



January 31, 2019

Mr. Jim Oliver
General Manager
Tarrant Regional Water District
800 East Northside Drive
Fort Worth, Texas 76102

Dear Mr. Oliver,

Thank you for the opportunity to provide consulting services to the Tarrant Regional Water District (TRWD). Building upon previous tax revenue forecasts we have performed for the Trinity River Vision Authority (TRVA), TXP has updated the 40-year development activity and tax revenue projections for the City of Fort Worth's Trinity River Vision Tax Increment Financing District 9 (TIF 9). In addition, TXP projected the tax revenues for 10 additional years assuming the TIF is extended.

At present, the overall strategic plan and vision for TIF 9 remains relevant and appropriate for completion of both TRVA's flood control and economic development components of the project.

TXP's resulting 2018 updated forecast for TIF 9 takes into consideration the most recent economic and demographic data, historic TIF 9 performance, and pending development projects. This forecast also incorporates the TIF's role in repaying the \$250 million in flood control bonds which were approved by TRWD voters in 2018 (as well as repaying the \$200 million interest free loan to TRWD which was used to provide initial funding to launch the TRV project).

Finally, our updated forecast links TIF 9's success to both the U.S. Army Corps of Engineers' timely receipt of matching federal funds for the flood control component of the project, and to the City of Fort Worth's installation of utility infrastructure on Panther Island (which will also be funded by TIF 9).

Please do not hesitate to contact me if you have any questions or comments.

Best regards,

A handwritten signature in blue ink, appearing to read 'Travis D. James', is written over a light blue horizontal line.

Travis D. James
Vice President



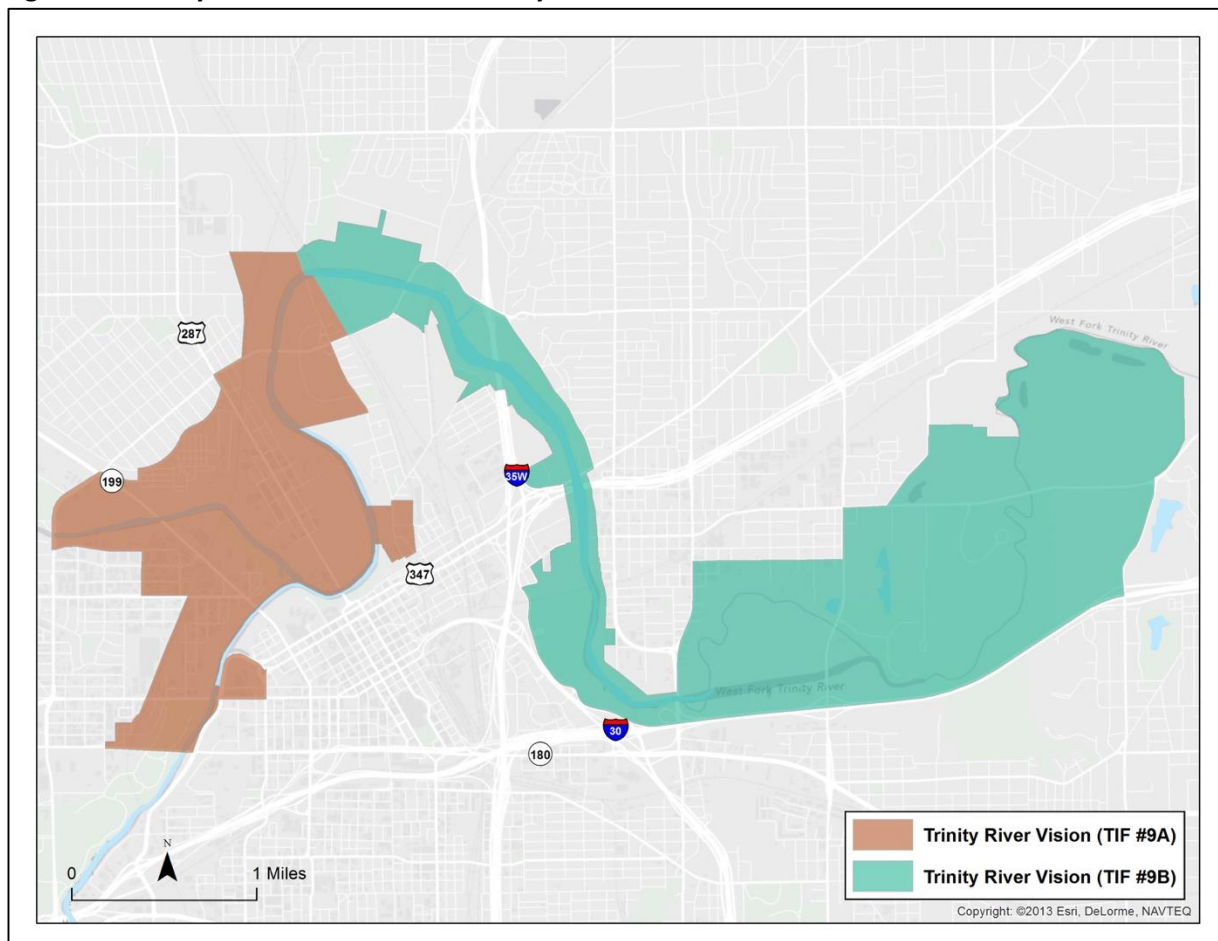
Trinity River Vision TIF 9 Background and Future Land Use

Figure 1 highlights the current TIF 9 configuration. The area highlighted in brown depicts the original TIF boundary (#9A) created in 2003. This area corresponds to the Trinity River Vision master plan (TRV). The section shaded in green depicts the Gateway Park segment (#9B) which was added to the TIF in 2009.

Gideon Toal (GT) produced two TRV financing plans (2005 and 2007) that identify the area's development potential, projected market demand by land use, and absorption rate. These plans established the original baseline projections for the TIF 9 financing plan.

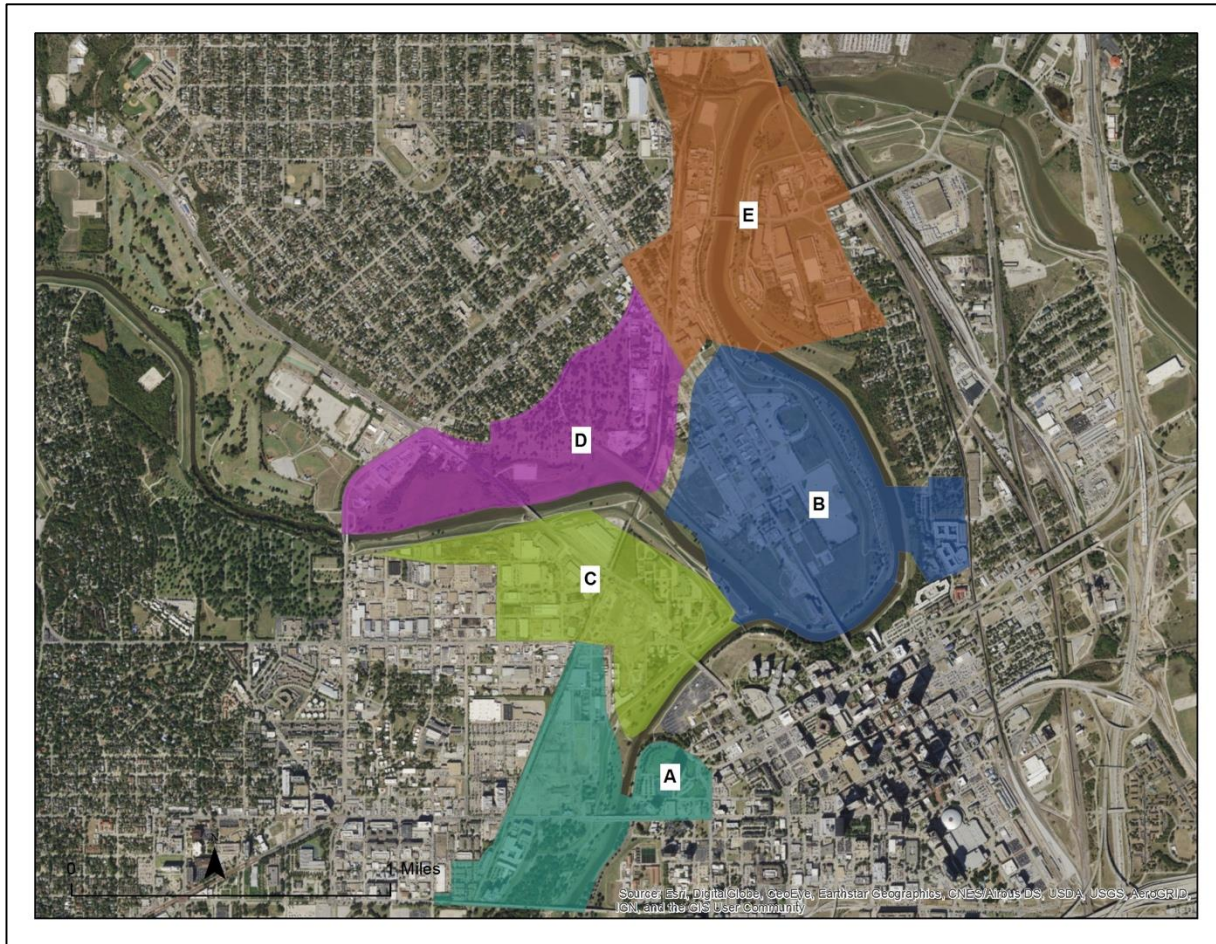
Figure 2 and Table 1 on the following page describe the TRV sectors in detail as well as the projected build out in terms of land use and square footage. The GT Financial Plan 2007 model projected approximately 11.6 million total square feet of development between 2010 and 2029. Using an estimate of 1,100 square feet per unit, this translates into roughly 7,000 housing units (or 7.4 million square feet of residential space). The Financial Plan 2007 model assumed no major developments after 2029.

Figure 1 – Trinity River Vision TIF 9 Boundary



Source: Trinity River Vision, Tarrant Appraisal District, TXP

Figure 2 – Trinity River Vision TIF Development Zones



Source: Trinity River Vision TIF Update, Gideon Toal

Table 1: TRV TIF Financing Plan Projected Real Estate Development by Sector (Square Feet)

Sector	Office	Retail	Hotel	Multi-Family	High-rise Residential Retirement Living	Total
A	392,580	410,500	180,000	985,000	300,000	2,268,080
B	1,002,750	895,000	0	4,665,200	0	6,562,950
C	370,000	120,000	214,000	1,314,000	0	2,018,000
D	20,000	75,000	0	206,875	0	301,875
E	0	0	180,000	220,000	0	400,000
Total	1,785,330	1,500,500	574,000	7,391,075	300,000	11,550,905

Source: Trinity River Vision TIF Update, Gideon Toal



Historic Growth in the Trinity River Vision TIF (2004 to 2018)

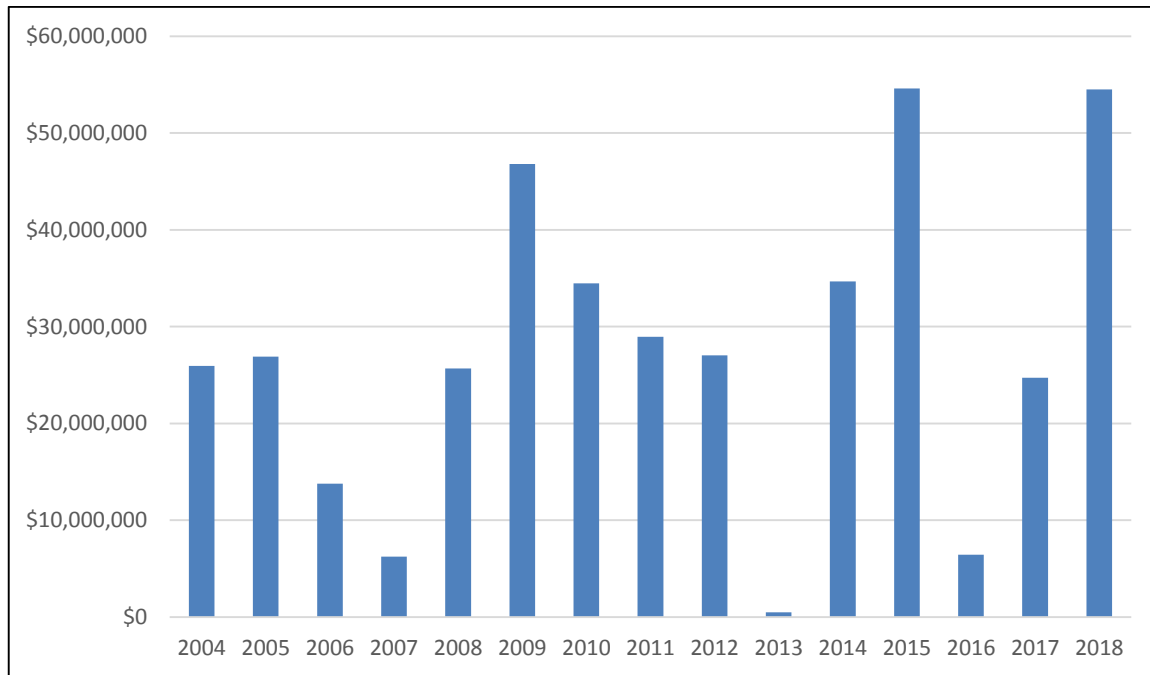
During the 15 years of the TIF (2003 to 2018), over \$411.3 million in new construction activity has occurred. On average, \$27.4 million in new taxable real property value was added to the tax base each year. The combination of new construction activity and tax base appreciation has generated approximately \$29.1 million in total TIF 9 tax revenue.

As discussed in previous reports, TIF 9 property tax calculations must be adjusted each year to account for tax exempt properties as well as projects receiving property tax abatements. While TIF 9 has added new taxable projects, not all projects translate into TIF tax revenue. The following projects illustrate some of the adjustments that have been made:

- The City of Fort Worth granted the Chesapeake Plaza property a 100 percent property tax abatement that ends in 2026.
- The City of Fort Worth's Chapter 380 agreement provides a 100 percent property tax abatement for 20 years (2009 to 2028) to a portion of the Trinity Bluffs master development.
- In tax year 2014, Tarrant County Senior Living Center, Inc. (The Stayton at Museum Way) was able to qualify as a charitable organization. The net effect is the property is no longer taxed by local jurisdictions. TXP has assumed this property will continue to be tax exempt going forward. The decline in total taxable value between 2013 and 2014 is attributable to The Stayton at Museum Way.
- In 2015 TXP determined that a large multi-family property was inadvertently left out of TIF 9. The property was recently constructed and first appeared on the tax rolls in 2014. After working with the Tarrant Appraisal District, this property was included in TIF 9. Based on this property and other adjustments, the 2015 and 2016 tax revenue collections for TIF 9 were modified.
- Embedded in the annual TIF 9 reports from the appraisal district is the public sector (ex. Tarrant Regional Water District) buying and selling property. These real estate transactions impact the taxable value of the TIF. Once the federal flood project has been developed, some property owned by the Tarrant Regional Water District can be sold (becoming taxable) while other property must be retained.

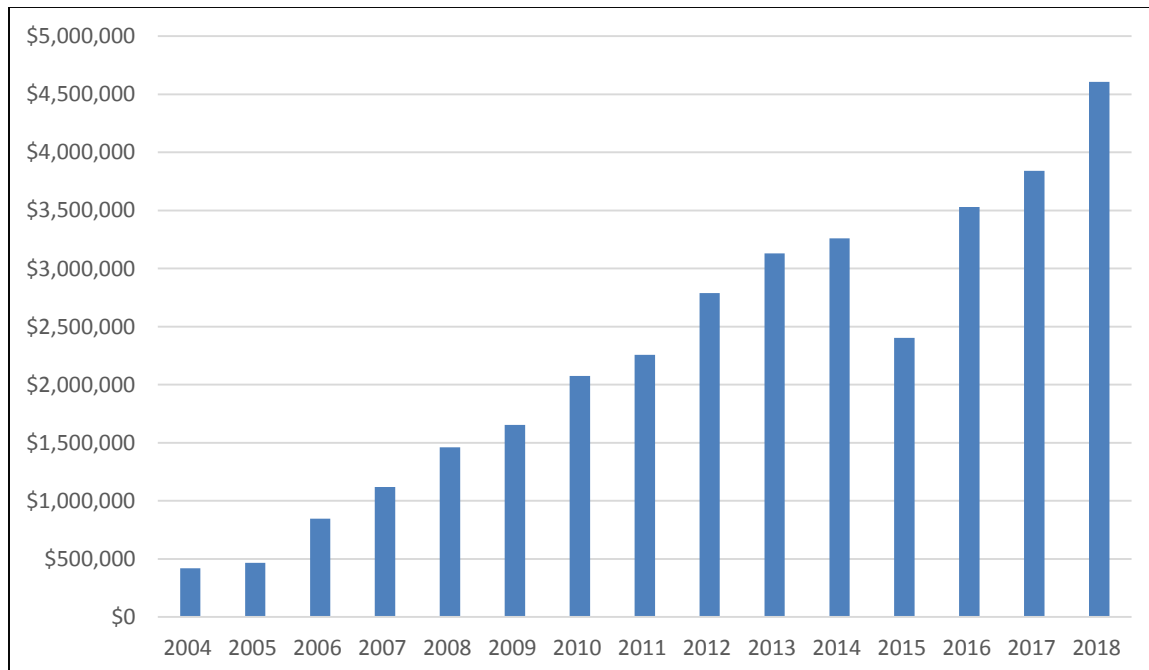


Figure 3 – Annual New Taxable Construction Activity in the Trinity River Vision TIF



Source: Tarrant Appraisal District, TXP

Figure 4 – Trinity River Vision TIF 9 Total Tax Revenue for all Jurisdictions by Year

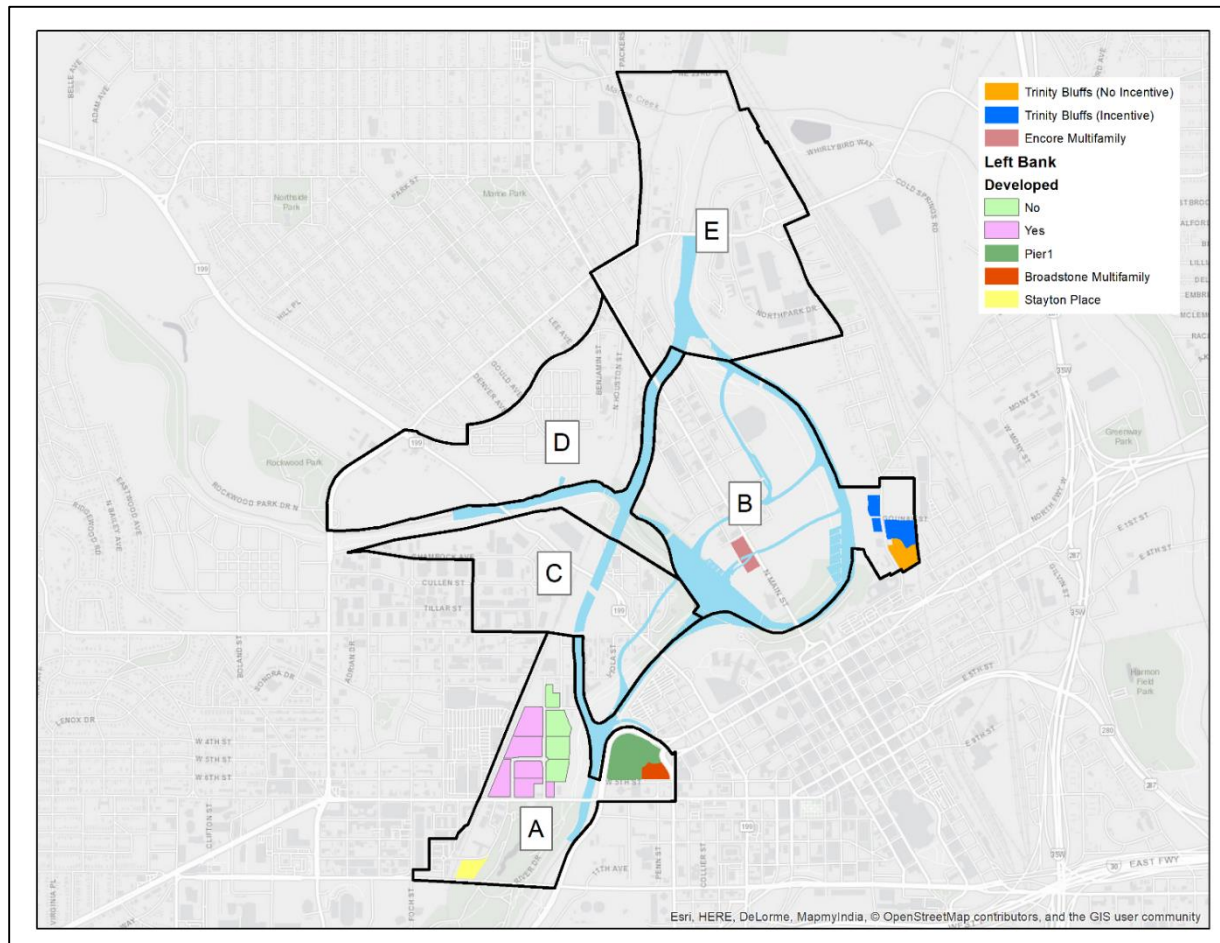


Source: Tarrant Appraisal District, TXP



Figure 5 depicts the location of completed or under construction projects within the TIF #9A area. These projects represent the bulk of new construction activity within the TIF that have generated the new increment. There have not been any major development projects within the Gateway Park (#9B) area during the past 10 years.

Figure 5 – Major Real Estate Projects within the Trinity River Vision TIF



Source: TXP



Tax Revenue Forecast Attributable to Existing Properties within TIF 9

TIF 9 is comprised of two parts: TIF #9A (1,380 acres) and TIF #9B (2,600 acres). Because the sections have different base years, the Tarrant Appraisal District differentiates these two areas in their annual calculations. To simplify the data presented in the report, TXP has sometimes combined the values for 9A and 9B. TXP uses the term “TIF 9” to refer to the entire area.

The first step in this updated tax revenue forecast was to examine land appreciation and development within TIF 9 since its inception. This determined how much TIF revenue has been generated from the project’s beginning. Additionally, we adjusted the assumed land and property tax appreciation valuations from 2.0 to 2.5 percent annually for the duration of the TIF.

Next, TXP assumed existing property tax rates of the TIF’s participating governmental entities will likely decline. For example, we assumed the City of Fort Worth will lower its property tax rate between 2018 and 2025. Depending on how the TIF’s collective tax rate fluctuate over the next 26 years, this could have a material impact (positive or negative) on the revised TIF 9 financial model. Case in point, over the past five years the aggregate tax rate for the TIF’s participating jurisdictions has declined 7.7 percent.

Table 2: Property Tax Rates for Applicable Local Jurisdictions (2018)

Jurisdiction	Rate per \$100	Participation %	Tax Rate for TRV
City of Fort Worth	\$0.78500	80%	\$0.6280
Hospital District	\$0.22443	80%	\$0.1795
TCC	\$0.13607	80%	\$0.1089
Tarrant County	\$0.23400	80%	\$0.1872
TRWD	\$0.01940	80%	\$0.0155
Total	\$1.39890		\$1.1191

Source: Tarrant Appraisal District

Note, the City of Fort Worth has a different baseline value for TIF 9 than the other participating taxing jurisdictions. In addition, the City of Fort Worth offers some tax abatements not offered by the other jurisdictions. TXP uses the term “All Other Taxing Jurisdictions” to refer to entities participating in TIF 9 except the City of Fort Worth.

After accounting for all existing tax abatements (page 3) and using a 2.5 percent appreciation rate – the updated 40-year TIF 9 forecast in tax revenue based on existing property/land values is approximately \$239.4 million, \$70.0 million more than the last estimated. Significantly adding to this amount will then be the increment TIF revenues from new development (2019 forward).



Table 3: Estimated Annual Appreciation of Trinity River Vision TIF 9

Year	City of Fort Worth	Other Taxing Jurisdictions	Total	Note
2004	\$278,056	\$142,665	\$420,721	Actual Collections
2005	\$166,803	\$301,209	\$468,012	Actual Collections
2006	\$385,943	\$462,111	\$848,054	Actual Collections
2007	\$424,913	\$693,329	\$1,118,242	Actual Collections
2008	\$649,433	\$812,245	\$1,461,678	Actual Collections
2009	\$838,029	\$815,569	\$1,653,598	Actual Collections
2010	\$1,001,785	\$1,072,882	\$2,074,667	Actual Collections
2011	\$1,073,143	\$1,183,052	\$2,256,195	Actual Collections
2012	\$1,368,162	\$1,421,633	\$2,789,796	Actual Collections
2013	\$1,558,536	\$1,573,450	\$3,131,986	Actual Collections
2014	\$1,682,009	\$1,577,993	\$3,260,002	Actual Collections
2015	Detailed data not available		\$2,402,969	Actual Collections
2016	Detailed data not available		\$3,528,738	Actual Collections
2017	\$1,756,072	\$2,085,646	\$3,841,718	Actual Collections
2018	\$2,182,405	\$2,423,834	\$4,606,239	Est. Actual Collections
2019	\$2,259,318	\$2,500,506	\$4,759,824	Forecast based on appreciation
2020	\$2,308,405	\$2,579,095	\$4,887,499	Forecast based on appreciation
2021	\$2,388,255	\$2,659,648	\$5,047,903	Forecast based on appreciation
2022	\$2,470,140	\$2,742,215	\$5,212,355	Forecast based on appreciation
2023	\$2,529,393	\$2,826,847	\$5,356,240	Forecast based on appreciation
2024	\$2,614,668	\$2,913,594	\$5,528,262	Forecast based on appreciation
2025	\$2,675,709	\$3,002,510	\$5,678,219	Forecast based on appreciation
2026	\$2,764,505	\$3,093,649	\$5,858,154	Forecast based on appreciation
2027	\$3,457,863	\$3,187,066	\$6,644,929	Forecast based on appreciation
2028	\$3,566,295	\$3,282,819	\$6,849,114	Forecast based on appreciation
2029	\$3,677,480	\$3,380,965	\$7,058,445	Forecast based on appreciation
2030	\$4,239,853	\$3,481,566	\$7,721,418	Forecast based on appreciation
2031	\$4,365,722	\$3,584,681	\$7,950,403	Forecast based on appreciation
2032	\$4,494,738	\$3,690,374	\$8,185,112	Forecast based on appreciation
2033	\$4,626,980	\$3,798,709	\$8,425,689	Forecast based on appreciation
2034	\$4,762,527	\$3,909,753	\$8,672,281	Forecast based on appreciation
2035	\$4,901,464	\$4,023,573	\$8,925,037	Forecast based on appreciation
2036	\$5,043,873	\$4,140,239	\$9,184,112	Forecast based on appreciation
2037	\$5,189,843	\$4,259,821	\$9,449,664	Forecast based on appreciation
2038	\$5,339,463	\$4,382,392	\$9,721,855	Forecast based on appreciation
2039	\$5,492,822	\$4,508,028	\$10,000,850	Forecast based on appreciation
2040	\$5,650,016	\$4,636,805	\$10,286,821	Forecast based on appreciation
2041	\$5,811,140	\$4,768,801	\$10,579,941	Forecast based on appreciation
2042	\$5,976,291	\$4,904,097	\$10,880,388	Forecast based on appreciation
2043	\$6,145,572	\$5,042,776	\$11,188,347	Forecast based on appreciation
2044	\$6,319,084	\$5,184,921	\$11,504,005	Forecast based on appreciation
Total			\$239,419,483	

Source: Tarrant Appraisal District, TXP



Table 4: Estimated Annual Appreciation of Trinity River Vision TIF 9 – 10 Year Extension

Year	City of Fort Worth	Other Taxing Jurisdictions	Total	Note
2045	\$6,445,466	\$5,288,620	\$11,734,085	Forecast based on appreciation
2046	\$6,574,375	\$5,394,392	\$11,968,767	Forecast based on appreciation
2047	\$6,705,862	\$5,502,280	\$12,208,142	Forecast based on appreciation
2048	\$6,839,980	\$5,612,325	\$12,452,305	Forecast based on appreciation
2049	\$6,976,779	\$5,724,572	\$12,701,351	Forecast based on appreciation
2050	\$7,116,315	\$5,839,063	\$12,955,378	Forecast based on appreciation
2051	\$7,258,641	\$5,955,845	\$13,214,486	Forecast based on appreciation
2052	\$7,403,814	\$6,074,962	\$13,478,776	Forecast based on appreciation
2053	\$7,551,890	\$6,196,461	\$13,748,351	Forecast based on appreciation
2054	\$7,702,928	\$6,320,390	\$14,023,318	Forecast based on appreciation
Total			\$128,484,960	

Source: Tarrant Appraisal District, TXP

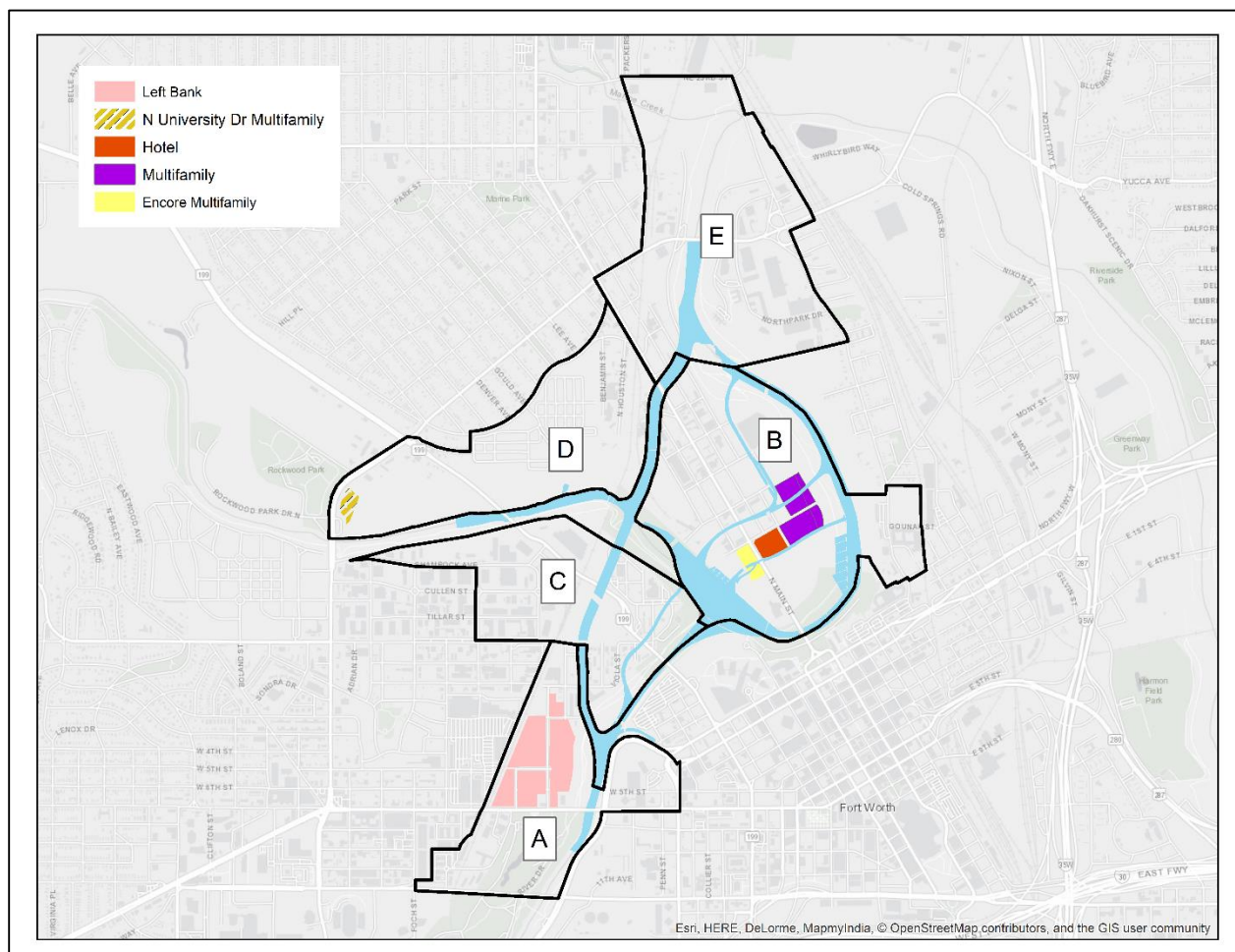


Real Estate Projects Under Development or “Pipeline” within the TIF

Currently, there are four documented projects that are under consideration for construction over the next 5 to 10 years. Once completed, these projects should add nearly \$475 million in new taxable property value and 2,400 residential units to the TIF zone. Two of the projects would be located on TRWD-owned property on Panther Island. In addition to the multifamily units, the short-term real estate forecast also includes two new hotels.

Based on the combination of existing multifamily properties and projected developments, TXP estimates there will be approximately 5,500 residential units within the TIF by 2025. The GT land use plan called for between 8,500 and 9,500 residential units at build out. Over the long-term, this projection is reasonable given historic trends within the region.

Figure 6 – Major Real Estate Projects in the Pipeline or Under Construction



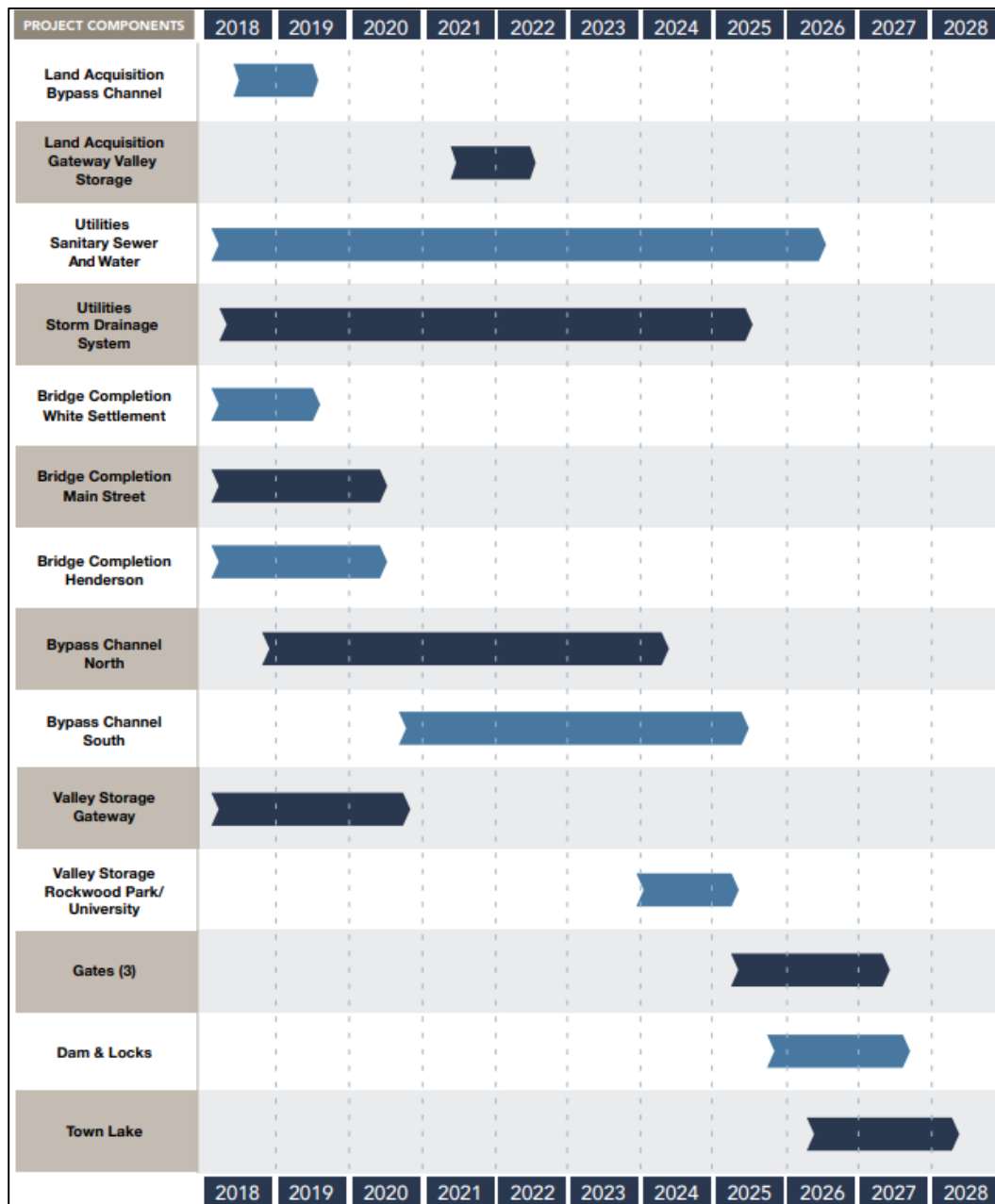
Source: Tarrant Appraisal District, TXP



Trinity River Vision Infrastructure Plan that Impacts Future Development within TIF 9

As discussed throughout the report, the flood control infrastructure and Panther Island utility improvements have a direct impact on the timing of future real estate activity. Some of the infrastructure projects make current flood zone land developable while other initiatives provide upgraded utility services needed to support more dense development. The following figures are designed to provide stakeholders a better understanding of where these projects are located within the TIF.

Figure 7 – TRVA Project Schedule



Source: Trinity River Vision Authority

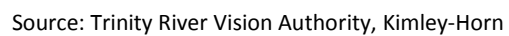
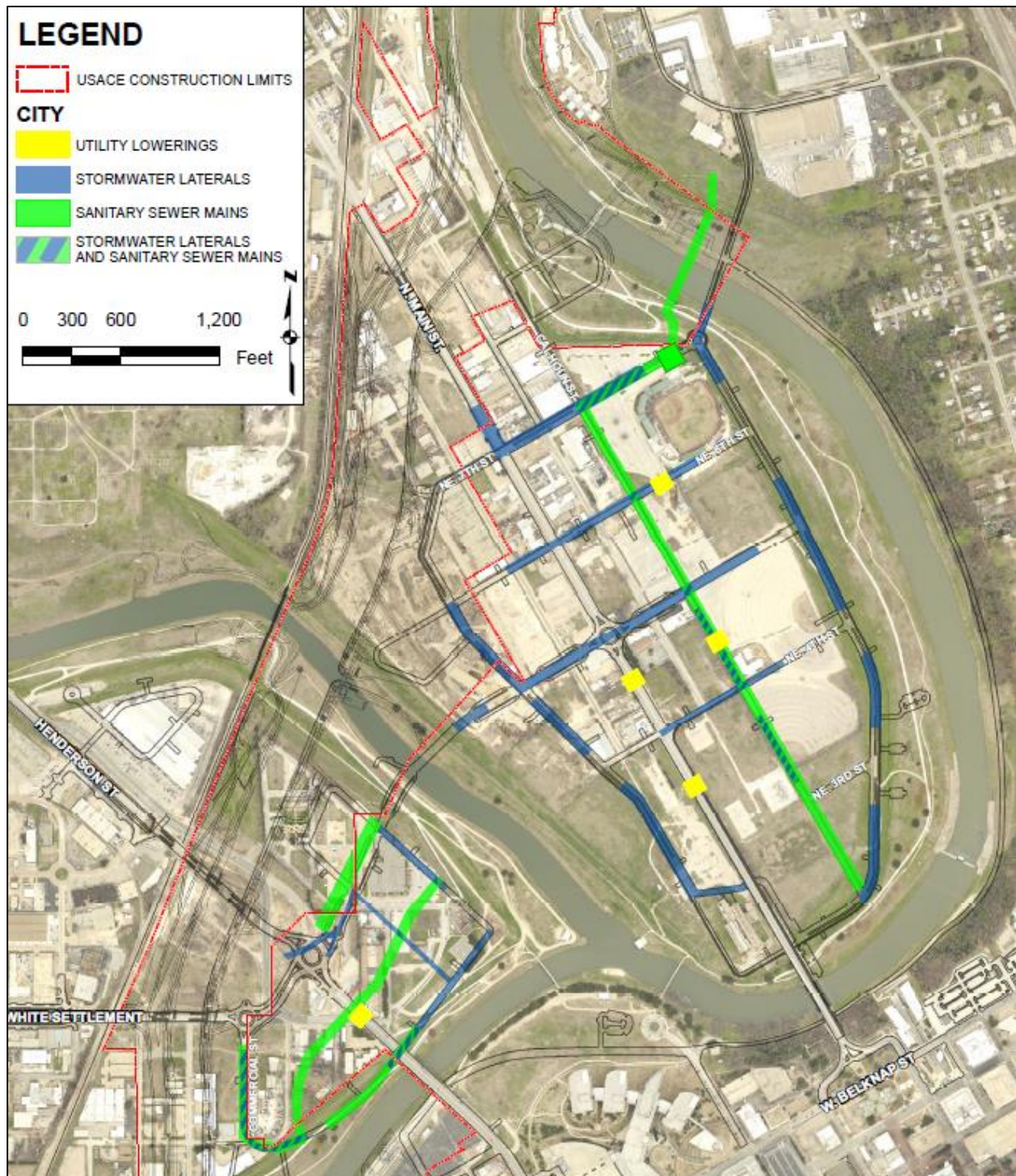
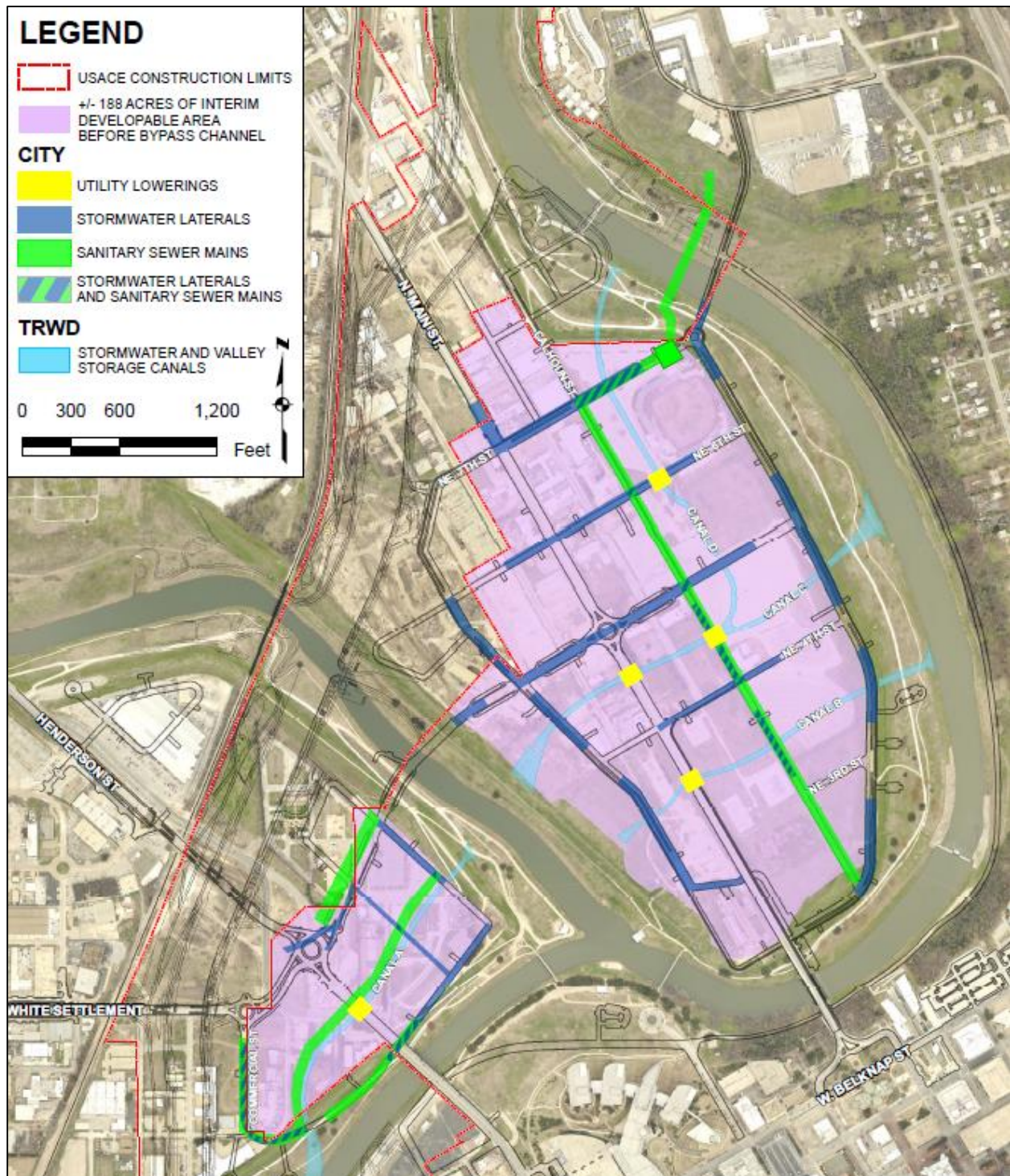


Figure 9 – Locally Funded City of Fort Worth Infrastructure

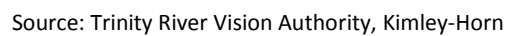


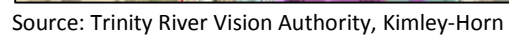
Source: Trinity River Vision Authority, Kimley-Horn

Figure 10 – Acres Available for Development after Local Infrastructure Built



Source: Trinity River Vision Authority, Kimley-Horn



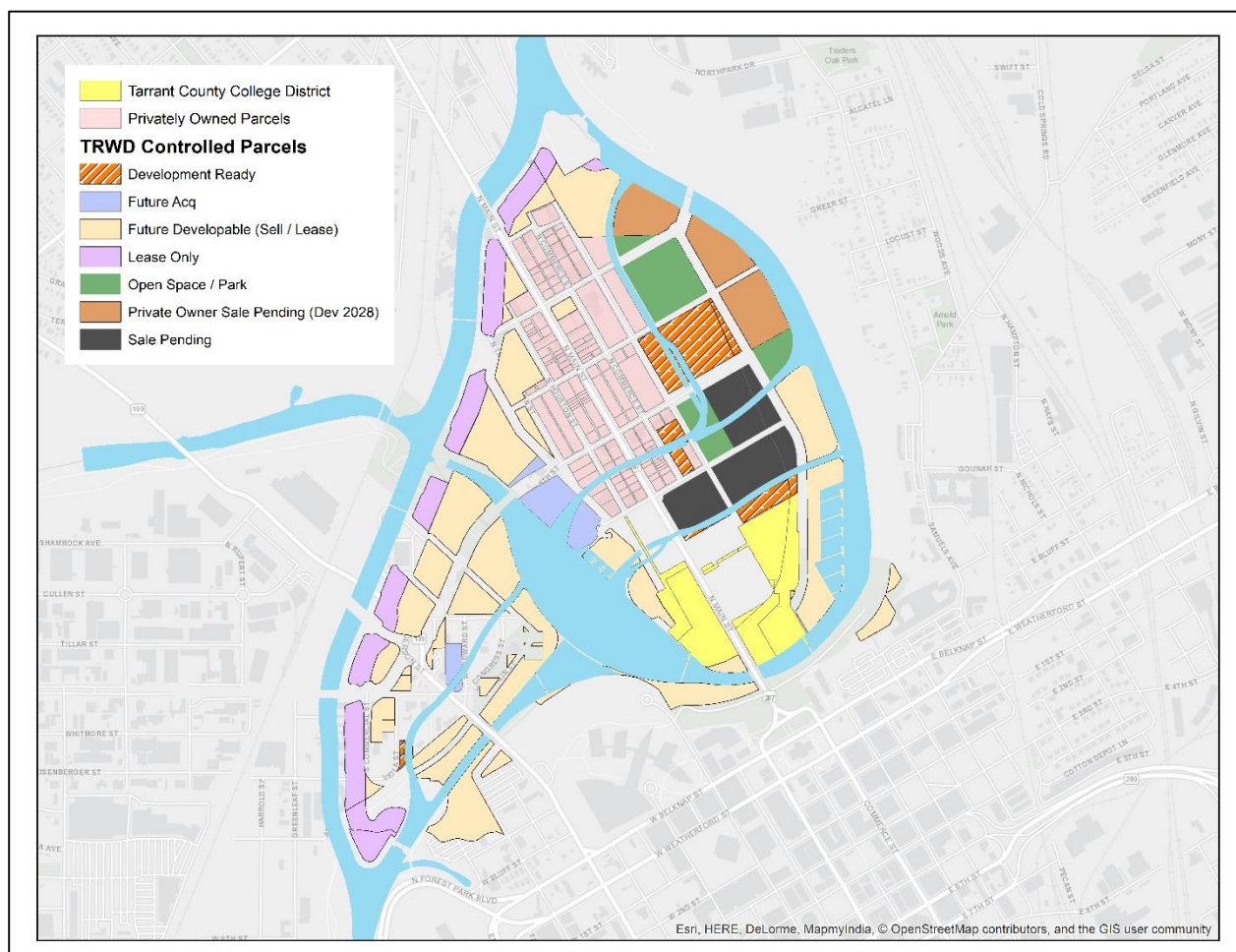




Land Available for Future Development near Panther Island

Within TIF 9, public and private land previously in the flood plain and/or previously environmentally contaminated will be repurposed for public use and new private economic development. Public sector entities currently own about 180 acres and private owners hold over 60 acres. As depicted in Figure 13, TRWD holds approximately 30 acres that are currently under consideration as part of a sale to private developers or part of a land swap. Of the 30 acres, about 13 acres are interior properties that are development-ready subject to city infrastructure and TRWD stormwater canals. Privately owned land will also become available for development upon the construction of the interior city infrastructure and TRWD's stormwater canals. The remaining land becomes available when the federal flood project is completed. The sale of any TRWD property (development-ready or not) converts to taxable and generates TIF revenue. Note, not all public land controlled by TRWD can be sold. USACE requires TRWD to hold in perpetuity the 23 acres adjacent to the bypass channel for the purpose of guaranteeing the physical integrity of the flood wall below. This property, however, can be leased to private entities.

Figure 13 – Land Development Potential on Panther Island





Taxable Value Assumptions used in Tax Revenue Scenarios

TXP has updated the underlying model assumptions used for this analysis. First, the tax revenue model applies a taxable value of \$150,000 per residential unit. Second, TXP assumed commercial projects will begin to develop in 2029 at a rate of 100,000 square feet per year. This decision was made based on known projects in the pipeline and the amount of time it will take to complete the major flood control infrastructure projects. Last, the financial model uses a 2.5 percent inflation/appreciation factor for future years. For past models, TXP used a 2.0 percent inflation rate but based on the appreciation of existing properties within the TIF, a slightly higher rate is more appropriate.

2019 Tax Revenue Forecast Scenarios for TIF 9

Note, the TXP tax revenue forecasts are dependent on the U.S. Army Corps of Engineers flood control infrastructure improvements and City of Fort Worth utility improvements outlined in the TRV master plan being constructed. If either of these infrastructure projects are delayed, this could materially impact the forecast.

TXP created the following four tax revenue forecast scenarios:

- 1) Baseline Appreciation (No Infrastructure): A number of external variables will impact the successful implementation of the TRV Project. The key driver for the long-term outcome of the area is the financial resources required to put in both flood control and City of Fort Worth utility infrastructure in place. Under this scenario, TXP has assumed the bulk of the plan is not implemented. Even with only limited additional infrastructure, it is reasonable to assume properties along Main Street or the Tarrant County College parcels would redevelop. This would be considered the most conservative or worst case scenario in that no additional development is projected including the known projects in the pipeline.
- 2) Historic TRV Construction: Since TIF 9 was adopted, approximately \$27.4 million in new construction activity occurs each year (residential and commercial). Over the past 10 years, the average new annual construction value was \$31.3 million. For this scenario, TXP has used the 10-year average because the area has become more well known within the region and it reflects more recent trends in construction costs. This would be considered the second most conservative scenario and does not fully take into consideration new development potential created by TRVA flood control and utility infrastructure investment, the realignment of the Trinity River, and less floodplain acreage.
- 3) TXP Forecast: TXP believes it is appropriate to build a long-term TRV scenario using a build-out pattern of 200 residential units per year at \$150,000 per unit. The value per unit is based on existing multifamily projects within the TIF. This is equivalent to roughly one new multifamily project per year. In addition, TXP has assumed 100,000 square feet of commercial space starting



in 2029. TXP uses a blended rate of \$250 per square foot for both the office space as well as parking garage required to support the employees. Note, the projects depicted in Figure 6 represent the location of new economic development activity between 2018 and 2028. This assumption is based on the number of proposed multifamily units in these projects, historic residential demand within the TIF, and need to complete the infrastructure program outlined in Figure 7.

- 4) 5-Year Delay in Federal Infrastructure Funding: The TRV infrastructure plan assumes TRVA will receive an additional \$500 million in federal-state flood control funding. If this funding is delayed for an extended number of years, this would negatively impact future development. If federal funding is delayed, TIF revenue growth will slow and local funds committed to the project might be impacted. This scenario assumes no new projects break ground between 2029 and 2033 because federal funding is delayed 5 years. The projects depicted in Figure 6 are completed by 2028.

TXP also considered a 10-year lag in federal funding. If this occurred, the TIF would generate approximately \$400 million over 40 years and \$700 million over 50 years. A delay of this magnitude in federal funding would likely require a rethinking of the overall master plan.



Table 5: Estimated Annual Tax Revenue of Trinity River Vision TIF 9 (Appreciation & New Construction)

Year	Baseline Appreciation	Historic Construction	TXP Forecast	5-Year Federal Funding Delay
2004	\$420,721	\$420,721	\$420,721	\$420,721
2005	\$468,012	\$468,012	\$468,012	\$468,012
2006	\$848,054	\$848,054	\$848,054	\$848,054
2007	\$1,118,242	\$1,118,242	\$1,118,242	\$1,118,242
2008	\$1,461,678	\$1,461,678	\$1,461,678	\$1,461,678
2009	\$1,653,598	\$1,653,598	\$1,653,598	\$1,653,598
2010	\$2,074,667	\$2,074,667	\$2,074,667	\$2,074,667
2011	\$2,256,195	\$2,256,195	\$2,256,195	\$2,256,195
2012	\$2,789,796	\$2,789,796	\$2,789,796	\$2,789,796
2013	\$3,131,986	\$3,131,986	\$3,131,986	\$3,131,986
2014	\$3,260,002	\$3,260,002	\$3,260,002	\$3,260,002
2015	\$2,402,969	\$2,402,969	\$2,402,969	\$2,402,969
2016	\$3,528,738	\$3,528,738	\$3,528,738	\$3,528,738
2017	\$3,841,718	\$3,841,718	\$3,841,718	\$3,841,718
2018	\$4,606,239	\$4,606,239	\$4,606,239	\$4,606,239
2019	\$4,759,824	\$5,109,842	\$5,109,842	\$4,759,824
2020	\$4,887,499	\$5,599,906	\$6,220,842	\$6,220,842
2021	\$5,047,903	\$6,143,229	\$7,596,025	\$7,596,025
2022	\$5,212,355	\$6,709,301	\$8,447,473	\$8,447,473
2023	\$5,356,240	\$7,263,844	\$9,059,755	\$9,059,755
2024	\$5,528,262	\$7,874,616	\$9,524,249	\$9,524,249
2025	\$5,678,219	\$8,468,833	\$9,968,899	\$9,968,899
2026	\$5,858,154	\$9,127,159	\$10,465,222	\$10,465,222
2027	\$6,644,929	\$10,414,500	\$11,533,119	\$11,533,119
2028	\$6,849,114	\$11,142,237	\$12,018,428	\$12,018,428
2029	\$7,058,445	\$11,898,942	\$13,181,085	\$12,356,993
2030	\$7,721,418	\$13,133,973	\$14,841,819	\$13,152,429
2031	\$7,950,403	\$13,960,594	\$16,114,626	\$13,517,189
2032	\$8,185,112	\$14,819,439	\$17,440,899	\$13,891,068
2033	\$8,425,689	\$15,711,602	\$18,822,514	\$14,274,294
2034	\$8,672,281	\$16,638,211	\$20,261,412	\$15,599,486
2035	\$8,925,037	\$17,600,433	\$21,759,591	\$16,981,117
2036	\$9,184,112	\$18,599,469	\$23,319,117	\$18,421,181
2037	\$9,449,664	\$19,636,557	\$24,942,121	\$19,921,737
2038	\$9,721,855	\$20,712,976	\$26,630,802	\$21,484,908
2039	\$10,000,850	\$21,830,045	\$28,387,430	\$23,112,888
2040	\$10,286,821	\$22,989,123	\$30,214,346	\$24,807,941
2041	\$10,579,941	\$24,191,612	\$32,113,967	\$26,572,402
2042	\$10,880,388	\$25,438,958	\$34,088,786	\$28,408,682
2043	\$11,188,347	\$26,732,654	\$36,141,376	\$30,319,269
2044	\$11,504,005	\$28,074,236	\$38,274,392	\$32,306,732
	\$239,419,482	\$423,684,906	\$520,340,751	\$448,584,766

Source: Tarrant Appraisal District, TXP



Table 6: Estimated Annual Tax Revenue of Trinity River Vision TIF 9 – 10 Year Extension

Year	Baseline Appreciation	Historic Construction	TXP Forecast	5-Year Federal Funding Delay
2045	\$11,734,085	\$28,635,721	\$39,039,880	\$32,952,867
2046	\$11,968,767	\$29,208,435	\$39,820,677	\$33,611,924
2047	\$12,208,142	\$29,792,604	\$40,617,091	\$34,284,163
2048	\$12,452,305	\$30,388,456	\$41,429,432	\$34,969,846
2049	\$12,701,351	\$30,996,225	\$42,258,021	\$35,669,243
2050	\$12,955,378	\$31,616,149	\$43,103,182	\$36,382,628
2051	\$13,214,486	\$32,248,472	\$43,965,245	\$37,110,280
2052	\$13,478,776	\$32,893,442	\$44,844,550	\$37,852,486
2053	\$13,748,351	\$33,551,311	\$45,741,441	\$38,609,536
2054	\$14,023,318	\$34,222,337	\$46,656,270	\$39,381,726
	\$128,484,960	\$313,553,150	\$427,475,789	\$360,824,698

Source: Tarrant Appraisal District, TXP

Table 7: Estimated Annual Tax Revenue over Life of TIF 9

TIF Years	Baseline Appreciation	Historic Construction	TXP Forecast	5-Year Federal Funding Delay
40 Year	\$239,419,482	\$423,684,906	\$520,340,751	\$448,584,766
50 Year*	\$367,904,442	\$737,238,056	\$947,816,540	\$809,409,464

Source: Tarrant Appraisal District, TXP

* The 10 Year TIF extension is based on 2.0 percent appreciation of the value in Year 40. No new projects or developments are included.

Key Issues Influencing Future TIF 9 Growth

Separate from the TIF 9 build-out scenarios presented in the previous section, TXP has identified several key issues that could influence the financing plan or development pattern within the TRV. The first few issues were identified in the City of Fort Worth's 2009 TIF report and remain just as relevant today. In fact, these items will be the major drivers of growth for the TIF throughout its duration.

1. There is still a significant amount of federal-state-local infrastructure spending (approximately \$725 million) required for the TRVA master plan to reach its full development potential. The project has received roughly 38 percent (or \$443 million) of the total needed funding. Ultimately, the pace of private sector development on Panther Island will be significantly influenced by the flood control and utility infrastructure construction.
2. TRWD has provided a \$200 Million interest free loan (from its royalty reserve funds) in financial support to the TRV project. Additionally, in May 2018, its voters approved an additional \$250 million in flood control bond financing for the project. However, it is unlikely all of these bond funds will be accessed unless the TIF is extended (from 40 years to 50 years) by the City and agreed to by the participating taxing entities.



3. If the proposed interior city utility upgrades centered around Panther Island are not funded by the TIF, there does not appear to be another public sector funding source. Given the costs associated with this program of work, the private sector is unlikely going to absorb these costs without public sector financial support or some type of cost sharing agreement. Projects currently in the development pipeline on TRWD land or private property would likely not move forward until the issue of interior infrastructure is resolved. This would negatively impact future development and tax base growth within this area. The TIF revenue projections would likely fall between the Baseline Appreciation and Historic Construction Scenarios.
4. Sectors B (Panther Island) and Sector C are projected to capture the bulk of growth going forward. The delay in redevelopment, changes in density assumptions, or attraction of catalytic users in these sectors will significantly alter the overall taxable value of the TIF.
5. The master plan developed by GT projected over 3.2 million square feet of office and retail space. Between 2003 and 2018, there has not been significant construction of new commercial space. While it is likely that the development of residential units will spur some commercial activity, non-residential land uses may not be a meaningful driver of long-term property tax base growth.

Trinity River Vision Project's Implementation, Programmatic Review & Completion

An at-risk and antiquated flood control levee system prompted the Trinity River Vision Project (which began in the early 2000s and creation of TIF 9 in 2004). The flood control component of the project is being funded with federal-state-local matching funds. Local funding (primarily through a TIF District) is also being used to stimulate economic development and public use of the repurposed land in the project's corridor. The key component of the project is a 1.5-mile-long rerouting of the Trinity river just north of the Tarrant County Courthouse. When completed, the project's updated flood protection and environmental clean-up of the Trinity River corridor will impact 3,000 acres of Tarrant County land.

The above description provides the historic background, justification, and need for realigning the Trinity River. Nearly 15 years into the TRV project, however, it is important to reevaluate how it is being implemented. As such TRVA is currently preparing to launch a programmatic review of the project.

Such evaluation is important for any long-term infrastructure project that requires a significant outlay of public funds. Development costs rise, private sector real estate activity takes longer than anticipated, and the community gets "project fatigue." Other local issues can come to the fore and new leaders sometimes question why the project was ever started in the first place.

Overall, the initial TRV master plan remains appropriate. Some zones have attracted major new mixed-use projects while others have lagged. A 2005 report for the U.S. Army Corps of Engineers by the



University of North Texas Study (pages 7 and 8) highlights the impact a project of this magnitude can have on the surrounding area:

Statutory requirements call for the Corps to consider what would occur if the project were not undertaken...just the preliminary work done to date on the TRV project has altered the path of development on the north side of the City of Fort Worth. Developers are “rediscovering” opportunities for growth near downtown Fort Worth. For example, “The Bluffs’ housing and mixed-use development project is already well underway. While the proposed Trinity River project did not “cause” this development, the public elements of the TRV planning process increased consumer interest and purchases within this housing development.

Based on our discussions with local business leaders and city officials and overall development trends in Tarrant County, we expect that some of the development estimated in previous sections of this report will occur regardless of the TRV project proceeding from the current analysis stage. The development will be slower in timing and will be of much smaller magnitude. We estimate that less than one-third of the total projected development used in our assessment of the TRV project will occur within the 40-year time frame if the project is cancelled.

Since launching, several major developments (such as Left Bank and Stayton Place) have occurred within TIF 9 while the flood control infrastructure is being developed. There is tangible proof that the process of implementing the TRV plan has spurred development in this part of Fort Worth. Moreover, Encore breaking ground on the 300-unit apartment complex on Panther Island indicates developers believe there is consumer demand for living in this part of Fort Worth.

Undoubtedly, the private sector build-out of the zones has taken longer to occur than the initial master plan anticipated, and the construction costs have exceeded the original forecast. Recent public skepticism is making the community rethink and consider how to proceed for the next 5 to 10 years in guiding TRV to its hopeful completion.

Ensuring A Healthy TIF 9 for Completion of the Trinity River Vision Project

Looking to the future, there are three core inter-connected issues that will drive the success or failure of the TIF’s ability to fund the TRV master plan:

- federal funding
- local infrastructure development
- economic development/recruitment



For maximum TIF effectiveness, the TRV project should directly link back to one of these three core areas. In the past, TRVA needed to play a more active role promoting the general area as a place to live and work. Now that thousands of new multi-family units have been built, the pending programmatic review needs to reexamine the local funded economic development piece of the project.

For example, extending TIF 9 for 10 years will likely be needed to ensure TRWD's flood bonds can be issued so that TRVA will be shovel-ready for the matching federal funds needed to complete the flood control component of the project. In turn, securing a substantial portion of federal funds will be required to achieve the financial projections. If the federal funds are delayed by a few years, the project schedule would be delayed beyond 2028. If this occurs, development on Panther Island likely would slow.

As discussed in the UNT 2005 report, the public process of constructing the master plan has positive spillover effects. For example, some development occurred in the short-term as developers sought first-mover advantage on parcels not requiring immediate infrastructure. However, is it unclear how the market would respond to a cancelling of or major alteration to the master plan.

Because the level and timing of infrastructure funding remains an issue, TRVA's pending programmatic review should develop scenarios for infrastructure planning based on different levels of funding that include either reduced or no federal funding (ex. federal funding delayed 5 to 10 years). Upon completion of the programmatic review, the TIF forecast should also be recalibrated based on these new scenarios.

Conclusion

To date, TIF 9 has enabled TRV to make significant progress with land acquisition, environmental clean-up, incorporation of the Gateway park for overflow flood waters, and reconnecting the public to the river corridor. Additionally, the joint City of Fort Worth-Texas Department of Transportation construction of the TRV project bridges appears to be on track for completion in the next few years. Moving forward, TIF 9 is well positioned to allow TRV to complete both the local flood control component of the project as well as the project's locally funded economic development objectives. Remaining strategic project refinements from TRVA's pending programmatic review and clarification of the federal funding timeline for the U.S. Army Corps of Engineers to begin construction on the flood control bypass channel will potentially speed up or slow down TIF 9's future revenue performance.



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