

Our Mission: To utilize strategic public investments in a private development project that benefits the community as a whole and results in a net positive fiscal impact to the County.

In July 2016, the County Board approved the Ballston Quarter Community Development Authority (CDA), the first CDA to be created in Arlington. This was the first step in creating a public-private partnership with the intent to transform the Ballston Common Mall into Ballston Quarter, a mixed-use urban retail center in the heart of the Ballston neighborhood. Creation of the CDA gives the County a financing mechanism to fund certain public infrastructure costs associated with the Ballston Quarter public-private redevelopment. The CDA boundaries include the parcels of the Ballston Common Mall owned by Forest City Realty Trust, Inc.

The Ballston Quarter CDA issued its \$59.87 million Series 2016A and Series 2016B Revenue bonds on November 17, 2016. The bonds funded \$43.4 million of public infrastructure improvements, as well as a debt service reserve fund, capitalized interest through project stabilization, and certain costs of issuance.

To fund these bonds issued for public infrastructure improvements, the Ballston Quarter Development and Financing Agreement created the Ballston Quarter Tax Increment Financing (TIF) district. TIF funding of up to 65 percent of the incremental real property, sales and use, and meals tax revenues generated within the TIF district boundaries is pledged, in each year following the base year set as of January 1, 2015 and until the earlier of the final maturity of the bonds, March 1, 2046, or the date on which all of the bonds have been paid in full.

SIGNIFICANT BUDGET CHANGES

The FY 2021 adopted expenditure budget for the Ballston Quarter Tax Increment Financing Area is \$2,018,464. The funds will be transferred to the trustee for the Ballston Quarter CDA to fund the project stabilization fund and to pay debt service as part of the Ballston Quarter CDA Series 2016A & Series 2016B bond issuance. The FY 2021 budget reflects:

- ↑ Revenue increases based on higher CY 2020 real estate assessments generating additional real estate taxes offset by lower projected sales and meals tax revenues due to the impact of COVID-19.
- ↑ Expenditures increase due to the requirement to transfer all collected TIF revenues to the Ballston Quarter CDA to pay debt service.

BALLSTON QUARTER TAX INCREMENT FINANCING AREA FUND SUMMARY

PROGRAM FINANCIAL SUMMARY

	FY 2019 Actual	FY 2020 Adopted	FY 2021 Adopted	% Change '20 to '21
Debt Service	\$65,420	\$1,668,740	\$2,018,464	21%
Total Expenditures	65,420	1,668,740	2,018,464	21%
Total Revenues	410,060	\$1,668,740	\$2,018,464	21%
Change in Fund Balance	\$344,640	-	-	-
Permanent FTEs	-	-	-	-
Temporary FTEs	-	-	-	-
Total Authorized FTEs	-	-	-	-

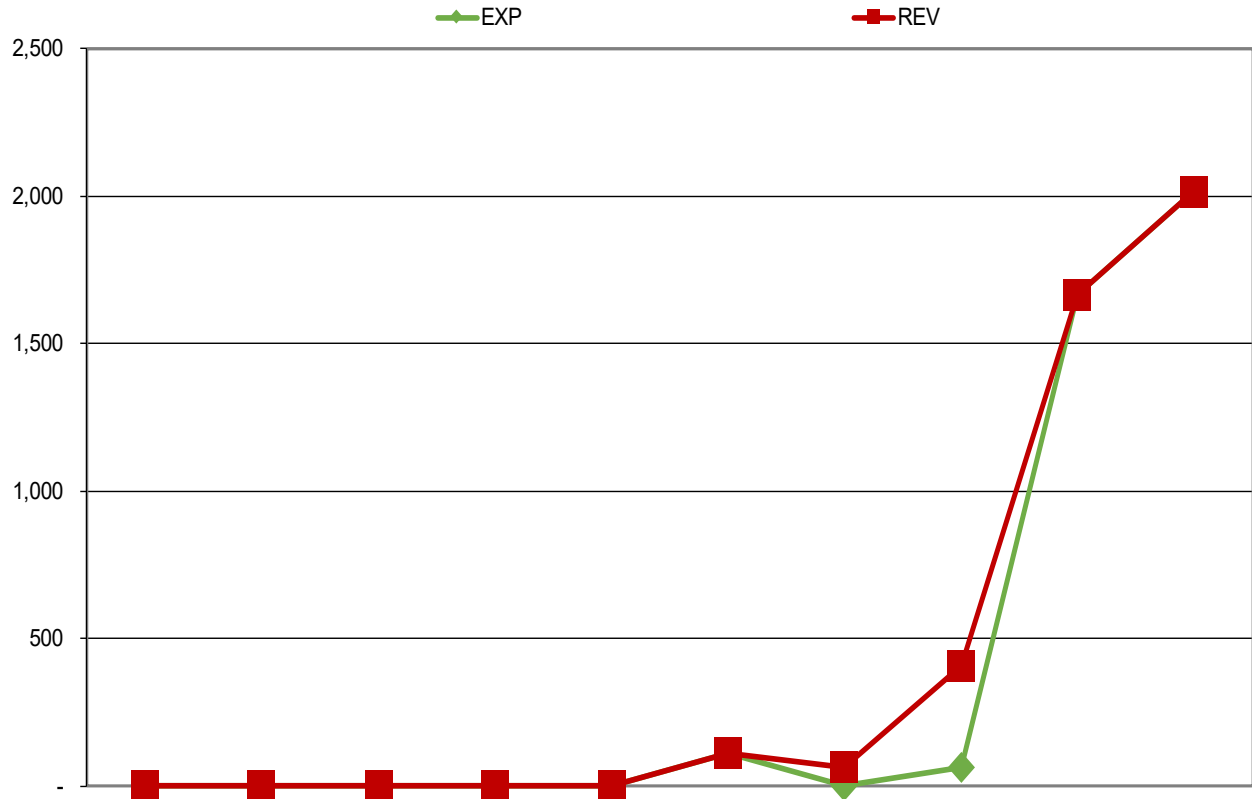
**BALLSTON QUARTER TAX INCREMENT FINANCING AREA
FUND STATEMENT**

	FY 2019 ACTUAL	FY 2020 ADOPTED	FY 2020 RE-ESTIMATE	FY 2021 ADOPTED
BALANCE, JULY 1	\$65,420	-	\$410,060	-
REVENUE				
Real Estate Tax	410,060	\$1,168,740	1,250,405	\$1,811,540
Sales Tax	-	20,000	112,767	-
Meals Tax	-	480,000	529,568	206,924
TOTAL REVENUE	410,060	1,668,740	1,892,740	2,018,464
TOTAL REVENUE & BALANCE	475,480	1,668,740	2,302,800	2,018,464
EXPENSES				
Transfer to Ballston Quarter CDA Trustee	65,420	1,668,740	2,302,800	2,018,464
TOTAL EXPENSES	-	\$1,668,740	\$2,302,800	\$2,018,464
BALANCE, JUNE 30	\$410,060	-	-	-

The FY 2020 re-estimate column reflects staff's current estimate that \$905,767 of real estate tax revenues will be collected for the June 15, 2020 payment, and \$642,335 of sales and meals taxes. These funds will be transferred, along with \$410,060 of revenues collected in FY 2019 but disbursed in FY 2020, to the Ballston Quarter CDA Trustee to fund debt service.

BALLSTON QUARTER TAX INCREMENT FINANCING AREA
TEN-YEAR HISTORY

EXPENDITURE, REVENUE AND FULL-TIME EQUIVALENT TRENDS



\$ in 000s	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted Budget	FY 2021 Adopted Budget
EXP	-	-	-	-	-	\$112	-	\$65	\$1,669	\$2,018
REV	-	-	-	-	-	\$112	\$65	\$410	\$1,669	\$2,018

Change in Fund Balance	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	-	-	-	-	-	-	\$65	\$345	-	-

Note: The FY 2019 transfer to the Ballston Quarter CDA did not occur until August 2019, increasing FY 2019 fund balance by \$344,640.

BALLSTON QUARTER TAX INCREMENT FINANCING AREA
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
FY 2017	<ul style="list-style-type: none"> ▪ The Ballston Quarter CDA was created in July 2016, setting aside 65 percent of incremental personal property tax, sales tax, and meals taxes generated within the TIF district. A baseline value for these three taxes was set as of January 1, 2015. Expenditures increased based on increases in real estate assessments in the TIF district in FY 2016 compared to CY 2015. 	
FY 2018	<ul style="list-style-type: none"> ▪ Revenue projections in the tax district decreased due to decreases in real estate tax assessments in CY 2017 compared to CY 2016. 	
FY 2019	<ul style="list-style-type: none"> ▪ Revenue projections in the tax district increased due to increases in real estate tax assessments in CY 2018 compared to CY 2017. 	
FY 2020	<ul style="list-style-type: none"> ▪ Revenue projections increased in the tax district due to increases in real estate assessments, the County Board adopted real estate tax rate increase in CY 2019 and increases to the sales and meals taxes generated in the TIF district in FY 2020. 	
FY 2021	<ul style="list-style-type: none"> ▪ Revenue increases based on higher CY 2020 real estate assessments generating additional real estate taxes offset by lower projected sales and meals tax revenues due to the impact of COVID-19. 	