16,250,000	41,250,000	42,075,000	42,916,500	43,774,830	44,650,327	45,543,333	46,454,200	47,383,294	48,330,949	49,297,568	50,283,520	51,289,190	52,314,974	53,361,274	54,428,499	55,517,069	56,627,410	
City of Grand Prairie								397,025	1,020,874	1,041,384	1,062,222	1,083,486	1,105,136	1,127,208	1,149,783	1,172,779	1,196,254	1,220,159	1,244,562	1,269,453	1,294,842	1,320,739	1,347,154	1,374,007	1,401,579	21,225,862
Dallas County								26,133	71,107	72,529	73,979	75,459	76,968	78,508	80,078	81,679	83,313	84,979	86,678	88,412	90,181	91,984	93,824	95,700	97,614	1,476,260
Parkland								30,036	88,725	93,359	98,028	102,732	107,468	112,228	117,014	121,826	126,664	131,528	136,418	141,334	146,276	151,244	156,238	161,258	166,304	1,895,547
DCCD								13,556	36,340	37,596	37,868	38,564	39,335	40,122	40,924	41,743	42,578	43,429	44,296	45,184	46,097	47,036	47,999	48,988	49,993	750,942
Grand Prairie ISD								171,483	496,538	475,988	485,390	495,093	504,995	515,095	525,397	535,900	546,623	557,555	568,707	580,081	591,682	603,516	615,589	627,889	640,456	9,679,307
Total								638,012	1,676,883	1,710,216	1,744,421	1,779,309	1,814,895	1,851,193	1,888,217	1,925,981	1,964,501	2,003,791	2,043,867	2,084,744	2,126,439	2,168,968	2,212,347	2,256,604	2,301,778	34,020,918
SUMMARY																										
City of Grand Prairie								397,025	1,020,874	1,041,384	1,062,222	1,083,486	1,105,136	1,127,208	1,149,783	1,172,779	1,196,254	1,220,159	1,244,562	1,269,453	1,294,842	1,320,739	1,347,154	1,374,007	1,401,579	21,225,862
Dallas County								26,133	71,107	72,529	73,979	75,459	76,968	78,508	80,078	81,679	83,313	84,979	86,678	88,412	90,181	91,984	93,824	95,700	97,614	1,476,260
Parkland								30,036	88,725	93,359	98,028	102,732	107,468	112,228	117,014	121,826	126,664	131,528	136,418	141,334	146,276	151,244	156,238	161,258	166,304	1,895,547
DCCD								13,556	36,340	37,596	37,868	38,564	39,335	40,122	40,924	41,743	42,578	43,429	44,296	45,184	46,097	47,036	47,999	48,988	49,993	750,942
Grand Prairie ISD								171,483	496,538	475,988	485,390	495,093	504,995	515,095	525,397	535,900	546,623	557,555	568,707	580,081	591,682	603,516	615,589	627,889	640,456	9,679,307
Total								638,012	1,676,883	1,710,216	1,744,421	1,779,309	1,814,895	1,851,193	1,888,217	1,925,981	1,964,501	2,003,791	2,043,867	2,084,744	2,126,439	2,168,968	2,212,347	2,256,604	2,301,778	34,020,918
PARTICIPATION																										
REAL PROPERTY	Taxable Value						10,000,000	10,000,000	28,000,000	28,900,000	29,131,200	29,713,824	30,308,100	30,914,262	31,532,548	32,163,199	32,806,463	33,462,592	34,131,844	34,814,481	35,510,770	36,220,988	36,945,405	37,684,313	38,438,000	
	pv							67,000	187,599	191,351	195,178	199,082	203,064	207,125	211,267	215,493	219,803	224,199	228,683	233,256	237,921	242,680	247,533	252,484	257,534	3,888,253
City of Grand Prairie								67,000	187,599	191,351	195,178	199,082	203,064	207,125	211,267	215,493	219,803	224,199	228,683	233,256	237,921	242,680	247,533	252,484	257,534	3,888,253
Dallas County								24,310	66,068	69,429	70,818	72,234	73,679	75,153	76,656	78,189	79,753	81,348	82,975	84,634	86,327	88,053	89,814	91,611	93,443	1,410,802
Parkland								27,940	79,232	79,797	81,393	83,020	84,681	86,374	88,102	89,864	91,661	93,494	95,364	97,272	99,217	101,201	103,225	105,290	107,396	1,621,464
DCCD								12,624	34,787	35,482	36,182	36,919	37,684	38,467	39,275	39,999	40,758	41,573	42,405	43,253	44,118	45,000	45,900	46,818	47,755	721,000
Grand Prairie ISD								159,500	446,800	455,532	464,643	473,935	483,414	493,082	502,944	513,003	523,258	533,728	544,403	555,291	566,397	577,725	589,279	601,065	9,256,391	
Total								291,174	815,286	831,892	848,224	865,188	8													

Financial Feasibility Analysis

HOT Generated													
Revenue Year	1	2	3	4	5	6	7	8	9	10	11	12	13
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Hotel Rooms		0	330	580	780	780	780	780	780	780	780	780	780
Occupancy	0%	0%	60%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
Hotel Occupancy Tax													
# of Available Rooms	-	-	120,450	211,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700
# of Occupied Rooms	0	0	72,270	148,190	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290
Average Daily Rate	\$ -	\$ 120.00	\$ 122.40	\$ 124.85	\$ 127.34	\$ 129.89	\$ 132.49	\$ 135.14	\$ 137.84	\$ 140.60	\$ 143.41	\$ 146.28	\$ 149.20
Annual Taxable Revenue	\$ -	\$ -	\$ 8,845,848	\$ 18,501,225	\$ 25,378,577	\$ 25,886,149	\$ 26,403,872	\$ 26,931,949	\$ 27,470,588	\$ 28,020,000	\$ 28,580,400	\$ 29,152,008	\$ 29,735,048
City Tax Rate	7%	\$ -	\$ 619,209	\$ 1,295,086	\$ 1,776,500	\$ 1,812,030	\$ 1,848,271	\$ 1,885,236	\$ 1,922,941	\$ 1,961,400	\$ 2,000,628	\$ 2,040,641	\$ 2,081,453
State Tax Rate	6%	\$ -	\$ 530,751	\$ 1,110,074	\$ 1,522,715	\$ 1,553,169	\$ 1,584,232	\$ 1,615,917	\$ 1,648,235	\$ 1,681,200	\$ 1,714,824	\$ 1,749,120	\$ 1,784,103
	\$ -	\$ -	\$ 1,149,960	\$ 2,405,159	\$ 3,299,215	\$ 3,365,199	\$ 3,432,503	\$ 3,501,153	\$ 3,571,176	\$ 3,642,600	\$ 3,715,452	\$ 3,789,761	\$ 3,865,556

Financial Feasibility Analysis

Revenue Year	HOT Generated													
	14 2031	15 2032	16 2033	17 2034	18 2035	19 2036	20 2037	21 2038	22 2039	23 2040	24 2041	25 2042		
Hotel Rooms	780	780	780	780	780	780	780	780	780	780	780	780		
Occupancy	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%		
Hotel Occupancy Tax														
# of Available Rooms	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700	284,700		
# of Occupied Rooms	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290	199,290		
Average Daily Rate	\$ 152.19	\$ 155.23	\$ 158.34	\$ 161.50	\$ 164.73	\$ 168.03	\$ 171.39	\$ 174.82	\$ 178.31	\$ 181.88	\$ 185.52	\$ 189.23		
Annual Taxable Revenue	\$ 30,329,749	\$ 30,936,344	\$ 31,555,071	\$ 32,186,172	\$ 32,829,896	\$ 33,486,493	\$ 34,156,223	\$ 34,839,348	\$ 35,536,135	\$ 36,246,857	\$ 36,971,795	\$ 37,711,231		
City Tax Rate	7%	\$ 2,123,082	\$ 2,165,544	\$ 2,208,855	\$ 2,253,032	\$ 2,298,093	\$ 2,344,055	\$ 2,390,936	\$ 2,438,754	\$ 2,487,529	\$ 2,537,280	\$ 2,588,026	\$ 2,639,786	\$47,718,368
State Tax Rate	6%	\$ 1,819,785	\$ 1,856,181	\$ 1,893,304	\$ 1,931,170	\$ 1,969,794	\$ 2,009,190	\$ 2,049,373	\$ 2,090,361	\$ 2,132,168	\$ 2,174,811	\$ 2,218,308	\$ 2,262,674	\$40,901,459
		\$ 3,942,867	\$ 4,021,725	\$ 4,102,159	\$ 4,184,202	\$ 4,267,886	\$ 4,353,244	\$ 4,440,309	\$ 4,529,115	\$ 4,619,698	\$ 4,712,091	\$ 4,806,333	\$ 4,902,460	\$88,619,827

Financial Feasibility Analysis - Proposed Participation Rates

ESTIMATE OF GENERAL IMPACT OF PROPOSED ZONE PROPERTY VALUES AND TAX REVENUES

TAX YEAR	TAXABLE BASE YEAR GROWTH		ESTIMATE OF GENERAL IMPACT OF PROPOSED ZONE PROPERTY VALUES AND TAX REVENUES																											
	2.0%	3.0%	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	TOTALS			
AREA DEVELOPMENT ZONE #3 REAL PROPERTY TAX BUSINESS PERSONAL PROPERTY	City of Grand Prairie	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Dallas County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Parland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	DCCC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Grand Prairie ISD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL @ 3%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
AREA DEVELOPMENT ZONE #4 REAL PROPERTY TAX BUSINESS PERSONAL PROPERTY	City of Grand Prairie	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Dallas County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Parland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	DCCC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Grand Prairie ISD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL @ 3%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
AREA DEVELOPMENT ZONE #5 REAL PROPERTY TAX BUSINESS PERSONAL PROPERTY	City of Grand Prairie	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Dallas County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Parland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	DCCC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Grand Prairie ISD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL @ 3%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
AREA DEVELOPMENT ZONE #6 REAL PROPERTY TAX BUSINESS PERSONAL PROPERTY	City of Grand Prairie	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Dallas County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Parland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	DCCC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Grand Prairie ISD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL @ 3%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
AREA DEVELOPMENT ZONE #7 REAL PROPERTY TAX BUSINESS PERSONAL PROPERTY	City of Grand Prairie	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Dallas County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Parland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	DCCC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Grand Prairie ISD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL @ 3%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
AREA DEVELOPMENT ZONE #8 REAL PROPERTY TAX BUSINESS PERSONAL PROPERTY	City of Grand Prairie	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Dallas County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Parland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	DCCC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Grand Prairie ISD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL @ 3%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
REVENUE #4 - SALES TAX		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL @ 3%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
REVENUE #7 - HOT		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL @ 3%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Annual GROSS REVENUE # 1, 3, 4, 5, 6, 7		3,101,784	3,817,676	3,371,793	4,242,500	4,451,261	6,933,354	7,988,158	8,884,478	9,747,685	16,437,058	15,189,325	13,818,937	13,824,483	13,877,814	14,747,125	14,748,876	15,084,418	15,379,114	16,216,944	16,553,571	16,761,860	17,886,328	17,787,058	17,884,884	18,444,331				
Annual Net Revenue		3,888,884	4,888,336	5,688,884	7,888,884	8,488,884	12,888,884	14,888,884	16,888,884	18,888,884	32,888,884	30,888,884	28,888,884	28,888,884	28,888,884	30,888,884	30,888,884	31,888,884	32,888,884	34,888,884	35,888,884	37,888,884	38,888,884	40,888,884	40,888,884	42,888,884	44,888,884			
Net Present Value @ 3%		18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884	18,588,884			
GROSS		3,101,784	3,817,676	3,371,793	4,242,500	4,451,261	6,933,354	7,988,158	8,884,478	9,747,685	16,437,058	15,189,325	13,818,937	13,824,483	13,877,814	14,747,125	14,748,876	15,084,418	15,379,114	16,216,944	16,553,571	16,761,860	17,886,328	17,787,058	17,884,884	18,444,331				

Project and Financing Plan, TIRZ #1



Financial Feasibility Analysis - 100% of Revenue

ESTIMATE OF GENERAL IMPACT OF PROPOSED ZONE PROPERTY VALUES AND TAX REVENUES

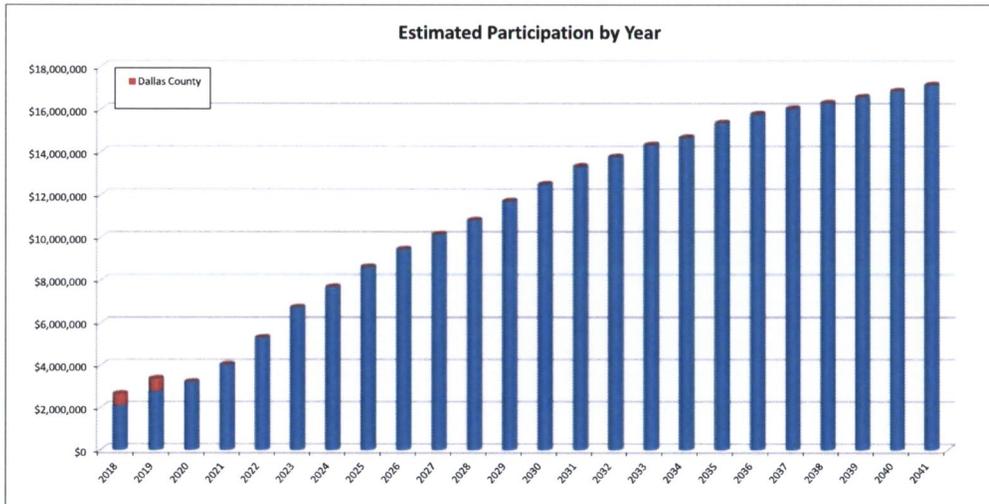
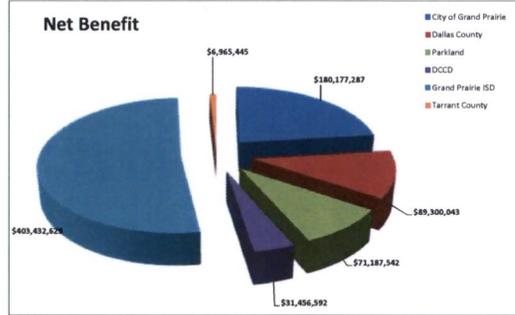
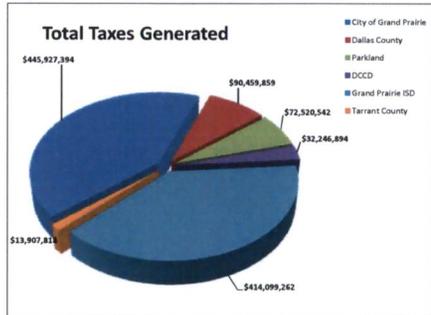
TAXABLE BASE YEAR GROWTH 2.0% DISCOUNT RATE 2.0%		REAL PROPERTY TAX		BUSINESS PERSONAL PROPERTY TAX		SALES TAX		HOT		TOTAL																
TAX YEAR	BASE YEAR	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	TOTAL
BASE YEAR (ORIGINAL BOUNDARY) City of Grand Prairie: 52,873,086 Dallas County: 52,837,159 Tarrant County: 52,837,159 DCCO: 52,837,159 Grand Prairie ISD: 52,837,159																										
TAXABLE VALUE City of Grand Prairie: 388,271,344 Dallas County: 387,227,889 Tarrant County: 387,227,889 DCCO: 387,227,889 Grand Prairie ISD: 387,227,889																										
TAXABLE VALUE INCREMENT City of Grand Prairie: 313,608,888 Dallas County: 314,386,440 Tarrant County: 314,386,440 DCCO: 314,386,440 Grand Prairie ISD: 314,386,440																										
REVENUE (ORIGINAL BOUNDARY) City of Grand Prairie: 2,101,173 Dallas County: 1,742,261 Tarrant County: 1,742,261 DCCO: 1,742,261 Grand Prairie ISD: 1,742,261																										
BASE YEAR (EXPANDED BOUNDARY) City of Grand Prairie: 250,244,730 Dallas County: 250,244,730 Tarrant County: 250,244,730 DCCO: 250,244,730 Grand Prairie ISD: 250,244,730																										
TAXABLE VALUE City of Grand Prairie: 250,244,730 Dallas County: 250,244,730 Tarrant County: 250,244,730 DCCO: 250,244,730 Grand Prairie ISD: 250,244,730																										
TAXABLE VALUE INCREMENT City of Grand Prairie: 5,004,888 Dallas County: 5,004,888 Tarrant County: 5,004,888 DCCO: 5,004,888 Grand Prairie ISD: 5,004,888																										
REVENUE (EXPANDED BOUNDARY) City of Grand Prairie: 23,872 Dallas County: 23,872 Tarrant County: 23,872 DCCO: 23,872 Grand Prairie ISD: 23,872																										
BASE YEAR TARRANT COUNTY Tarrant County: 472,778,885 Dallas County: 472,778,885 Tarrant County: 472,778,885 DCCO: 472,778,885 Grand Prairie ISD: 472,778,885																										
TAXABLE VALUE Tarrant County: 482,234,442 Dallas County: 482,234,442 Tarrant County: 482,234,442 DCCO: 482,234,442 Grand Prairie ISD: 482,234,442																										
TAXABLE VALUE INCREMENT Tarrant County: 4,955,577 Dallas County: 4,955,577 Tarrant County: 4,955,577 DCCO: 4,955,577 Grand Prairie ISD: 4,955,577																										
REVENUE TARRANT COUNTY Tarrant County: 23,872 Dallas County: 23,872 Tarrant County: 23,872 DCCO: 23,872 Grand Prairie ISD: 23,872																										
AREA DEVELOPMENT ZONE #1 REAL PROPERTY TAX: 0 BUSINESS PERSONAL PROPERTY TAX: 0 SALES TAX: 0 HOT: 0 TOTAL: 0																										
AREA DEVELOPMENT ZONE #2 REAL PROPERTY TAX: 468,000 BUSINESS PERSONAL PROPERTY TAX: 468,000 SALES TAX: 468,000 HOT: 468,000 TOTAL: 1,872,000																										
AREA DEVELOPMENT ZONE #3 REAL PROPERTY TAX: 468,000 BUSINESS PERSONAL PROPERTY TAX: 468,000 SALES TAX: 468,000 HOT: 468,000 TOTAL: 1,872,000																										



Financial Feasibility Analysis

Revenue Summary

Taxing Jurisdictions	Total Taxes Generated	TIF	Net Benefit
City of Grand Prairie	\$445,927,394	\$265,750,107	\$180,177,287
Dallas County	\$90,459,859	\$1,159,816	\$89,300,043
Parkland	\$72,520,542	\$1,333,001	\$71,187,542
DCCD	\$32,246,894	\$790,302	\$31,456,592
Grand Prairie ISD	\$414,099,262	\$10,666,632	\$403,432,629
Tarrant County	\$13,907,818	\$6,942,373	\$6,965,445
Total	\$1,069,161,769	\$286,642,231	\$782,519,538



Terms and Conditions

Projects Cost Estimates:

All project costs listed in the project plan shall be considered estimates and shall not be considered a cap on expenditures.

Length of TIRZ #1 in Years:

The TIRZ will be extended for an additional 20 year term and is scheduled to end on December 31, 2041.

Powers and Duties of Board of Directors:

The Board shall have all powers granted to it by Chapter 311 of the Texas Tax Code, including powers of a municipality under Chapter 380, Local Government Code. The Board shall not be authorized to:

- issue bonds;
- impose taxes or fees;
- exercise the power of eminent domain; or
- give final approval to the Zone's project and financing plan.

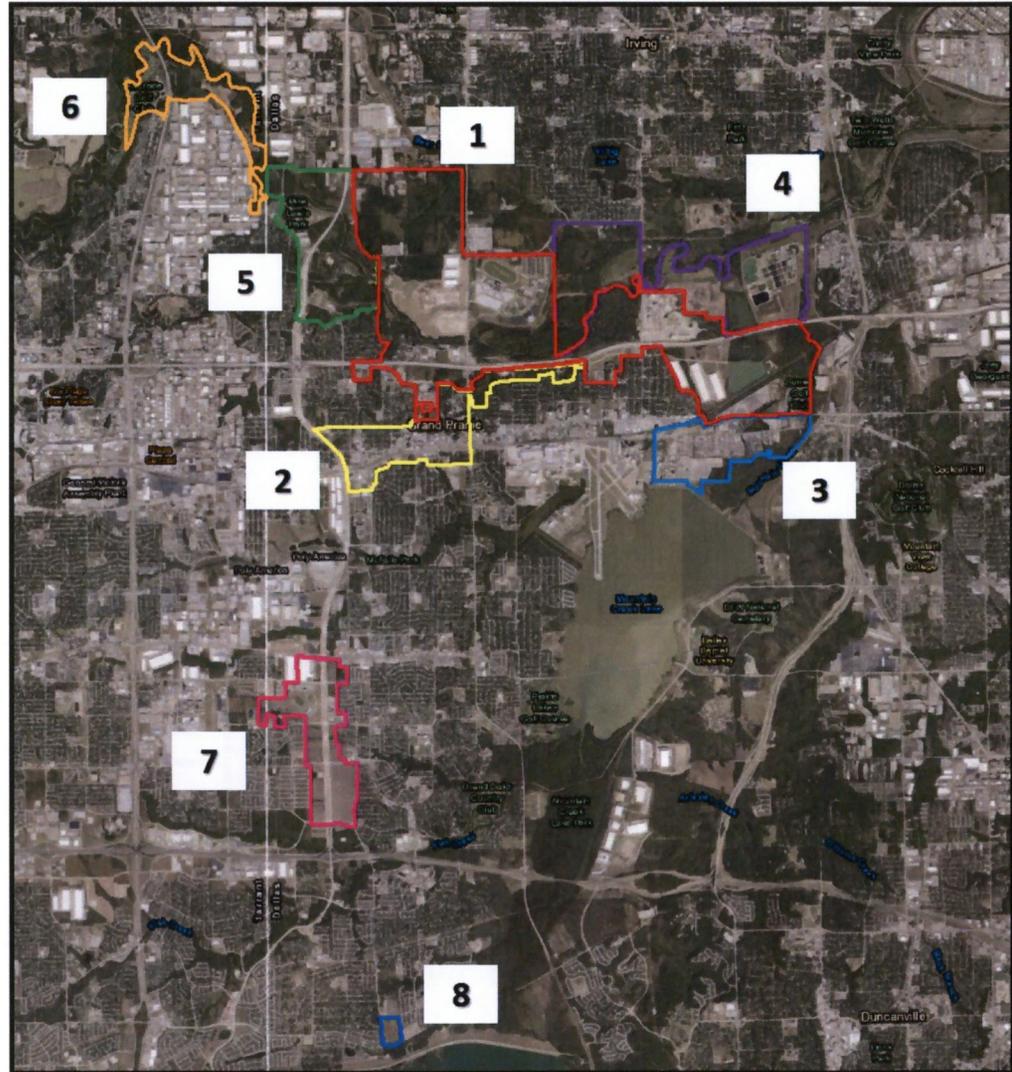


EXHIBIT C
TIF #1 REVENUES

TIF Contributions and Rebates
As of 7/31/19

Contributions:	2016				2017				2018				2019				Grand Total
	TIF1	TIF2	TIF3	Total	TIF1	TIF2	TIF3	Total	TIF1	TIF2	TIF3	Total	TIF1	TIF2	TIF3	Total	
City of Grand Prairie	871,035		115,883	986,918	1,181,554		204,021	1,385,575	1,593,300		292,120	1,885,420	2,101,173		455,188	2,556,361	44,778,098
Grand Prairie Independent School District	2,292,984			2,292,984	3,107,065			3,107,065	4,189,392			4,189,392	5,532,005			5,532,005	35,182,611
Arlington Independent School District				-				-				-				-	30,826,582
Cedar Hill Independent School District			178,527	178,527			309,878	309,878			448,631	448,631			699,641	699,641	2,034,825
Dallas County	124,657			124,657	320,196			320,196	426,731			426,731	437,654			437,654	1,769,312
Tarrant County				-				-				-				-	8,400,023
Dallas Hospital District	279,141			279,141	369,788			369,788	498,835			498,835	658,805			658,805	2,923,300
Tarrant Hospital District ^(a)				-				-				-				-	7,197,303
Dallas Community College District	161,067			161,067	217,117			217,117	292,639			292,639	389,840			389,840	2,194,580
Tarrant College District				-				-				-				-	6,005,512
TOTAL	3,728,884	-	294,410	4,023,294	5,195,720	-	513,899	5,709,619	7,000,897	-	740,751	7,741,648	9,119,477	-	1,154,829	10,274,306	141,312,147
Rebates:																	
GPISD Rebate	1,113,400			1,113,400	1,508,692			1,508,692	2,034,235			2,034,235	2,686,165			2,686,165	16,292,260
AIISD Rebate				-				-				-				-	8,174,792
CHISD Rebate			35,705	35,705	61,976		61,976	61,976	89,726		89,726	89,726	139,928		139,928	139,928	406,965
TOTAL	1,113,400	-	35,705	1,149,105	1,508,692	-	61,976	1,570,668	2,034,235	-	89,726	2,123,961	2,686,165	-	139,928	2,826,093	24,874,016

EXHIBIT D
COMPTROLLER LETTER



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

April 11, 2019

Ms. Megan Mahan
City Attorney
City of Grand Prairie
317 College Street
Grand Prairie, Texas 76050

RE: Private Letter Ruling No. 20180402084739
City of Grand Prairie, Taxpayer No. 17560005435

Dear Ms. Mahan:

We issue this private letter ruling in accordance with Rule 3.1, Private Letter Rulings and General Information Letters.¹ We are responding to your request dated March 21, 2018, and supplemental submissions dated May 4, 2018, Aug. 10, 2018, March 18, 2019, March 22, 2019, March 29, 2019, and April 3, 2019. Detrimental reliance relief is provided in accordance with Rule 3.10, Taxpayer Bill of Rights.

You requested guidance on the proposed development and construction of a hotel project and convention center facility, including facilities ancillary to the hotel pursuant to Section 351.102 (Pledge for Bonds).

Facts Presented

The City of Grand Prairie (City) is a municipality with a population of 175,396 located in three counties. The City plans to develop a hotel project and related facilities (EpicCentral) on a 170-acre tract of City-owned land. The City provided a proposed memorandum of understanding for the development of EpicCentral, including floorplans, diagrams, and site plans of EpicCentral and its facilities.

The City envisions a 20,000 square-foot facility (Convention Center) including 10,000 to 13,000 square feet of usable and continuous space. The space will be configurable to accommodate conventions and meetings of different sizes, including multiple meetings held simultaneously. The City provided examples of events that could be or will be held at the Convention Center such as governmental meetings and conferences, corporate meetings and trainings, and industry conferences and trade shows.

¹ Unless otherwise indicated, all references to the "Government Code" are to the Texas Government Code, all references to "Section" are to the Texas Tax Code, and all references to "Rule" are to Title 34 of the Texas Administrative Code.

The Convention Center will be located in between two hotel towers. The Convention Center will be connected to the hotels but not located inside the hotels. There will be a clear division of property establishing separate ownership of the hotels and Convention Center. The City will own the Convention Center, none of which will be owned through an undivided common interest.

The City will lease the Convention Center to an investor for operations. The City will also lease the hotel land to the Investor. The Investor will construct and own the hotels. The facilities will include restaurants, bars, retail, a convenience store, and concert facilities. The City will lease the facilities to different business operators.

EpicCentral will also include the following facilities: the Summit, Epic Life Changing Center, Epic Waters, and PlayGrand Adventures. The Summit is an operational baby-boomer recreational center. Epic Life Changing Center is a recreational center for all ages. EpicWaters is an indoor waterpark and operational as of January 2018. PlayGrand Adventures is an inclusive playground. All of these facilities have or will have a shop or restaurant within the facility.

The City plans to construct three separate restaurant buildings (Restaurant Buildings) comprising 48,000 square feet of restaurant space located on City-owned land within 1,000 feet of the Convention Center or hotel. The City will wholly own the Restaurant Buildings. The City will lease one Restaurant Building to a single restaurateur. The other two Restaurant Buildings will be subdivided and leased to multiple restaurateurs. Hotel guests will have an in-room kiosk used to order food from the restaurants. The restaurants will also provide catering for meetings and conventions at the Convention Center.

The restaurants are part of the site master plan for the proposed project. The City also included the restaurants in its capital improvements plan. The City plans to build the restaurant space simultaneously with the construction of the Convention Center and hotels. The City expects to complete construction of the restaurants before completing construction of the Convention Center and hotels. The City intends to open the restaurants before opening the Convention Center and hotels.

Questions, Rulings, and Analysis

Our restatement of your questions is shown below, followed by our responses and analysis. We inserted Question Nine based on your supplemental submission dated April 3, 2019. Questions Ten through Fifteen relate to Questions Nine through Fourteen in your original request dated March 21, 2018.

Question One: Based on the population and location requirements provided by Section 351.102(b), does the City qualify to pledge the revenue derived from local hotel

occupancy taxes from a hotel project described by that section for the payment of bonds or other obligations issued or incurred to acquire, lease, construct, and equip the hotel and any facilities ancillary to the hotel also described by that section?

Ruling One: The City is described in Section 351.102(b). The City has a population of 173,000 or more and is located within three counties. Therefore, the City is eligible to pledge the revenue derived from local hotel occupancy taxes from a hotel project pursuant to Section 351.102(c).

Question Two: Does the proposed size, ownership, and location of the Convention Center qualify the City to pledge the revenue derived from local hotel occupancy taxes from a hotel project for the payment of bonds or other obligations issued or incurred to acquire, lease, construct, and equip the hotel and any facilities ancillary to the hotel also described by Section 351.102(b)?

Ruling Two: The Convention Center and hotels constitute a hotel project defined by Rule 3.12(a)(10)(H). Section 351.102(b) provides that the City may pledge the revenue derived from local hotel occupancy taxes from a hotel project for the payment of bonds or other obligations issued or incurred to acquire, lease, construct, and equip the hotel and any facilities ancillary to the hotel.

Question Three: If the City is described in Section 351.102(b) and the project contains a convention center facility that meets the requirements under Section 351.102(b), do Section 351.102(c), Section 151.429(h) (Tax Refunds for Enterprise Projects), and Government Code Section 2303.5055(e) (Refund, Rebate, or Payment of Tax Proceeds to Qualified Hotel Project) entitle the City to receive rebates of state sales and use taxes collected at a hotel project for 10 years?

Ruling Three: Section 351.102(c) and Section 151.429(h) entitle the City to receive from a hotel project 100 percent of the state sales and use tax and state hotel occupancy tax paid or collected by the hotel project, during the first 10 years after the hotel project is open for initial occupancy. Rule 3.12(a)(3)(A).

Question Four: Do Section 351.102(c) and Section 151.429(h) along with Government Code Section 2303.5055(e) entitle the City to receive rebates of state hotel occupancy taxes collected at a hotel project for 10 years?

Ruling Four: Section 351.102(c) and Section 151.429(h) entitle the City to receive rebates of state hotel occupancy taxes collected at the hotel and facilities ancillary to the hotel for 10 years. Rule 3.12(a)(3)(A). Government Code Section 2303.5055 does not provide for rebates of state hotel occupancy taxes.

Analysis for Questions Three and Four: Section 351.102(c) provides that a municipality described by Section 351.102(b), which includes the City, is entitled to receive all funds

from a hotel project described by Section 351.102(b) that an owner of a project may receive under Section 151.429(h) or Government Code Section 2303.5055.

Rule 3.12(a)(1)(H) defines a hotel project as a hotel that is owned by or located on land owned by a municipality and located within 1,000 feet of a convention center facility owned by the municipality, as measured by the closest exterior wall of the hotel and the closest exterior wall of the convention center facility. A hotel project includes a facility ancillary to the hotel as defined in Rule 3.12(a)(1)(E). To be entitled to receive rebates, the City's project must satisfy the requirements under Rule 3.12(a)(1)(H) for the convention center facility, hotel, and any facilities ancillary to the hotel.

Under Rule 3.12(a)(3)(A), the City is entitled to receive from the hotel project, including facilities ancillary to the hotel, 100 percent of the state sales and use tax and state hotel occupancy tax paid or collected by the hotel project, and eligible tax proceeds, during the first 10 years after the hotel project is open for initial occupancy. The facilities ancillary to the hotel must meet the definition under Rule 3.12(a)(1)(E).

Under Section 351.102(b), a city-owned convention center facility is not part of the hotel project for tax rebate purposes, but is a measuring point for the hotel and the facilities ancillary to the hotel. Therefore, any tax revenue received from the convention center facility does not qualify for rebates under Section 351.102(c).

The date on which the hotel project is open for initial occupancy is the earliest date on which a member of the public obtains sleeping accommodations for consideration and the convention center is operational, as supported by records of the hotel and convention center. Rule 3.12(a)(1)(I). The tax rebate period ends on the tenth anniversary of the date the hotel project opened for initial occupancy. Rule 3.12(a)(3)(A).

Section 151.429(h) allows the owner of a "qualified hotel project," as defined by Government Code Section 2303.003(8) (Definitions), to receive a rebate of states sales and use taxes paid or collected by the qualified hotel project or businesses located in the qualified hotel project. Section 151.429(h) also allows the owner to receive a rebate of state hotel taxes paid at the qualified hotel project. The rebates may be received during the first 10 years after the qualified hotel project is open for initial occupancy.

Government Code Section 2303.5055(a) provides that for a period not to exceed 10 years, a governmental body, including a municipality, may agree to rebate, refund, or pay eligible taxable proceeds to the owner of a qualified hotel project at which the eligible taxable proceeds were generated. Government Code Section 2303.5055(e) defines "eligible taxable proceeds," as taxable proceeds generated, paid, or collected by a qualified hotel project or a business at a qualified hotel project, including local hotel occupancy taxes, local ad valorem taxes, local sales and use taxes, and local mixed beverage taxes.

Rule 3.12(a)(1)(D) defines “eligible tax proceeds” as “local ad valorem, local sales and use taxes, local hotel occupancy taxes, local mixed beverage gross receipts taxes, and local mixed beverage sales taxes that are generated, paid, or collected by a qualified hotel project or facilities ancillary to the hotel and may be rebated, refunded, or paid to the owner of a qualified hotel project under an agreement with a municipality, county, or other governmental body.” Therefore, the “hotel occupancy taxes” included in this definition only pertain to local hotel occupancy taxes that a governmental body under written agreement agrees to rebate. *See* Rule 3.12(a)(1)(D) and (3)(A).

Question Five: Do Section 351.102(c), Section 151.429(h), and Government Code Section 2303.5055(e) entitle the City to receive rebates of local mixed beverage taxes collected at the hotel project for 10 years?

Ruling and Analysis for Question Five: No. Section 351.102(c) and Section 151.429(h) entitle the City to receive rebates of state sales and use taxes and state hotel occupancy taxes paid or collected by the hotel project, including facilities ancillary to the hotel located in the hotel project. Government Code Section 2303.5055(a) entitles the City to receive local mixed beverage taxes that a governmental body agrees to rebate to the City pursuant to Government Code Section 2303.5055 during the first 10 years after the hotel project is open for initial occupancy.

Question Six: Are the state sales and use taxes and local mixed beverage taxes collected at EpicWaters, PlayGrand Adventures, the Summit, and Epic Life Changing Center included in the rebates of taxes from “facilities ancillary to the hotel” under Section 351.102(c)?

Ruling Six: No. The state sales and use taxes and local mixed beverage taxes collected at EpicWaters, PlayGrand Adventures, the Summit, and Epic Life Changing Center are not included in the rebates of taxes from “facilities ancillary to the hotel” under Section 351.102(c). EpicWaters, PlayGrand Adventures, the Summit, and Epic Life Changing Center are not “facilities ancillary to the hotel” or “convention center entertainment-related facilities.” Taxes collected at these facilities are not eligible to be rebated to the City. Any restaurants and shops within these facilities do not qualify as facilities ancillary to the hotel.

Analysis for Ruling Six: Facilities ancillary to the hotel are facilities that provide the necessary support for the operation and function of the hotel and include convention center entertainment-related facilities, meeting spaces, restaurants, shops, street and water infrastructure, and parking facilities. Rule 3.12(a)(1)(E). A “facility ancillary to the hotel” must be located within 1,000 feet of a convention center facility or hotel, as measured from the closest exterior wall of the ancillary facility in a single-tenant building or closest demising wall in a multi-tenant building to the closest exterior wall of the convention center facility or hotel. Rule 3.12(a)(1)(E)(i).

EpicWaters, PlayGrand Adventures, the Summit, and Epic Life Changing Center are not facilities ancillary to the hotel because they do not provide necessary support for the operation and function of the hotel.

Similarly, a “convention center entertainment-related facility” is owned by or located on land owned by the City and is designed and primarily used for convention center events, activities, and performances. Rule 3.12(a)(1)(A).

The EpicWaters, PlayGrand Adventures, the Summit, Epic Life Changing Center are not a convention center entertainment-related facility because these facilities are not designed for and will not be primarily used for conventions and meetings held at the convention center and are specifically excluded from the definition in Rule 3.12(a)(1)(A). Examples of facilities that do not meet this definition include an amusement park, fitness or sports center, museum, sports venue, waterpark, or zoo. Similarly, any restaurants, shops, and concert facilities within the Epic Waters, PlayGrand Adventures, the Summit, and Epic Life Changing Center do not qualify as facilities ancillary to the hotel.

Question Seven: Does ownership by the City of the 170 acres on which EpicWaters, PlayGrand Adventures, the Summit, and Epic Life Changing Center will be located satisfy the 1,000 foot requirement as it relates to the distance of the hotel and/or convention center from the facilities for the purposes or rebating taxes collected at a hotel project?

Ruling Seven: No. Facilities ancillary to the hotel must be within 1,000 feet of the closest exterior wall of the hotel or the convention center. Facilities ancillary to the hotel do not have to be within 1,000 feet of other ancillary facilities.

As provided in Ruling Six, EpicWaters, PlayGrand Adventures, the Summit, and Epic Life Changing Center are not facilities ancillary to the hotel.

Analysis for Ruling Seven: A facility ancillary to the hotel is a facility owned by or located on land owned by a municipality that provides necessary support for the operation and function of the hotel and that is located within 1,000 feet of a convention center facility owned by the municipality or hotel, as measured from the closest exterior wall of the ancillary facility in a single-tenant building or closest demising wall of the ancillary facility in a multi-tenant building to the closest exterior wall of the convention center facility or hotel. Rule 3.12(a)(1)(E)(i). There is no distance requirement for the ancillary facilities in relation to other ancillary facilities.

Question Eight: Are the state sales and use taxes collected at other existing or future retail shops or entertainment-related facilities located within 1,000 feet of the EpicCentral property line eligible to be rebated to the City?

Ruling Eight: Only facilities that are constructed, developed, or remodeled as part of a hotel project as evidenced in the documentation required under Rule 3.12(a)(2), such as the City's capital improvement plan, meet the definition of a facility ancillary to the hotel. *See* Rule 3.12(a)(1)(E)(iii)(II). A governmental body must agree in writing to rebate the eligible tax proceeds defined by Rule 3.12(a)(1)(D) collected from facilities ancillary to the hotel to the City. Rule 3.12(a)(3)(B).

Facilities ancillary to the hotel, including shops and convention center entertainment-related facilities, must be located within 1,000 feet of the closest exterior wall of the hotel or the convention center facility to be eligible for rebates of state sales taxes. *See* Analysis to Ruling Seven. The property line of the City-owned land is not the measuring point.

Question Nine: Are the restaurants located in the Restaurant Buildings planned by the City part of the hotel project, even in the event they open before the Convention Center or hotels open, and will the City receive a rebate of state sales and use tax and local mixed beverage taxes collected at these restaurants once the Convention Center or hotels open?

Ruling Nine: The restaurants located in the Restaurant Buildings planned to be built by the City are part of the hotel project, even in the event they open before the Convention Center or hotels. Rule 3.12(a)(1)(E)(iii). The City is entitled to receive the state sales and use taxes generated at these restaurants during the first 10 years the hotel project is open for initial occupancy. Rule 3.12(a)(3)(A). The City is also entitled to receive eligible tax proceeds, including local mixed beverage taxes, that a governmental body agrees in writing to rebate to the City during the first 10 years the hotel project is open for initial occupancy.

Analysis for Ruling Nine: Rule 3.12(a)(1)(E)(iii) provides that the term "facilities ancillary to the hotel" includes restaurants. Facilities ancillary to the hotel that are part of the hotel project may be completed in different phases of the hotel project as evidenced in the documentation required to initiate a request for rebate, refund, or payment of taxes for a hotel project. *See* Analysis for Ruling Eight.

Based on the facts presented, the restaurants located in the Restaurant Buildings planned to be built by the City will satisfy the definition of facilities ancillary to the hotel. Under Rule 3.12(a)(1)(E)(iii)(II), the City may complete construction of the restaurants prior to completing construction of the Convention Center or hotels.

The Restaurant Building for the single restaurant must be within 1,000 feet of the Convention Center or hotels as measured from the closest exterior wall of the restaurant building to the closest exterior wall of the Convention Center or hotels. The restaurants within the Restaurant Buildings for the multiple restaurants must be within 1,000 feet of the Convention Center or hotels as measured from the closest demising wall of each

restaurant space to the closest exterior wall of the Convention Center or hotels. Rule 3.12(a)(1)(E)(i).

Pursuant to Rule 3.12(a)(3)(A), the City is entitled to receive from the restaurants 100 percent of the state sales and use tax paid or collected by the restaurants during the first 10 years after the hotel project is open for initial occupancy. The City is also entitled to receive eligible tax proceeds, including local mixed beverage taxes, during the first 10 years after the hotel project is open for initial occupancy from the restaurants that a governmental body has agreed in writing to rebate to the City. Rule 3.12(a)(3)(B). Although the City will complete construction of the restaurants prior to completing the Convention Center and hotels, the City will not begin receiving rebates from its hotel project until the hotel project is open for initial occupancy. Rule 3.12(a)(1)(I).

Question Ten: Does the City have to own the land where the existing or future shops, restaurants, or entertainment-related facilities are located to receive state sales and use taxes and local mixed beverage taxes?

Ruling Ten: The City must own the facilities ancillary to the hotel or the land where the facilities ancillary to the hotel, such as restaurants, shops, or convention center entertainment-related facilities, are located to receive rebates pursuant to Section 351.102(c). The rebates include state sales and use taxes and local mixed beverage taxes that a governmental body agrees to rebate in writing. Existing or future facilities located within 1,000 feet of the hotel or convention center facility that were not or will not be constructed, developed, or remodeled as part of a hotel project do not qualify as facilities ancillary to the hotel. *See* Rule 3.12(a)(1)(E)(iii)(II).

Analysis for Ruling Ten: Section 351.102(b) provides that a hotel project be owned by or located on land owned by the municipality. A hotel project includes facilities ancillary to the hotel. Therefore, facilities ancillary to the hotel must be owned by or located on land owned by the City. *See also* Rule 3.12(a)(1)(E) and (H). If a facility ancillary to the hotel that was constructed, developed, or remodeled as part of the hotel project opens in the future, the ancillary facility must be owned by or located on land owned by the City for the City to be eligible to receive rebates from the ancillary facility.

Question Eleven: Is the City entitled to a rebate of state sales and use taxes and local mixed beverage taxes collected at future retail and restaurant developments that are located on the EpicCentral tract of City-owned land but built after the opening of the hotel?

Ruling and Analysis for Question Eleven: *See* Rulings Eight, Nine, and Ten. The City is entitled to rebates of taxes collected from facilities that meet the definition of a facility ancillary to the hotel, including restaurants, built after the opening of the hotel. The facilities must be owned by or located on City-owned land and must be constructed, developed, or remodeled as part of a hotel project as evidenced in the documentation

required under Rule 3.12(a)(2) in order to meet the definition of a facility ancillary to the hotel.

Question Twelve: Is the City entitled to a rebate of state hotel occupancy taxes collected at future additional hotel projects provided a future hotel is also located on City-owned land and within 1,000 feet of a City-owned convention center?

Ruling Twelve: The City may designate multiple hotel projects. Rule 3.12(a)(4). The City would be entitled to a rebate of state hotel occupancy taxes collected at a future hotel project provided the hotel is located on City-owned land and within 1,000 feet of a City-owned convention center facility that is primarily used to host conventions and meetings. *See* Rule 3.12(a)(1)(B).

Question Thirteen: Does Section 351.102(b-1) apply to the City?

Ruling Thirteen: No. Section 351.102(b-1) applies to Amarillo and does not apply to the City. As mentioned previously, City is a municipality with a 2010 census population of 175,396 and located in three counties. The requirements of Section 351.102(b-1) apply to a “municipality with a population of 173,000 or more that is located within two counties.”

Question Fourteen: Does Section 351.102(g) apply to the City? If so, will a ground lease agreement, master development agreement, or management agreement satisfy the statutory language of having an “agreement with a person for the development of the hotel project?”

Ruling Fourteen: Section 351.102(g) applies to the City. A ground lease agreement, master development agreement, or management agreement may satisfy the statutory language of having an “agreement with a person for the development of the hotel project,” provided the agreement binds the City and the other party to develop a hotel project. The City’s proposed memorandum of understanding is not a sufficient document with the developer to meet the requirements of Section 351.102(g).

Analysis for Ruling Fourteen: Section 351.102(g) requires all municipalities described by Section 351.102 to enter into an agreement with a developer of the hotel project before Sept. 1, 2019, to receive rebates from the tax collected at the hotel project. The City is a municipality that falls under the scope of Section 351.102 and will have to comply with Section 351.102(g).

Section 351.102(g) requires an agreement between the City and the other person for the development of a hotel project. A memorandum of understanding will not satisfy the requirement under Section 351.102(g) because it is not an agreement. The City’s proposed memorandum of understanding establishes the terms of the parties involved to develop the hotel project but does not commit any of the parties to act. The City has not

provided a ground lease or other documentation for the Comptroller to determine if it will satisfy the requirements of Section 351.102(g).

Question Fifteen: When and how can the City apply for rebates?

Ruling Fifteen: There is no specific timeframe for when a City may formally apply for rebates. The Comptroller's office will not issue rebates until the hotel project is open for initial occupancy as defined under Rule 3.12(a)(1)(I). Under Rule 3.12(a)(2)(A), a written request to the Comptroller's Audit Division should include the following:

1. A copy of the municipality's capital improvement plan;
2. Copy of the municipality's ordinance or resolution approving the rebate agreement between the municipality and the hotel project;
3. Copy of the architect's plan for the hotel project;
4. A map showing the required distances between the hotel project, including facilities ancillary to the hotel, and convention center facility;
5. Records from the hotel, convention center, and municipality, such as guest folios and press releases, which show the date when the project was open for initial occupancy;
6. Name and address of the hotel and the comptroller-issued taxpayer identification and location numbers that the hotel is using, or will use, to report sales and use tax, hotel occupancy tax, mixed beverage gross receipts tax, and mixed beverage sales tax;
7. Name and comptroller-issued taxpayer identification, and location numbers of each facility ancillary to the hotel;
8. Waiver of confidentiality releases signed by the authorized officer or director of the hotel and each facility ancillary to the hotel allowing the comptroller to release the facility's sales and use tax and mixed beverage sales tax information to the municipality. Releases must be renewed annually, unless the release specifically states a longer period not to exceed three years;
9. Name and telephone numbers of the contact person for the municipality; and
10. Completed direct deposit authorization form from the municipality.

After review, the Comptroller's office will give the City written notice as to the results of that review and will initiate the rebate process as appropriate.

The Comptroller's office does not have statutory authority to approve a hotel project for any benefits until the project is completed and an application for benefits is submitted and verified. At this time the Comptroller does not find facts that would preclude the City from being eligible to request a refund related to the hotel project under the applicable statutory provisions.

The Comptroller reserves the right to audit and investigate the City's project to confirm the accuracy of the representations made in this private letter ruling. If City's

Ms. Megan Mahan
April 11, 2019
Page 11

representations are inaccurate, the Comptroller shall have the right to rescind this private letter ruling and may collect the amounts due from the project by any method allowed by Tax Code, Chapter 111, or any other applicable law.

The Comptroller will have to verify all relevant facts after receiving a request for refund of the taxes described in Section 151.429(h) and Government Code Section 2303.5055. We base this response on the facts presented, which are subject to verification by the Comptroller's Audit Division. Different facts may yield different conclusions.

STAR documents cited can be found on the Comptroller's State Tax Automated Research (STAR) system. The Texas Tax Code, Texas Administrative Code, and the STAR system are accessible at www.comptroller.texas.gov/taxes/.

If you have questions about this private letter ruling, please email us through our website at <https://comptroller.texas.gov/web-forms/tax-help/> and reference Private Letter Ruling No. 20180402084739.

Sincerely,

Tax Policy Division – Indirect Taxes
Texas Comptroller of Public Accounts

SIGNATURE AND NO-LITIGATION CERTIFICATE

THE STATE OF TEXAS

COUNTIES OF DALLAS,
ELLIS AND TARRANT

CITY OF GRAND PRAIRIE

§
§
§
§
§
§

WE, the undersigned Mayor and City Secretary, as officials of the City of Grand Prairie, Texas (the "Issuer"), DO HEREBY CERTIFY with respect to the "CITY OF GRAND PRAIRIE, TEXAS, COMBINATION TAX AND REVENUE NOTES, TAXABLE SERIES 2019" (the "Notes"), dated August 15, 2019 (the "Note Date"), as follows:

1. The Notes have been duly and officially executed by the undersigned with their manual or facsimile signature in the same manner appearing hereon, and the undersigned hereby adopt and ratify their respective signatures in the manner appearing on each of the Notes whether in manual or facsimile form, as the case may be, as their true, genuine, and official signatures.

2. On the Note Date and on the date hereof, we were and are the duly chosen, qualified, and acting officers indicated therein and authorized to execute the same.

3. We have caused the official seal of the Issuer to be impressed, imprinted or lithographed on the Notes; and said seal on the Notes has been duly adopted as, and is hereby declared to be, the official seal of the Issuer.

4. No litigation of any nature is now pending before any federal or state court, or administrative body, or to our knowledge threatened, seeking to restrain or enjoin the issuance or delivery of the Notes or questioning the issuance or sale of the Notes, the authority or action of the governing body of the Issuer relating to the issuance or sale of the Notes, the levy of taxes, or the assessment or collection thereof to pay the principal of and interest on the Notes, the collection of the Tax Increment (as defined in the ordinance authorizing the issuance of the Notes) pledged to pay the principal of and interest on the Notes or the collection of the State Hotel Occupancy Tax (as defined in the ordinance authorizing the issuance of the Notes) pledged to pay the principal of and interest on the Notes or that would otherwise adversely affect in a material manner the financial condition of the Issuer to pay the principal of and interest on the Notes; and that neither the corporate existence or boundaries of the Issuer nor the right to hold office of any member of the governing body of the Issuer or any other elected or appointed officer of the Issuer is being contested or otherwise questioned.

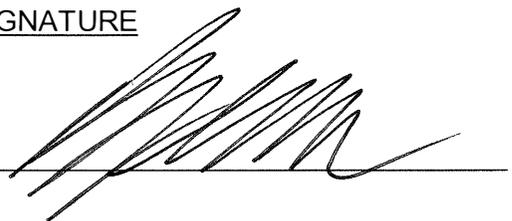
5. No petition or other request has been filed with or presented to any official of the Issuer requesting that any proceeding authorizing the issuance of the adopted by the governing body of the Issuer be submitted to referendum or other election; no authority or proceeding for the issuance, sale, or delivery of the Notes, passed and adopted by the governing body of the Issuer, has been amended, repealed, revoked, rescinded, or otherwise modified since the date of passage thereof, and all such proceedings and authority relating to the issuance and sale of the Notes remain in full force and effect as of the date of this certificate.

The Issuer hereby authorizes the Office of the Attorney General to date this certificate the date of delivery of its approving opinion, and agrees to notify the Office of the Attorney General of any changes with respect to this certificate or any bond documents to which the Issuer is a party that are made between the date of such opinion and the date of closing.

[The remainder of this page is left blank intentionally.]

DELIVERED this AUG 29 2019.

SIGNATURE





OFFICIAL TITLE

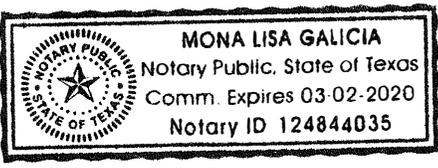
Mayor
City of Grand Prairie, Texas

City Secretary
City of Grand Prairie, Texas

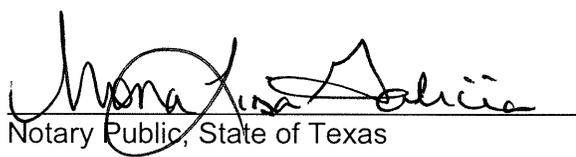
THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

Before me, the undersigned, a Notary Public, on this day personally appeared Ron Jensen and Catherine E. DiMaggio, known to me to be the Mayor and City Secretary, respectively, of the City of Grand Prairie, Texas, and who in my presence each executed this instrument before me in the capacity represented and each of said person's signature is genuine.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this August 7th, 2019.



(NOTARY SEAL)


Notary Public, State of Texas

CLOSING CERTIFICATE

THE STATE OF TEXAS

§
§
§
§
§
§

COUNTIES OF DALLAS,
ELLIS AND TARRANT

CITY OF GRAND PRAIRIE

WE, the undersigned, City Manager and Chief Financial Officer, respectively, of the City of Grand Prairie, Texas (the "Issuer"), in conformity with the requirements of Section 8(g)(v) and (vi) of the Note Purchase Agreement dated August 6, 2019 (the "Purchase Agreement"), by and between the Issuer and BofA Securities, Inc., do hereby deliver this certificate in connection with the delivery by the Issuer this date of the "City of Grand Prairie, Texas, Combination Tax and Revenue Notes, Taxable Series 2019" (the "Notes"). The capitalized terms used herein shall have the meaning given them in the Purchase Agreement. Based upon the foregoing, the undersigned hereby certify that:

(i) The representations and agreements of the Issuer contained in the Purchase Agreement are true and correct in all material respects as of the date of the Closing;

(ii) The Legal Documents have been duly authorized and executed and are in full force and effect;

(iii) Except as described in the Preliminary Official Statement as of its date and as of the date hereof and the Official Statement, no litigation is pending or, to our knowledge, threatened (a) seeking to restrain or enjoin the issuance or delivery of any of the Notes, (b) in any way contesting or affecting any authority for the issuance of the Notes or the validity of the Notes, the Authorizing Ordinance or any Legal Document, (c) in any way contesting the creation, existence or powers of the Issuer or the validity or effect of the Act or any provision thereof or the application of the proceeds of the Notes, or (d) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Preliminary Official Statement as of its date and as of the date hereof and the Official Statement as of its date and as of the Closing Date or any Legal Document

(iv) The Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of information in the Official Statement under the captions "THE OBLIGATIONS – Book-Entry-Only System" and "OTHER INFORMATION – Underwriters of the Obligations";

(v) The financial statements of the Issuer as of September 30, 2018 fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth; and

(vi) Except as disclosed in the Preliminary Official Statement and the Official Statement, since September 30, 2018, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the Issuer and the Issuer has not incurred since September 30, 2018, any

material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement.

[remainder of page intentionally left blank]

TO CERTIFY WHICH, this August ²⁹, 2019.

CITY OF GRAND PRAIRIE, TEXAS



City Manager



Chief Financial Officer



KEN PAXTON
ATTORNEY GENERAL OF TEXAS

August 27, 2019

THIS IS TO CERTIFY that the City of Grand Prairie, Texas (the "Issuer"), has submitted the City of Grand Prairie, Texas Combination Tax and Revenue Note, Taxable Series 2019 (the "Note") in the principal amount of \$7,105,000 for approval. The Note is dated August 15, 2019, numbered T-1, and was authorized by Ordinance No. 10680-2019 of the Issuer passed on August 6, 2019 (the "Ordinance").

The Office of the Attorney General has examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We express no opinion relating to the official statement or any other offering material relating to the Note.

Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows (capitalized terms, except as herein defined, have the meanings given to them in the Ordinance):

- (1) The Note has been issued in accordance with law and is a valid and binding obligation of the Issuer.
- (2) The Note is payable from the proceeds of an ad valorem tax levied, within the limits prescribed by law, upon all taxable property in the Issuer and is additionally payable from and secured by a lien on and pledge of the Pledged Revenues, as provided in the Ordinance.

Therefore, the Note is approved.


Attorney General of the State of Texas

No. 66333
Book No. 2019-C
MA

*See attached Signature Authorization

OFFICE OF THE ATTORNEY GENERAL
OF THE STATE OF TEXAS

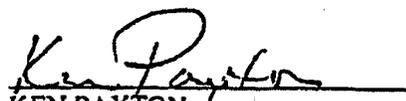
§
§
§

I, KEN PAXTON, Attorney General for the State of Texas, do hereby authorize the employees of the Public Finance Division of the Office of the Attorney General to affix a digital image of my signature, in my capacity as Attorney General, to the opinions issued by this office approving the issuance of public securities by the various public agencies, non-profit corporations, district, entities, bodies politic or corporate, or political subdivisions of this State as required by law, the opinions approving those contracts designated by the Legislature as requiring the approval of the Attorney General, and the obligations, proceedings and credit agreements required by law to be approved by the Attorney General. The authorized digital image of my signature is attached as Exhibit A and is hereby adopted as my own for the purposes set forth herein. This supersedes any prior signature authorizations for the same purpose.

The authority granted herein is to be exercised on those occasions when I am unavailable to personally sign said opinions, and upon the condition that the opinions to which the digital image signature is affixed have been approved by an authorized Assistant Attorney General following the completion of the Public Finance Division's review of the transcripts of proceedings to which the opinions relate.

Given under my hand and seal of office at Austin, Texas, this the 5th day of January, 2015.




KEN PAXTON
Attorney General of the State of Texas

OFFICE OF COMPTROLLER

OF THE STATE OF TEXAS

I, Glenn Hegar, Comptroller of Public Accounts of the State of Texas, do hereby certify that the attachment is a true and correct copy of the opinion of the Attorney General approving the:

City of Grand Prairie, Texas Combination Tax and Revenue Note, Taxable Series 2019

numbered T-1, of the denomination of \$ 7,105,000, dated August 15, 2019, as authorized by issuer, interest various percent, under and by authority of which said note was registered in the office of the Comptroller, on the 27th day of August 2019, under Registration Number 92454.

Given under my hand and seal of office, at Austin, Texas, the 27th day of August 2019.

A handwritten signature in black ink, appearing to read 'Glenn Hegar', with a stylized flourish at the end.

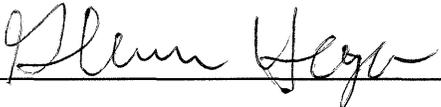
GLENN HEGAR
Comptroller of Public Accounts
of the State of Texas

OFFICE OF COMPTROLLER
OF THE STATE OF TEXAS

I, Jennifer Hardy, Bond Clerk Assistant Bond Clerk in the office of the Comptroller of the State of Texas, do hereby certify that, acting under the direction and authority of the Comptroller on the 27th day of August 2019, I signed the name of the Comptroller to the certificate of registration endorsed upon the:

City of Grand Prairie, Texas Combination Tax and Revenue Note, Taxable Series 2019,

numbered T-1, dated August 15, 2019, and that in signing the certificate of registration I used the following signature:



IN WITNESS WHEREOF I have executed this certificate this the 27th day of August 2019.



I, Glenn Hegar, Comptroller of Public Accounts of the State of Texas, certify that the person who has signed the above certificate was duly designated and appointed by me under authority vested in me by Chapter 403, Subchapter H, Government Code, with authority to sign my name to all certificates of registration, and/or cancellation of bonds required by law to be registered and/or cancelled by me, and was acting as such on the date first mentioned in this certificate, and that the bonds/certificates described in this certificate have been duly registered in the office of the Comptroller, under Registration Number 92454.

GIVEN under my hand and seal of office at Austin, Texas, this the 27th day of August 2019.



GLENN HEGAR
Comptroller of Public Accounts
of the State of Texas

August 29, 2019

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

IN REGARD to the authorization and issuance of the “City of Grand Prairie, Texas, Combination Tax and Revenue Notes, Taxable Series 2019,” dated August 15, 2019, in the principal amount of \$7,105,000 (the “Notes”), we have examined into their issuance by the City of Grand Prairie, Texas (the “City”), solely to express legal opinions as to the validity of the Notes and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Notes, or the sufficiency of the security for or the value or marketability of the Notes.

THE NOTES are issued in fully registered form only and in denominations of \$5,000 or any integral multiple thereof (within a maturity). The Notes mature on February 15 in each of the years specified in the ordinance adopted by the City Council of the City authorizing the issuance of the Notes (the “Ordinance”), unless redeemed prior to maturity in accordance with the terms stated on the Notes. The Notes accrue interest from the dates, at the rates, and in the manner and interest is payable on the dates, all as provided in the Ordinance.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Notes, including the Ordinance and an examination of the initial Note executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to certain facts within the knowledge and control of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Notes, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the State of Texas in force and effect on the date hereof that the Notes have been duly authorized by the City and, when issued in compliance with the provisions of the Ordinance, are valid, legally binding and enforceable obligations of the City, payable from an ad valorem tax levied, within the limits prescribed by law, upon all taxable property in the City, and are additionally payable from and secured by a pledge of the Pledged Revenues, as defined in the Ordinance, in the manner and to the extent provided in the Ordinance, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors’ rights or the exercise of judicial discretion in accordance with the general principles of equity.

Page 2 of Legal Opinion of Norton Rose Fulbright US LLP

Re: "City of Grand Prairie, Texas, Combination Tax and Revenue Notes, Taxable Series 2019"

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Norton Rose Fulbright US LLP

August 29, 2019

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

City of Grand Prairie, Texas
317 College Street
Grand Prairie, Texas 75050

BofA Securities, Inc.
901 Main Street, 11th Floor
Dallas, Texas 75202

Re: \$7,105,000 "City of Grand Prairie, Texas, Combination Tax and Revenue Notes, Taxable Series 2019," dated August 15, 2019 (the "Notes")

Ladies and Gentlemen:

In reference to the issuance and sale of the Notes and our serving as Bond Counsel for the City of Grand Prairie, Texas (the "Issuer"), we prepared the ordinance authorizing the issuance of the Notes, adopted by the City Council of the Issuer on August 6, 2019 (the "Ordinance"). The Ordinance approved and authorized the distribution of the final Official Statement, dated August 6, 2019 (the "Official Statement"), relating to the Notes and approved and authorized the execution of the Note Purchase Agreement, dated August 6, 2019 (the "Purchase Agreement") with BofA Securities, Inc., as underwriters of the Notes. Terms not otherwise defined herein shall have the same meanings set forth in the Purchase Agreement.

In our capacity as Bond Counsel for the Issuer, we have on this date delivered our opinion regarding the legality of the Notes. You are hereby authorized to rely on such opinion as if the same was addressed to you.

We have examined such documents and satisfied ourselves as to such matters as we have deemed necessary in order to enable us to express the opinions set forth below.

A. The Purchase Agreement has been duly executed and delivered by the Issuer and is a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally, to the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State of Texas.

B. The Ordinance has been duly adopted by the Issuer and is in full force and effect.

C. We have not verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, but we have reviewed the information contained therein under the captions "PLAN OF FINANCING", "THE OBLIGATIONS" (except for the information under the subcaptions "Book-Entry-Only System" and "Obligationholders' Remedies"), "TAX MATTERS – THE OBLIGATIONS" and "CONTINUING DISCLOSURE OF

Page 2 of Supplemental Legal Opinion of Norton Rose Fulbright US LLP

Re: "City of Grand Prairie, Texas, Combination Tax and Revenue Notes, Taxable Series 2019"

INFORMATION" (except for the information under the subcaption "Compliance with Prior Undertakings"), and the subcaptions "Registration and Qualification of Obligations for Sale," "Legal Investments and Eligibility to Secure Public Funds in Texas" and "Legal Opinions" (except for the last sentence of the first paragraph thereof) under the caption "OTHER INFORMATION" and we are of the opinion that the information contained in such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Notes, such information conforms to the provisions of the Ordinance.

D. The Notes are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

Very truly yours,

Norton Rose Fulbright US LLP



1201 Elm Street
Suite 3500
Dallas, Texas 75270

(214) 953-4195 Direct
(214) 392-0573 Cell

James S. Sabonis
Managing Director

jim.sabonis@hilltopsecurities.com

August 29, 2019

Ms. Becky Brooks
City of Grand Prairie
317 College Street
Grand Prairie, TX 75050

Mr. Ron Davis
BofA Securities, Inc.
901 Main Street, 11th Floor
Dallas, TX 75202

Mr. Kayshellyn Lewis
The Bank of New York Mellon Trust Co.
2001 Bryan Street, 11th Floor
Dallas, TX 75201

Re: Closing Instructions with respect to the \$7,105,000 City of Grand Prairie, Texas, Combination Tax and Revenue Notes, Taxable Series 2019 (the "Notes")

Payment for the above referenced Notes is scheduled to occur at 10:00 A.M. CDT on Thursday, August 29, 2019 (the "Closing Date"), and payment therefor is to occur at the offices of The Bank of New York Mellon Trust Company, NA (the "Paying Agent"), Dallas, TX.

(A) On the Closing Date, the Paying Agent will receive for the account of the City of Grand Prairie, Texas (the "City") from BofA Securities, Inc. (the "Underwriter"), in payment of the purchase price for the Notes, the sum of:

Principal Amount of the Notes	\$7,105,000.00
Less: Underwriter's Discount	(30,654.79)
Total to be Received from Underwriter for the Notes	<u>\$7,074,345.21</u>

TOTAL TO BE RECEIVED BY THE PAYING AGENT..... \$7,074,345.21

Instructions for wiring funds to the Paying Agent are as follows:

The Bank of New York Mellon Trust Company, N.A.
ABA #021 000 018,
Acct: 4284898400
Ref: Grand Prairie Notes TXBL 2019
Attn: Kayshellyn Lewis, (214) 468-5101, kayshellyn.lewis@bnymellon.com

(B) On the Closing Date the Paying Agent is instructed to disburse the funds described in paragraph (A) as follows:

(1) Transmit by wire transfer to TexPool, State Street Bank and Trust Co, ABA# 011000028, Acct# 67573774, Location 78195, Pool# 449, Acct# 2200300001, for City of Grand Prairie, for the project fund, the sum of	\$ 7,000,000.00
(2) Transmit by wire transfer to TexPool, State Street Bank and Trust Co, ABA# 011000028, Acct# 67573774, Location 78195, Pool# 449, Acct# 2200300001, for City of Grand Prairie, for the estimate costs of issuance, the sum of	38,385.21
(3) Transmit by wire transfer to HSBC, Buffalo, NY, ABA# 021001088, Acct# 827023227, Account: Hilltop Securities Inc. FFC: Inv. 1001005601-CO 2019B, for Bond Counsel Services (\$28,105.00) and reimbursement of AG fee (\$7,105.00), the sum of.....	35,210.00
(4) Retain in payment of services rendered as Paying Agent/Registrar for the Notes (\$750), the sum of.....	<u>750.00</u>

TOTAL AMOUNT DISBURSED **\$7,074,345.21**

Upon closing the good faith check will be returned via overnight delivery to BofA Securities Inc.

The cooperation of the addressees regarding the receipt and disbursement of funds in accordance with the above instructions on behalf of the City is greatly appreciated. If you have any questions or cannot comply with any portion of these wiring instructions, please contact me at (214) 953-4195.

Sincerely,



James S. Sabonis
Managing Director

- cc: Mr. Brady Olsen, City of Grand Prairie
Mr. Robert Dransfield, Norton Rose Fulbright US LLP
Ms. Jenny Hackler, Norton Rose Fulbright US LLP
Mr. Andre Ayala, Hilltop Securities Inc.
Mr. Jorge Delgado, Hilltop Securities Inc.
Mrs. Penny Brooker, Hilltop Securities Inc.
Ms. Kathy Scott, Hilltop Securities Inc.
Mr. Brandon Walker, BofA Securities, Inc.
Mr. Tyler Anderson, BofA Securities, Inc.
Mr. Ben Falcone, BofA Securities, Inc.
Mr. Kevin Twining, Locke Lord LLP
Mr. Michael Schulman, Locke Lord LLP

August 29, 2019

BofA Securities, Inc.
901 Main Street, 11th Floor
Dallas, Texas 75202

Re: City of Grand Prairie, Texas, Combination Tax and Revenue Notes, Taxable Series 2019

Ladies and Gentlemen:

We have acted as counsel for you as the Underwriter of the Notes identified above (the "Notes"), issued under and pursuant to an ordinance adopted by the City Council of the City of Grand Prairie, Texas (the "Issuer") on August 6, 2019 (the "Ordinance") authorizing the issuance of the Notes, which Notes you are purchasing pursuant to a Note Purchase Agreement (the "Note Purchase Agreement") dated August 6, 2019 (such purchase being referred to herein as the "Transaction"). All capitalized undefined terms used herein shall have the meaning set forth in the Note Purchase Agreement.

In connection with this opinion letter, we have considered such matters of law and of fact, and have relied upon such certifications and other information furnished to us, as we have deemed appropriate as a basis for our opinion set forth below. We are not expressing any opinion or views herein on the authorization, issuance, delivery or validity of the Notes and we have assumed, but not independently verified, that the signatures on all documents and certificates that we have examined are genuine.

Based on and subject to the foregoing, we are of the opinion that, under existing laws, the Notes are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Ordinance is not required to be qualified under the Trust Indenture Act of 1939, as amended.

Because the primary purpose of our professional engagement as your counsel was not to establish factual matters, and because of the wholly or partially non-legal character of many of the determinations involved in the preparation of the Preliminary Official Statement dated July 31, 2019 (the "Preliminary Official Statement") and the Official Statement dated August 6, 2019 (the "Official Statement") and because the information in the Preliminary Official Statement and the Official Statement included under the captions and subcaptions "THE OBLIGATIONS - Book-Entry-Only System" and "TAX MATTERS-THE OBLIGATIONS" and Appendices A and C thereto were prepared by others who have been engaged to review or provide such information, we are not passing on and do not assume any responsibility for the

information contained under such captions and subcaptions and appendices, and, except as set forth in the last sentence of this paragraph, we are not passing on and do not assume any responsibility for the accuracy, completeness or fairness of other statements contained in the Preliminary Official Statement and the Official Statement (including any appendices, schedules and exhibits thereto) and we make no representation that we have independently verified the accuracy, completeness or fairness of such statements. In the course of our participation in the preparation of the Preliminary Official Statement and the Official Statement as your counsel, we had discussions with representatives of the Issuer, including its Financial Advisor and Bond Counsel, and you regarding the contents of the Preliminary Official Statement and the Official Statement. On the basis of the foregoing and in reliance thereon and on the certificates, opinions and other documents herein mentioned (relying as to materiality to a large extent upon the officials and other representatives of the Issuer) we advise you that no facts came to our attention which would lead us to believe that the Preliminary Official Statement, as of its date and as of the date of the Note Purchase Agreement, and the Official Statement, as of its date and as of the date of Settlement (in each case, except for the financial statements and other financial, forecast, technical and statistical statements and data contained therein, the information set forth under the captions and subcaptions “THE OBLIGATIONS - Book-Entry-Only System” and “TAX MATTERS” and Appendices A and C thereto, as to which we express no opinion), contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

In addition, based upon (i) our understanding of Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”) and interpretive guidance published by the United States Securities and Exchange Commission relating thereto; (ii) our review of the continuing disclosure undertaking of the Issuer contained in the Ordinance; and (iii) the inclusion in the Official Statement of a description of the specifics of such undertaking, and in reliance on the opinion of Bond Counsel that the Ordinance has been duly adopted by the Issuer and is in full force and effect and constitutes a valid and legally binding obligation of the Issuer enforceable in accordance with its terms, we have no reason to believe that such undertaking does not meet the requirements of paragraph (b)(5)(i) of the Rule and, accordingly, we advise you that such undertaking provides a suitable basis for you, as the underwriter of the Notes, and any other broker, dealer or municipal securities dealer acting as a Participating Underwriter (as defined in the Rule) in connection with the offering of the Notes, to make a reasonable determination that the Issuer has met the qualifications of paragraph (b)(5)(i) of the Rule.

In addition to the limitations set forth in the preceding paragraphs, we have not been requested to review, nor have we reviewed, any records or contracts of the Issuer or the basis for any representations made by representatives of the Issuer, and the foregoing is subject to the material, statements, and other data contained in the records or contracts of the Issuer and any such representations, to the extent they are reflected in the Official Statement, not containing any untrue statement of a material fact or omitting to state a material fact necessary to make the statements contained in the Official Statement, in the light of the circumstances under which they were made, not misleading.

You are reminded that this opinion expresses our professional judgment as to the legal issues explicitly addressed herein. In rendering this opinion we do not become an insurer or

guarantor of the expression of professional judgment, of the Transaction, or of the future performance of the parties to the Transaction. Nor does this opinion guarantee the outcome of any legal dispute that may arise out of or relate to the Transaction.

This opinion is issued to you and for your sole benefit and is issued for the sole purpose of the Transaction. No person other than you may rely upon this opinion without our express written consent. This opinion may not be utilized by you for any other purpose whatsoever and may not be quoted by you without our express prior written consent. We assume no obligation to review or supplement this opinion subsequent to its date, whether by reason of a change in the current laws, by legislative or regulatory action (including, without limitation, publication by the Securities and Exchange Commission of further interpretive guidance relating to the Rule), by judicial decision, or by any other action. The opinions expressed herein are limited to the matters specifically set forth herein, and no other opinions should be inferred beyond the matters expressly stated.

Our opinions herein are limited in all respects to the federal laws of the United States of America and the laws of the State of Texas, and we do not express any opinion as to the applicability of or the effect thereon of the laws of any other state or other jurisdiction.

Respectfully submitted,

Loeke Lord LLP

S&P Global Ratings

500 North Akard Street
Ross Tower, Suite 3200
Dallas, TX 75201
tel (214) 871-1400
reference no.: 1575153

July 25, 2019

City of Grand Prairie
317 College Street
Grand Prairie, TX 75050
Attention: Ms. Becky Brooks, Chief Financial Officer

Re: *US\$7,160,000 City of Grand Prairie, Texas (Dallas, Tarrant and Ellis Counties), Combination Tax and Revenue Tax Notes, Taxable Series 2019, dated: August 15, 2019, due: February 15, 2026*

Dear Ms. Brooks:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AAA" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:
S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

ns

enclosures

cc: ***Mr. Andre Ayala***
Mr. James S. Sabonis
Ms. Penny Brooker

S&P Global Ratings Terms and Conditions Applicable To Public Finance Credit Ratings

General. The credit ratings and other views of S&P Global Ratings are statements of opinion and not statements of fact. Credit ratings and other views of S&P Global Ratings are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While S&P Global Ratings bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, S&P Global Ratings does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and S&P Global Ratings' opinions should not be relied upon in making any investment decision. S&P Global Ratings does not act as a "fiduciary" or an investment advisor. S&P Global Ratings neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice. Unless otherwise indicated, the term "issuer" means both the issuer and the obligor if the obligor is not the issuer.

All Credit Rating Actions in S&P Global Ratings' Sole Discretion. S&P Global Ratings may assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, at any time, in S&P Global Ratings' sole discretion. S&P Global Ratings may take any of the foregoing actions notwithstanding any request for a confidential or private credit rating or a withdrawal of a credit rating, or termination of a credit rating engagement. S&P Global Ratings will not convert a public credit rating to a confidential or private credit rating, or a private credit rating to a confidential credit rating.

Publication. S&P Global Ratings reserves the right to use, publish, disseminate, or license others to use, publish or disseminate a credit rating and any related analytical reports, including the rationale for the credit rating, unless the issuer specifically requests in connection with the initial credit rating that the credit rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private credit rating or the existence of a confidential or private credit rating subsequently becomes public through disclosure other than by an act of S&P Global Ratings or its affiliates, S&P Global Ratings reserves the right to treat the credit rating as a public credit rating, including, without limitation, publishing the credit rating and any related analytical reports. Any analytical reports published by S&P Global Ratings are not issued by or on behalf of the issuer or at the issuer's request. S&P Global Ratings reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public credit ratings that have been withdrawn, regardless of the reason for such withdrawal. S&P Global Ratings may publish explanations of S&P Global Ratings' credit ratings criteria from time to time and S&P Global Ratings may modify or refine its credit ratings criteria at any time as S&P Global Ratings deems appropriate.

Reliance on Information. S&P Global Ratings relies on issuers and their agents and advisors for the accuracy and completeness of the information submitted in connection with credit ratings and the surveillance of credit ratings including, without limitation, information on material changes to information previously provided by issuers, their agents or advisors. Credit ratings, and the maintenance of credit ratings, may be affected by S&P Global Ratings' opinion of the information received from issuers, their agents or advisors.

Confidential Information. S&P Global Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received from issuers, their agents or advisors. For these purposes, "Confidential Information" shall mean verbal or written information that the issuer or its agents or advisors have provided to S&P Global Ratings and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential."

S&P Global Ratings Not an Expert, Underwriter or Seller under Securities Laws. S&P Global Ratings has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. S&P Global Ratings has not performed and will not perform the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with a credit rating engagement.

Disclaimer of Liability. S&P Global Ratings does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a credit rating or the results obtained from the use of such information. S&P GLOBAL RATINGS GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS

FOR A PARTICULAR PURPOSE OR USE. S&P Global Ratings, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to any person for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to a credit rating or the related analytic services even if advised of the possibility of such damages or other amounts.

No Third Party Beneficiaries. Nothing in any credit rating engagement, or a credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of a credit rating. No person is intended as a third party beneficiary of any credit rating engagement or of a credit rating when issued.

RatingsDirect®

Summary:

Grand Prairie, Texas; General Obligation

Primary Credit Analyst:

Daniel Golliday, Farmers Branch + 1 (214) 765 5881; daniel.golliday@spglobal.com

Secondary Contact:

Andy A Hobbs, Farmers Branch + 1 (972) 367 3345; Andy.Hobbs@spglobal.com

Table Of Contents

Rationale

Outlook

Related Research

Summary:

Grand Prairie, Texas; General Obligation

Credit Profile

US\$53.655 mil comb tax & rev certs of oblig ser 2019B dtd 08/15/2019 due 02/15/2034		
<i>Long Term Rating</i>	AAA/Stable	New
US\$38.34 mil comb tax & rev certs of oblig ser 2019A dtd 08/15/2019 due 02/15/2039		
<i>Long Term Rating</i>	AAA/Stable	New
US\$19.975 mil GO rfdg bnds ser 2019 dtd 08/15/2019 due 02/15/2031		
<i>Long Term Rating</i>	AAA/Stable	New
US\$7.16 mil comb tax & rev tax nts ser 2019 dtd 08/15/2019 due 02/15/2026		
<i>Long Term Rating</i>	AAA/Stable	New

Rationale

S&P Global Ratings has assigned its 'AAA' long-term rating to Grand Prairie, Texas' series 2019 general obligation (GO) refunding bonds, series 2019 combination tax and revenue tax notes, series 2019A combination tax and revenue certificates of obligation and revenue tax notes, and series 2019B combination tax and revenue certificates of obligation. At the same time, S&P Global Ratings affirmed its 'AAA' long-term rating and underlying rating (SPUR) on the city's previously issued GO bonds and certificates of obligation. The outlook is stable.

Security and use of proceeds

Grand Prairie's GO bonds tax notes, and certificates of obligation constitute direct obligations of the city, payable from the proceeds of a continuing, direct annual ad valorem tax, within the limits prescribed by law, on all taxable property within its borders.

State statutes limit the ad valorem tax rate for home rule cities to \$2.50 per \$100 of taxable assessed valuation (AV) for all city purposes. The Texas attorney general permits the allocation of \$1.50 of the \$2.50 maximum tax rate for ad valorem tax debt service. In fiscal 2019, Grand Prairie's total levy is well below the maximum at 67.00 cents per \$100 of AV, 20.63 cents of which is dedicated to debt service. Despite state statutory tax-rate limitations, we do not differentiate between the city's limited-tax debt and its general creditworthiness, since the ad valorem tax is not derived from a measurably narrower tax base and there are no limitations on the fungibility of resources, which supports our view of the city's overall ability and willingness to pay debt service.

The series 2019 notes are additionally secured by a limited pledge of revenues not to exceed \$2,500 that consist of tax increment and hotel occupancy tax revenue. Given the limited nature of the additional pledged revenues, our ratings on these obligations are based on the city's ad valorem tax pledge.

Several of the city's certificates of obligation are additionally secured by a limited pledge of net revenues from the city's water and wastewater system not to exceed \$2,500. Given the limited nature of the additional pledged revenues, our ratings on these obligations are based on the city's ad valorem tax pledge.

The series 2004 certificates are additionally secured by a lien on and pledge of net revenues from the city's municipal airport. We rate to the strength of the ad valorem pledge on these certificates due to the lack of legal covenants in place to assess the strength of the enterprise pledge.

Proceeds from the 2019 GO bonds will refund existing debt for interest savings. Proceeds from the 2019 tax notes will finance the construction of a convention center facility. Proceeds from the 2019A & 2019B certificates will finance the city's Epic Central project. Additionally, the certificates will finance various infrastructure related improvements and the construction of parking, library, fire-fighting and recreation facilities.

Grand Prairie's GO debt is eligible to be rated above the sovereign because we assess the city can maintain better credit characteristics than the U.S. in a stress scenario. Under our criteria "Ratings Above the Sovereign--Corporate and Government Ratings: Methodology And Assumptions" (published Nov. 19, 2013), U.S. local governments are considered to have moderate sensitivity to country risk. The city's GO pledge is the primary source of security on the debt; this severely limits the possibility of negative sovereign intervention in the payment of the debt or in the city's operations. The institutional framework in the U.S. is predictable for local governments, allowing them significant autonomy, independent treasury management, and no history of government intervention. Grand Prairie has considerable financial flexibility, as demonstrated by its very strong general fund balance as a percentage of expenditures, as well as very strong liquidity.

Credit overview

The long-term rating reflects the city's very strong financial position that is supported by a framework of comprehensive and long-standing financial policies and practices. Strong revenue growth and conservative budgeting have contributed to positive budgetary performance resulting in the maintenance of a very strong reserve and liquidity position that we expect to continue in the medium term. Underlying the city's strong financial performance is a diverse and growing economy that is experiencing an unprecedented period of economic growth tied to its position as an expanding employment center in combination with a housing stock that remains relatively affordable within the Dallas metroplex. This ongoing growth within the city necessitates the continued need for debt to maintain infrastructure and meet increasing service demands; however, we assess the city will continue to issue debt within the guidelines established in its debt policy to ensure that debt issuance remains commensurate with economic growth. While overall economic indicators are below 'AAA' medians, the city's location and participation in a broad and diverse MSA coupled with the stable and growing local economy support the rating.

The rating reflects our assessment of the following credit characteristics:

- Strong economy, with access to a broad and diverse metropolitan statistical area (MSA) and a local stabilizing institutional influence;
- Very strong management, with strong financial policies and practices under our Financial Management Assessment methodology;
- Strong budgetary performance, with slight operating surpluses in the general fund and at the total governmental fund level in fiscal 2018;

- Very strong budgetary flexibility, with an available fund balance in fiscal 2018 of 26% of operating expenditures;
- Very strong liquidity, with total government available cash at 60.7% of total governmental fund expenditures and 4.1x governmental debt service, and access to external liquidity we consider exceptional;
- Weak debt and contingent liability position, with debt service carrying charges at 14.7% of expenditures and net direct debt that is 191.5% of total governmental fund revenue, but rapid amortization, with 66.4% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

Strong economy

We consider Grand Prairie's economy strong. The city, with an estimated population of 201,852, is located in Dallas, Ellis, and Tarrant counties in the Dallas-Fort Worth-Arlington MSA, which we consider to be broad and diverse. The city also benefits, in our view, from a stabilizing institutional influence. The city has a projected per capita effective buying income of 78.9% of the national level and per capita market value of \$73,098. Overall, the city's market value grew by 9.1% over the past year to \$14.8 billion in 2019. The weight-averaged unemployment rate of the counties was 3.6% in 2018.

Grand Prairie is centrally located in the broad and diverse Dallas-Arlington-Fort Worth MSA and is strategically positioned along several major thoroughfares, which provide local residents and commuters direct access to employment opportunities within its boundaries and in the greater Dallas-Fort Worth metroplex. The local economy is growing and vibrant due to substantial economic growth and an expanding employer base that is anchored by key industries such as health care, retail and trade, and manufacturing. The city also serves as a regional tourism and entertainment draw due to Lone Star Park racetracks, The Theater at Grand Prairie, and EpicCentral.

We view the underlying economy as stronger than what our metrics represent because of the city's diverse economic base coupled with ongoing developments that stimulate the economy, despite lower-than-average wealth and income levels compared to similarly rated peers. These underlying economic metrics are somewhat suppressed due to a large student population and a number of tax-exempt properties.

The city's property tax base growth has been historically healthy and consists predominantly of residential and commercial parcels, adding a degree of stability to its tax base. Real, residential single-family represents approximately 44% of the city's AV, while real commercial and tangible business combined account for 36%. The city's strong tax base growth is attributed to robust commercial and residential development that city officials anticipate to continue due to an assortment of projects currently in varying stages of development. As a result of ongoing development, the city's tax base growth has averaged 8.5% over the past five years. In aggregate, the city's tax base increased by approximately \$4.9 billion, or 49% since 2014.

Grand Prairie has several economic projects that have been announced, or that are in various stages of development, which are expected to further strengthen and diversify the local economy. Some of the notable developments include Airbus Helicopters Inc. capital investment towards a new training center and is expected to come online in 2020. The city's major multi-use development called EpicCentral is undergoing construction that will add two hotels to the area

as well as several retail and restaurant establishments. Lockheed Martin, one of the city's principal employers recently secured a \$946 million deal related to the production of one of its missile defense systems and expects to hire additional employees to help fulfill its contractual obligations. The city has also been reinvesting in its community with deliberate and effective urban planning and design efforts. With a combination of pay-as-you-go financing from excess revenues, the city has been able to undertake multiple projects to improve the quality of life within the community.

We assess that the city's advantageous location, coupled with the various developments that have been completed or are in the pipeline, will support long-term economic strength and stability.

Very strong management

We view the city's management as very strong, with strong financial policies and practices under our Financial Management Assessment methodology, indicating financial practices are strong, well embedded, and likely sustainable.

Annually during the budget process, the city reviews its comprehensive set of policies and procedures to ensure compliance with each. When developing the budget, the management team employs conservative revenue and expenditure assumptions by incorporating historical trend analysis and adheres to financial discipline by not relying on one-time revenue to fund recurring expenses. Furthermore, officials can amend the budget when appropriate and regularly monitors budget-to-actual trends with monthly reports provided to council. Management performs multiyear financial planning identifying out-year budget gaps to determine revenue and expenditure adjustments to maintain budgetary balance. Furthermore, in conjunction with the annual capital planning process, officials update the five-year capital improvement plan on an annual basis, and the plan identifies sources and uses of funding. The city's debt management policy includes thresholds to monitor leverage, including quantitative measurable parameters and benchmarks. The city has a formalized reserve policy, including a target unassigned general fund balance of 50 to 60 days of operating expenditures. Lastly, the city's formal investment management policy parallels state regulations and calls for quarterly reporting to elected officials.

Strong budgetary performance

Grand Prairie's budgetary performance is strong in our opinion. The city had slight operating surpluses of 1.1% of expenditures in the general fund and of 1.0% across all governmental funds in fiscal 2018. General fund operating results of the city have been stable over the last three years, with a result of negative 0.5% in 2017 and a result of 2.3% in 2016.

In assessing the city's budgetary performance, we have adjusted for recurring transfers out of the general fund. Additionally, we have adjusted for large one-time capital expenditures that were funded with previously deposited bond proceeds. Grand Prairie has historically maintained strong budgetary performance, resulting from a combination of conservative budgeting and strong revenue growth that has resulted in a strong track record operating surpluses. Management monitors the budget regularly throughout the year, and final results are often better than budgeted.

As is common within the scope of its conservative financial practices, the 2018 budget was adopted with the use of \$1.6 million use of fund balance when incorporating other financing sources. However, when comparing final budget to actual, outperformance by both revenues and expenditures of a combined \$13.2 million contributed toward a very strong operating surplus of \$11.5 million. After transfers, the net change in the city's fund balance totaled roughly \$2.4

million. The strong performance is attributed to underestimating revenues largely stemming from healthy sales tax collections, franchise fees, and investment income.

The city has a predominantly locally derived revenue base and has demonstrated a broad and well-embedded culture of fiscal discipline. General fund revenues were predominantly derived from property taxes (45%), sales taxes (23%), and franchise fees (11%). Both property and sales tax revenues have demonstrated stable growth in recent years, and management believes this trend will continue in tandem with taxable value growth.

Grand Prairie's fiscal 2019 adopted budget calls for a net operating deficit of \$3.1 million. However, like similar years, management expects the year-end to yield positive results and add to its available fund balance. Given management's conservative assumptions and the city's history of strong performance, we assess the city's operations will remain at least balanced as ongoing economic expansion drives operating revenue and the city maintains conservative budgeting practices.

Very strong budgetary flexibility

Grand Prairie's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2018 of 26% of operating expenditures, or \$33.3 million.

Grand Prairie has historically maintained very strong reserve levels, in our view, exceeding 25% of adjusted operating expenditures in the most recent three fiscal years. In addition, we assess that, in keeping with its traditionally conservative budgeting practices, the city will likely continue to produce balanced operations annually, and it will make intra-year expenditure and revenue adjustments to outperform the budget at year-end. Additionally, the city often transfers out general fund excess revenues to cash fund one-time capital projects. Management has indicated that it has no plans to materially draw down its general fund balance. We expect budgetary flexibility to remain very strong in the near future, due to the city's ability to budget conservatively, track record of positive variances, and history of routine surpluses.

Very strong liquidity

In our opinion, Grand Prairie's liquidity is very strong, with total government available cash at 60.7% of total governmental fund expenditures and 4.1x governmental debt service in 2018. In our view, the city has exceptional access to external liquidity if necessary.

Grand Prairie, in our opinion, has historically maintained a very strong liquidity position. We believe the city's exceptional access to external liquidity is displayed by its frequent debt issuance of GO bonds, sales tax bonds, and utility revenue bonds in recent years. Although the state allows for, what we view as, permissive investments, we do not believe the city has any aggressive investments, with investments held in U.S Government securities and in state investment pools.

Currently, the city has two series of privately placed variable rate debt obligations. In total, these obligations represents approximately 16% of operating cash on hand and 5% of total direct GO debt. In our view, we do not view potential rate fluctuations as a liquidity risk given the variable rate demand bond percentage of the city's direct debt and the city's cash on hand.

Weak debt and contingent liability profile

In our view, Grand Prairie's debt and contingent liability profile is weak. Total governmental fund debt service is 14.7% of total governmental fund expenditures, and net direct debt is 191.5% of total governmental fund revenue.

Approximately 66.4% of the direct debt is scheduled to be repaid within 10 years, which is in our view a positive credit factor.

Debt supported through the city's enterprise fund has been adjusted in our calculations. The city's total direct debt includes debt secured by sales tax and tax increment financing, which, consistent with our debt statement analysis criteria, we do not consider self-supporting.

Grand Prairie's comprehensive five-year CIP serves as a blueprint to address subsequent growth and development in a prudent manner. The plan totals about \$111.2 million for fiscal years 2020-2024. All projects included in the CIP have identified funding sources that are determined with consideration of the city's financial capacity and formal debt management policy. In addition, the city anticipates debt issuance of roughly \$30 million-\$40 million over the next 12 to 24 months. The city typically issues annually as part of its capital plan and generally amortizes a similar amount. We expect the city's debt burden to remain elevated, as the city will likely issue additional debt to fund growth-related capital needs. However, we assess the city will prudently manage debt issuance relative to its rate of tax-base growth, stay in compliance of its formal debt management policy, and expect medium-debt term plans not to negatively impact the city's overall credit quality.

Given the city's rapid amortization, we anticipate debt service costs will remain manageable as new debt is issued. Depending on the timing of the new debt relative to the current amortization schedule, our opinion of the city's debt and liability profile may change to very weak if its 10-year amortization schedule were to fall below 65%.

Pension and OPEB

Grand Prairie's combined required pension and actual other postemployment benefits (OPEB) contributions totaled 6.5% of total governmental fund expenditures in 2018. Of that amount, 5.5% represented required contributions to pension obligations, and 1.0% represented OPEB payments. The city made its full annual required pension contribution in 2018.

The city contributes to a nontraditional, joint contributory, hybrid defined-benefit pension plan administered by the Texas Municipal Retirement System (TMRS). The city's required pension contribution is its actuarially determined contribution (ADC), which is calculated using the entry age actuarial cost method. The city has historically paid at least 100% of the ADC. In fiscal 2018, it contributed 17.48% of covered payroll, which amounted to \$12.5 million in contributions to the pension system.

Actuarial assumptions include a discount rate of 6.75% and a 28-year closed amortization period. Using updated reporting standards in accordance with Governmental Accounting Standards Board Statement No. 68, the city's net pension liability, measured as of Dec. 31, 2017, was \$50.9 million. The plan's fiduciary net position as a percent of the total pension liability is 90.8%. The city also offers a supplemental death benefit through TMRS. The plan is funded on a pay-as-you-go basis. Benefit contributions are actuarially determined and the city has fully funded these costs in recent years. As of the Dec. 31, 2017 measurement date, the total OPEB liability was \$3.6 million. In addition to the TMRS OPEB, the city also offers continuing health care benefits to retirees until they achieve Medicare eligibility.

While Grand Prairie does not explicitly contribute to retiree health premiums, the OPEB liability reflects the cumulative cost of the implicit subsidy of these benefits. The total OPEB liability for retiree health care was \$55.8 million as of the Dec. 31, 2017 measurement date. Overall, we do not anticipate pension and OPEB costs to create any budgetary pressure over the next two years.

Strong institutional framework

The institutional framework score for Texas municipalities is strong.

Outlook

The stable outlook reflects our opinion of Grand Prairie's consistent financial performance and expanding local economy, supported by very strong management. We do not expect to change the rating during the next two years because we assess that the city will likely maintain very strong reserves and strong budgetary performance and continue to benefit from participation in the broad and diverse Dallas-Fort Worth MSA.

Downside scenario

Although unlikely, we could lower the rating if the city's financial management policies weaken or budgetary performance materially deteriorates, causing reserves to drop to levels no longer comparable with similarly rated peers. In addition, if the city's debt profile were to significantly increase, adding material stress to its budgetary performance, we could lower the rating.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015

Ratings Detail (As Of July 25, 2019)

Grand Prairie comb tax and rev certs of oblig ser 2011A dtd 11/01/2011 due 02/15/2013-2031		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Grand Prairie comb tax and rev certs of oblig ser 2011 dtd 02/01/2011 due 02/15/2012-2031		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Grand Prairie comb tax and rev certs of oblig ser 2013A dtd 11/01/2013 due 02/15/2034		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Grand Prairie comb tax and rev certs of oblig ser 2013 dtd 04/01/2013 due 02/15/2014-2033		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Grand Prairie comb tax and rev certs of oblig ser 2014 dtd 11/15/2014 due 02/15/2034		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Grand Prairie comb tax & rev certs of oblig ser 2010 dtd 02/01/2010 due 02/15/2011-2019 2025 2030		
<i>Long Term Rating</i>	AAA/Stable	Affirmed

Ratings Detail (As Of July 25, 2019) (cont.)

Grand Prairie GO		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Grand Prairie GO		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Grand Prairie GO		
<i>Long Term Rating</i>	AAA/Stable	Affirmed

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

Copyright © 2019 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

Fitch Ratings

33 Whitehall Street
New York, NY 10004

T 212 908 0500 / 800 75 FITCH
www.fitchratings.com

July 29, 2019

Ms. Becky Brooks
Chief Financial Officer
Grand Prairie
317 College Street
Grand Prairie, TX 75050

Dear Ms. Brooks:

Fitch Ratings has assigned one or more ratings and/or otherwise taken rating action(s), as detailed in the attached Notice of Rating Action.

In issuing and maintaining its ratings, Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of Fitch's ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

Fitch seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. Fitch is not your advisor, nor is Fitch providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services.

The assignment of a rating by Fitch does not constitute consent by Fitch to the use of its name as an expert in connection with any registration statement or other filings under US, UK or any other relevant securities laws. Fitch does not consent to the inclusion of its ratings in any offering document in any instance in which US, UK or any other relevant securities laws requires such consent. Fitch does not consent to the inclusion of any written letter communicating its rating action in any offering document. You understand that Fitch has not consented to, and will not consent to, being named as an "expert" in connection with any registration statement or other filings under US, UK or any other relevant securities laws, including but not limited to Section 7 of the U.S. Securities Act of 1933. Fitch is not an "underwriter" or "seller" as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933, nor has Fitch performed the roles or tasks associated with an "underwriter" or "seller" under this engagement.

Fitch will continue to monitor the credit quality of and maintain ratings on the Issuer/Securities. It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason Fitch deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between Fitch and you or between us and any user of the ratings.

In this letter, "Fitch" means Fitch Ratings, Inc. and any successor in interest.

Public ratings will be valid and effective only upon publication of the ratings on Fitch's website.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please feel free to contact us at any time.

Daniel Champeau
Managing Director
U.S. Public Finance

DCC/em

Enc: Notice of Rating Action
(Doc ID:212700 Rev 0)

Notice of Rating Action

<u>Bond Description</u>	<u>Rating Type</u>	<u>Rating Action</u>	<u>Rating</u>	<u>Outlook/ Watch</u>	<u>Eff Date</u>	<u>Notes</u>
Grand Prairie (TX) sales tax rev bonds (taxable) ser 2015	Long Term Rating	Upgrade	AA+	RO:Sta	26-Jul-2019	
Grand Prairie (TX) sales tax rev bonds (taxable) ser 2015	Unenhanced Long Term Rating	Upgrade	AA+	RO:Sta	26-Jul-2019	
Grand Prairie (TX) combination tax & rev tax notes (taxable) ser 2019	Long Term Rating	New Rating	AA+	RO:Pos	26-Jul-2019	
Grand Prairie (TX) combination tax & rev tax notes (taxable) ser 2019	Unenhanced Long Term Rating	New Rating	AA+	RO:Pos	26-Jul-2019	
Grand Prairie (TX) GO rfdg bonds ser 2019	Long Term Rating	New Rating	AA+	RO:Pos	26-Jul-2019	
Grand Prairie (TX) GO rfdg bonds ser 2019	Unenhanced Long Term Rating	New Rating	AA+	RO:Pos	26-Jul-2019	
Grand Prairie (TX) combination tax & rev ctf of oblig (taxable) ser 2019B	Long Term Rating	New Rating	AA+	RO:Pos	26-Jul-2019	
Grand Prairie (TX) combination tax & rev ctf of oblig (taxable) ser 2019B	Unenhanced Long Term Rating	New Rating	AA+	RO:Pos	26-Jul-2019	
Grand Prairie (TX) combination tax & rev ctf of oblig ser 2019A	Long Term Rating	New Rating	AA+	RO:Pos	26-Jul-2019	
Grand Prairie (TX) combination tax & rev ctf of oblig ser 2019A	Unenhanced Long Term Rating	New Rating	AA+	RO:Pos	26-Jul-2019	

Key: RO: Rating Outlook, RW: Rating Watch, Pos: Positive, Neg: Negative, Sta: Stable, Evo: Evolving

Grand Prairie, Texas

New Issue Report

Ratings

Long Term Issuer Default Rating AA+

New Issues

\$35,800,000 Combination Tax & Revenue Certificates of Obligation, Series 2019A AA+
 \$7,135,000 Combination Tax & Revenue Tax Notes, Taxable Series 2019 AA+
 \$20,005,000 General Obligation Refunding Bonds, Series 2019 AA+
 \$34,460,000 Combination Tax & Revenue Certificates of Obligation, Taxable Series 2019B AA+

Outstanding Debt

Combination Tax & Revenue Certificates of Obligation AA+
 General Obligation Bonds AA+
 Sales Tax Revenue Bonds AA+
 Taxable Sales Tax Revenue Bonds³ AA+

³Upgraded from 'AA' on July 26, 2019.

Rating Outlook

Positive³

³Reflects the Rating Outlook on the IDR and limited tax GO and CO bonds. The Rating Outlook on the Sales Tax Bonds is Stable.

Analysts

Rebecca Moses
 +1 512 215-3739
 rebecca.moses@fitchratings.com

Brittany Pulley
 +1 512 215-3734
 brittany.pulley@fitchratings.com

New Issue Summary

Sale Date: Aug. 8 via negotiation.

Series: \$35,800,000 Combination Tax & Revenue Certificates of Obligation, Series 2019A;
 \$7,135,000 Combination Tax & Revenue Tax Notes, Taxable Series 2019;
 \$20,005,000 General Obligation Refunding Bonds, Series 2019;
 \$34,460,000 Combination Tax & Revenue Certificates of Obligation, Taxable Series 2019B

Purpose: Tax-exempt bond proceeds will be used for various public improvements, such as streets, fire and municipal facilities and to refund outstanding debt for interest cost savings while taxable bond proceeds will be used to fund certain Epic Central Park infrastructure and economic development projects.

Security: The taxable 2019 tax notes, 2019 GO refunding bonds, and 2019A and taxable 2019B COs are payable by a pledge of ad valorem taxes, limited to \$2.50 per \$100 taxable assessed valuation (TAV). The 2019A and taxable series 2019B COs are further secured by a limited, de minimus pledge (\$2,500) of the net revenues of the city's water and wastewater system.

The 'AA+' IDR and limited tax ratings are underpinned by Fitch's expectation of the highest level of operating flexibility and anticipated financial resilience to be maintained throughout the economic cycle, enabled by solid expenditure flexibility. Fitch believes general fund revenue growth prospects remain strong; the revenue framework is augmented by the city's ample revenue-raising capacity. Fitch expects the long-term liability burden to remain moderate as regional capital and debt needs should remain balanced against further population and income gains.

The Positive Outlook reflects the city's strong position as a key participant in the broad and diverse Dallas-Fort Worth MSA economy. The steady trend of public and private capital investment in Grand Prairie has accelerated in recent years due in part to expanded or improved highway access. Fitch expects further economic development underway or planned throughout all sectors will be sustained by a solidly growing population base and income levels. Fitch's expectation for continued strong growth trends in the city's economy, in tangent with expectations for future debt issuance, informs the Positive Outlook.

Economic Resource Base: Grand Prairie is located in the center of the broad Dallas-Fort Worth (DFW) metropolitan statistical area (MSA) economy, just south of the DFW International Airport. The city's employment base is relatively diverse and population growth since 2010 has been solid, unlike many other Dallas inner-ring cities. Residents totaled about 195,000 in 2018.

Key Rating Drivers

Revenue Framework: 'aaa'

Revenue gains have consistently kept pace with or exceeded U.S. GDP, due in part to solid sales tax growth. Fitch expects this strong pace will be sustained given the likelihood of further population growth and economic expansion. The city's independent legal ability to raise property tax revenues, fees, charges for services, and other locally controlled revenues provide ample flexibility.

Expenditure Framework: 'aa'

Fitch expects city expenditures will increase at a pace equal to or slightly above the city's strong revenue gains. Solid expenditure flexibility is evidenced by the city's prudent budgeting

Rating History (IDR and LTGO bonds)

Rating	Action	Outlook/ Watch	Date
AA+	Affirmed	Positive	7/26/19
AA+	Affirmed	Positive	10/22/18
AA+	Affirmed	Stable	10/24/16
AA+	Affirmed	Stable	3/8/13
AA+	Revised	Stable	4/30/10
AA	Affirmed	Stable	1/28/10
AA	Affirmed	Positive	10/30/08
AA	Affirmed	Stable	3/07/03
AA	Assigned	---	11/05/98

practices and ability to adjust its labor costs if needed. Moderate to moderately high carrying costs reflect a rapid amortization of property tax-supported direct debt.

Long-Term Liability Burden: 'aa'

The long-term liability burden is moderate at just under 15% of resident personal income. Fitch believes continued economic and population growth should keep the burden in line with the 'aa' assessment. The rapid pace of direct debt amortization should accommodate planned future borrowings.

Operating Performance: 'aaa'

Fitch expects the city will maintain the highest level of financial resilience in a moderate economic decline given its ample revenue-raising ability respective to its low historical revenue volatility, solid expenditure control, and a strong and stable reserve cushion. Budget management is strong with no material deferral of required spending.

Rating Sensitivities

Shift In Fundamentals: The 'AA+' IDR and limited tax bond ratings are sensitive to material change in the city's robust and diverse economic base, strong revenue framework, solid expenditure flexibility, and moderate liability position. The Positive Outlook reflects Fitch's expectation that despite the area's future debt and capital needs, further strong population, income, and economic gains will likely help to moderate the current liability burden of this largely built-out city.

Credit Profile

Grand Prairie's economy continues to grow with further sector development in defense manufacturing, aerospace, and manufacturing/distribution, complemented by an expanding multi-family residential, retail/commercial, and entertainment presence. Prominent employers within the city include Lockheed/Martin, Airbus Helicopters, and Bell Helicopter-Textron. The city has also recently attracted some of the top (Tier One) suppliers to the nearby General Motors assembly plant. The city's economy is buoyed by easy access to major air and ground transportation routes. Unemployment remained low year-over-year at 2.9% in May 2019, slightly below state and national averages.

The city has historically realized moderate annual TAV growth given its central location in a strong regional economy. About half of the city's tax base is residential with minimal taxpayer concentration. Commercial/ industrial development (such as distribution and warehousing), and restaurant/retail/commercial expansion continues to be substantial along recently expanded highway connections or newly accessible corridors (particularly the President George Bush Turnpike) given a growing population base, and it has been a key element of a strengthened TAV trend.

TAV has expanded at a robust pace of between 9%-11% annually since fiscal 2017, and the roughly \$14.8 billion tax base in fiscal 2019 is projected to grow by a comparable level in fiscal 2020. The Dec. 2017 opening of the second IKEA store for the Dallas-Fort Worth MSA in Grand Prairie, as well as a large indoor/outdoor waterpark in the city's Central Park ("Epic Waters") that opened in Jan. 2018, contributed to TAV growth and boosted sales tax revenues. Living Spaces, another sizeable home furnishings retail store, opened May 2019.

Fitch believes continuing economic development and tax base growth is likely, which should result in additional population, job, and income gains. Further high-end, multi-family developments are expected to come online, and in addition to the slower but steady

Related Research

Fitch Rates Grand Prairie, Texas' IDR, Series 2019 GO Rfdg, Tax Notes, & COs 'AA+'; Outlook Positive (July 2019)

Fitch Affirms Grand Prairie, Texas' Water and Wastewater Revs at 'AAA'; Outlook Stable (Oct. 2018)

Related Criteria

U.S. Public Finance Tax-Supported Rating Criteria (April 2018)

development of the city's southern sector around Joe Pool Lake, the city's housing market should continue to expand and diversify.

Revenue Framework

Property and sales taxes (from a 1% sales tax levy) are the leading sources of general fund revenue at approximately 45% and 23%, respectively, in fiscal 2018.

Revenue growth continued to outpace U.S GDP over the 10-year period of fiscal 2008 to 2018. Fitch believes strong historical revenue performance will be sustained without rate increases given the likelihood of further population and economic expansion that is a result of the city's integral position in the DFW metroplex and its own economic base, as well as the ability of city property and sales taxes to capture that growth.

Grand Prairie's total tax rate of approximately \$0.67 per \$100 of TAV in fiscal 2019 provides ample capacity below the statutory cap of \$2.50. However, the recently enacted Texas Senate Bill 2 (SB2) makes a number of changes to local governments' property tax rate setting process. Most notably, SB2 will reduce the rollback tax rate (now the 'voter approval tax rate') from 8% to 3.5% for most local taxing units, starting with the fiscal 2021 budget, and require a ratification election (replacing the current petition process) if any local taxing unit exceeds its voter approval rate.

The tax rate limitation in SB2 excludes new additions to tax rolls and allows for banking of unused margin for up to three years. Remaining control over other local revenues such as fines, fees, and charges for services is sufficient to generate still ample revenue-raising flexibility relative to Fitch's assessment of expected modest revenue volatility in a typical downturn. The revenue cap does not apply to debt service tax levies.

Expenditure Framework

Most of the city's operating resources are spent on public safety (about 68% of fiscal 2018 general fund spending), which Fitch expects to increase at a pace in line with or slightly above that of the city's strong revenue growth, as operational costs are fueled by continued growth in residents and businesses. The city does not face significant spending pressures given it is about 75% built out and has a history of moderate, steady investments in personnel and capital.

Expenditure flexibility is aided by the city's lack of contracts with any of its personnel. Management maintains strong legal control of labor costs and headcount. Spending adjustments during the last recession included a combination of salary and position reductions/freezes in addition to deferral of annual pay-go capital spending.

The fixed cost burden is moderately high, with carrying costs for debt, pensions and OPEB equal to about 16% of governmental spending in fiscal 2018. The fixed cost burden incorporates the city's policy-determined, rapid pace of principal amortization (about 67% retired in 10 years). Fitch expects carrying costs will increase somewhat, but will remain moderate to moderately high as budget expansion should offset some of the increase.

Long-Term Liability Burden

The long-term liability burden is moderate at approximately 15% of resident personal income. Fitch expects this burden, largely attributable to local governments' overlapping debt (at about 56%), will increase over time, although further, strong economic and population growth could lower the burden while remaining in line with the 'aa' assessment. Also supporting Fitch's expectation of a manageable burden is the city's flexible, multi-year capital improvement plan, history of steady capital investment, and rapid direct debt amortization.

The majority of city employees participate in the Texas Municipal Retirement System (TMRS), a statewide, agent multiple-employer defined benefit plan. Under GASB 67 and 68, the city reports a fiscal 2018 net pension liability (NPL) of about \$51 million, with fiduciary assets covering approximately 91% of total pension liabilities. Adjusting for Fitch's lower standard 6% investment return assumption, the NPL for the plan totaled about \$109 million with fiduciary assets covering about 82% of total estimated pension liabilities.

Operating Performance

The city has maintained a strong and stable financial cushion despite prior pressures in the last recession and retains ample revenue-raising and solid expenditure flexibility to manage well through the economic cycle. For details, see Scenario Analysis, page 7.

Modest fund-balance declines in recent fiscal years reflect continued general fund transfers for capital and other non-recurring expenditures. Management considers unassigned fund balance in excess of the city's formal policy floor of 50-60 days of expenditures (15%) as available for non-recurring budget items. The city's financial position remained strong and stable; a modest \$2.4 million net operating surplus (about 2% of spending) in fiscal 2018 improved unrestricted reserves slightly to about \$33 million or about 25% of spending at year-end.

Operating revenue performance year-to-date in fiscal 2019 has moderately exceeded budget, in particular sales taxes that grew about 6% over 2018 actuals, and spending has largely stayed in line, which is projected to result in a modest, net general fund surplus of \$2 million-\$3 million for fiscal 2019 according to city management. Fitch expects the city will continue to maintain the highest level of financial resilience based on historical fiscal performance.

Dedicated Tax Analytical Conclusion

The upgrade to 'AA+' from 'AA' of the outstanding pledged sales tax revenue Central Park Venue project bonds reflects Fitch's enhanced consideration of the structure's improving resiliency that is likely to continue given strong sales tax revenue growth prospects.

Both 'AA+' pledged sales tax revenue bond ratings (including the 'AA+' rating on the city's outstanding pledged sales tax revenue Park & Recreation Venue project bonds) reflect the very strong resiliency of their respective structures through a typical economic cycle and as compared to the worst historical performance. Fitch anticipates strong growth prospects of the pledged revenues and limited plans for additional leveraging.

The dedicated taxes pledged to the bonds do not meet the requirements set out in Fitch criteria for treatment as "pledged special revenue" under section 902(2) of the bankruptcy code and are not otherwise insulated from the operating risk of Grand Prairie. Therefore, the rating of the debt is capped at the IDR.

Dedicated Tax Key Rating Drivers

Strong Growth Prospects For Pledged Revenues: Fitch believes the natural pace of future pledged revenue growth is likely to be strong, in line with historical performance and a 'aaa' assessment. Underpinning this assumption is the likelihood of continued population growth in the city, higher than average discretionary income of residents as measured by median household income, increased visitor traffic, and further investment occurring across all sectors.

Resilience of Security: Pledged revenues are highly resilient and provide a strong coverage cushion against potential revenue declines in a moderate economic downturn. Fitch assumes

pledged revenues for the outstanding Park & Recreation Venue project sales tax bonds will not be leveraged down to the 1.25x ABT, but that coverage will be maintained at a higher minimum threshold of no less than 1.5 times all-in MADS, in line with the city's established internal financial policy. City management presently has no plans to further leverage either of the pledged 0.25% sales tax revenue streams.

Dedicated Tax Rating Sensitivity

Leverage a Key Factor: The pledged sales tax revenue bond ratings of 'AA+' assume each structure's resilience will remain at or near current levels. Although not anticipated, material increase in leverage or declines in pledged revenues that diminish the coverage cushion outside of Fitch's expectations after discussion with city management would likely result in downward rating action

Credit Profile

Pledged revenue growth has been strong over the last 10 years at an average annual growth rate (CAGR) of about 4% between fiscal 2008 and fiscal 2018. Fiscal 2018 pledged revenues of roughly \$8.2 million reflected a gain of about 7% year-over-year. The dedicated sales tax revenue stream is levied on the diverse and expanding base of taxable sales activity city-wide. Fitch believes natural pledged revenue growth prospects remain strong. This assumption is supported by the likelihood of continued population growth in the city, higher than average discretionary income as measured by median household income, increased visitor traffic, and further investment occurring across all sectors.

To evaluate the sensitivity of pledged revenues to cyclical declines, Fitch considers both the revenue sensitivity results provided by FAST and the largest historical cumulative decline in pledged revenues. Based on the pledged revenue history, FAST generates a low 1% decline in pledged revenues during the first year of a moderate recession (-1% GDP decline scenario). The largest, actual cumulative pledged revenue decline during this period was a two-year decline during the last recession of 6.4% over fiscals 2009-2010.

Parks And Recreation Venue Project Bonds: Fitch assumes pledged revenues for these outstanding sales tax bonds will not be leveraged down to the 1.25x ABT, but that coverage will be maintained at a higher minimum threshold of no less than 1.5 times all-in MADS, in line with the city's established internal financial policy. Under this assumption, a significant revenue decline of 33% would still allow for payment of debt service; this cushion is strong at 33x the 1% revenue decline produced by FAST in a 1% GDP decline scenario and 5.2x the largest cumulative revenue decline, which Fitch views as consistent with an 'aaa' resilience assessment.

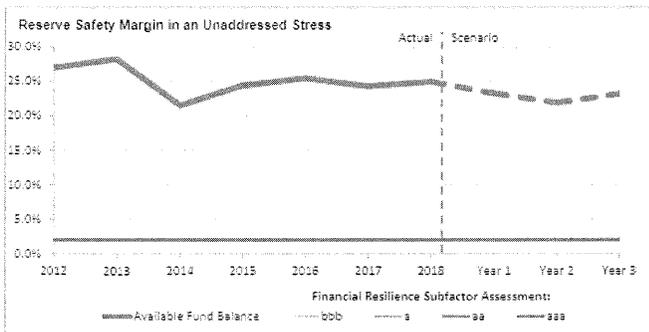
City management currently has no plans to further leverage pledged revenues. Residual revenues after payment of Parks and Recreation Venue debt service can fund general purpose park/recreation needs at the end of the flow of funds; park venue operations are distinct from the general fund.

Central Park Venue Project Bonds: The outstanding Central Park Venue project bonds do not carry an ABT as voters formally approved a debt cap of \$75 million for the dedicated 0.25% sales tax revenue, which has been reached. Management does not expect to re-approach voters for further leverage capacity. Residual sales tax revenues after payment of debt service for the city's Central Park bonds remain in a closed loop to fund its associated operational and capital needs.

Fitch estimates the structure could withstand a 33% drop in sales tax revenues before MADS coverage reaches 1.5x (current coverage from fiscal 2018 pledged revenues). The 33% decline is equivalent to 33x the FAST scenario results and 5.2x the largest actual revenue decline in the review period.

Grand Prairie (TX)

Scenario Analysis



Analyst Interpretation of Scenario Results:

Recent modest fund-balance declines reflect continued general fund transfers for capital and other non-recurring expenditures. Management considers unassigned fund balance in excess of the city's formal policy floor of 50-60 days of expenditures (15%) as available for non-recurring budget items.

Scenario Parameters:

	Year 1	Year 2	Year 3
GDP Assumption (% Change)	(1.0%)	0.5%	2.0%
Expenditure Assumption (% Change)	2.0%	2.0%	2.0%
Revenue Output (% Change)	(1.0%)	2.3%	4.6%
Inherent Budget Flexibility	Superior		

Revenues, Expenditures, and Fund Balance	Actuals							Scenario Output		
	2012	2013	2014	2015	2016	2017	2018	Year 1	Year 2	Year 3
Total Revenues	98,197	102,322	106,220	114,115	122,518	126,720	134,913	133,564	136,670	142,998
% Change in Revenues	-	4.2%	3.8%	7.4%	7.4%	3.4%	6.5%	(1.0%)	2.3%	4.6%
Total Expenditures	86,814	90,270	98,121	103,001	108,082	116,161	123,412	125,880	128,397	130,965
% Change in Expenditures	-	4.0%	8.7%	5.0%	4.9%	7.5%	6.2%	2.0%	2.0%	2.0%
Transfers In and Other Sources	2,511	584	1,112	715	633	937	1,003	993	1,016	1,064
Transfers Out and Other Uses	16,574	11,733	19,913	8,832	11,805	11,161	10,106	10,308	10,514	10,725
Net Transfers	(14,063)	(11,149)	(12,801)	(8,118)	(11,173)	(10,224)	(9,103)	(9,315)	(9,498)	(9,661)
Bond Proceeds and Other One-Time Uses	-	-	-	-	-	-	-	-	-	-
Net Operating Surplus(+)/Deficit(-) After Transfers	(2,680)	903	(4,702)	2,996	3,263	335	2,338	(1,631)	(1,225)	2,372
Net Operating Surplus(+)/Deficit(-) (% of Expend. and Transfers Out)	(2.6%)	0.9%	(4.2%)	2.7%	2.7%	0.3%	1.8%	(1.2%)	(0.9%)	1.7%
Unrestricted/Unreserved Fund Balance (General Fund)	27,913	28,813	24,099	27,317	30,512	30,919	33,276	31,645	30,420	32,791
Other Available Funds (GF + Non-GF)	-	-	-	-	-	-	-	-	-	-
Combined Available Funds Balance (GF + Other Available Funds)	27,913	28,813	24,099	27,317	30,512	30,919	33,276	31,645	30,420	32,791
Combined Available Fund Bal. (% of Expend. and Transfers Out)	27.0%	28.2%	21.5%	24.4%	25.5%	24.3%	24.9%	23.2%	21.9%	23.1%
Reserve Safety Margins	Inherent Budget Flexibility									
		Minimal		Limited		Midrange		High		Superior
	Reserve Safety Margin (aaa)	16.0%		8.0%		5.0%		3.0%		2.0%
	Reserve Safety Margin (aa)	12.0%		6.0%		4.0%		2.5%		2.0%
	Reserve Safety Margin (a)	8.0%		4.0%		2.5%		2.0%		2.0%
Reserve Safety Margin (bbb)	3.0%		2.0%		2.0%		2.0%		2.0%	

Notes: Scenario analysis represents an unaddressed stress on issuer finances. Fitch's downturn scenario assumes a -1.0% GDP decline in the first year, followed by 0.5% and 2.0% GDP growth in Years 2 and 3, respectively. Expenditures are assumed to grow at a 2.0% rate of inflation. Inherent budget flexibility is the analyst's assessment of the issuer's ability to deal with fiscal stress through tax and spending policy choices, and determines the multiples used to calculate the reserve safety margin. For further details, please see Fitch's US Tax-Supported Rating Criteria.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT WWW.FITCHRATINGS.COM. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

Copyright © 2019 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.

The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

City of Grand Prairie, Texas

(Name of Issuer and Co-Issuer(s), if applicable)

July 3, 2019

(Date)

The Depository Trust Company
18301 Bermuda Green Drive
Tampa, FL 33647
Attention: Underwriting Department

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request to be made eligible for deposit by The Depository Trust Company ("DTC").

Issuer is: **(Note: Issuer shall represent one and cross out the other.)**

~~[incorporated in]~~ [formed under the laws of] _____ the State of Texas

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Very truly yours,

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

City of Grand Prairie, Texas

(Issuer)

By: _____

(Authorized Officer's Signature)

Tom Hart, City Manager

(Print Name)

317 West College

(Street Address)

Grand Prairie, Texas USA 75050

(City) (State) (Country) (Zip Code)

972-237-8000

(Phone Number)

thart@GPTX.org

(E-mail)

DTCC

Address)

SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC--bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

SCHEDULE A

(To Blanket Issuer Letter of Representations)

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.