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# Waller Creek TIRZ

## Update of Value and Increment



Prepared for:  
City of Austin, Texas

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## Table of Contents

PROJECTED TIRZ VALUE AND INCREMENT .....	1
POTENTIAL ADJUSTMENTS TO VALUE AND INCREMENT PROJECTIONS.....	13

## Projected TIRZ Value and Increment

The *Waller Creek TIRZ Update of Market Demand and Absorption Projections* concluded with projections of market-supportable absorption for various land uses. To translate into projections of TIRZ assessed value increases, they must be first translated into a projected development program that accounts for the “lumpy” nature of value increases, as new downtown buildings typically accommodate multiple years of supportable absorption for their particular use.

The table to the right presents the assumptions used to convert the projected absorption into the development program. Each use was assumed to have a typical amount of absorbable space per structure. One exception is retail space, which is assumed to always be incorporated into structures of another predominant use.

The resulting development program is then presented on the following pages, one program for each of the three scenarios (base case, Master Plan, and Creekside). The development programs assume that developers will complete construction of each structure in the year prior to a sufficient level of additional supportable absorption. Retail construction is presented both as if it were stand-alone (“by demand”) and then modified to fit the timing of construction of other uses (“actual”).

**Development Program Assumptions**

Land Use	Unit of Measurement	Bldg. Size	Occupancy
Apartments	Dwelling Units	200	92%
Condominiums - mid-priced	Dwelling Units	150	93%
Condominiums - luxury	Dwelling Units	90	95%
Office	Leasable Sq.Ft.	300,000	88%
Hotel - limited service	Rooms	225	70%
Hotel - full service	Rooms	250	70%
Retail	Leasable Sq.Ft.	15,000	85%

Source: CDS | Spillette

## Waller Creek TIRZ Development Program – Base Case

Note: Does not reflect a master planning framework to guide development or address surface amenities and public infrastructure.

		New Construction Units Added																	
Land Use	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Apartments	Dwelling Units	-	-	-	200	-	-	200	-	-	-	-	200	-	-	-	200	-	-
Condominiums - mid-priced	Dwelling Units	-	-	-	150	-	-	-	150	-	-	-	150	-	-	-	-	150	-
Condominiums - luxury	Dwelling Units	-	-	-	-	-	-	-	90	-	-	-	-	-	-	-	90	-	-
Office	Sq.Ft.	-	-	-	-	-	-	-	300,000	-	-	-	-	300,000	-	-	-	300,000	-
Hotel - limited service	Rooms	-	-	-	-	-	-	-	-	-	-	-	-	225	-	-	-	-	-
Hotel - full service	Rooms	-	-	-	-	-	-	250	-	-	-	-	-	-	-	-	-	-	-
Retail – by demand <sup>1</sup>	Sq.Ft.	-	-	-	-	-	15,000	-	-	-	15,000	-	-	-	15,000	-	-	15,000	-
Retail – actual <sup>2</sup>	Sq.Ft.	-	-	-	-	-	-	15,000	15,000	-	-	-	-	15,000	-	-	-	15,000	-
		Cumulative Units Added																	
Land Use	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Apartments	Dwelling Units	-	-	-	200	200	200	400	400	400	400	400	600	600	600	600	800	800	800
Condominiums - mid-priced	Dwelling Units	-	-	-	150	150	150	150	300	300	300	300	450	450	450	450	450	600	600
Condominiums - luxury	Dwelling Units	-	-	-	-	-	-	-	90	90	90	90	90	90	90	90	180	180	180
Office	Sq.Ft.	-	-	-	-	-	-	-	300,000	300,000	300,000	300,000	300,000	600,000	600,000	600,000	600,000	900,000	900,000
Hotel - limited service	Rooms	-	-	-	-	-	-	-	-	-	-	-	-	225	225	225	225	225	225
Hotel - full service	Rooms	-	-	-	-	-	-	250	250	250	250	250	250	250	250	250	250	250	250
Retail – by demand <sup>1</sup>	Sq.Ft.	-	-	-	-	-	15,000	15,000	15,000	15,000	30,000	30,000	30,000	30,000	45,000	45,000	45,000	60,000	60,000
Retail – actual <sup>2</sup>	Sq.Ft.	-	-	-	-	-	-	15,000	30,000	30,000	30,000	30,000	30,000	45,000	45,000	45,000	45,000	60,000	60,000

<sup>1</sup> Represents retail space theoretically added solely from projected supportable absorption. Not used for projected TIRZ value calculation.

<sup>2</sup> Retail “by demand” amounts modified to correspond with construction of other uses. Used as input into projected TIRZ value calculation.

Source: CDS | Spillette

## Waller Creek TIRZ Development Program – Master Plan

		New Construction Units Added																	
Land Use	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Apartments	Dwelling Units	-	-	-	200	-	200	-	200	-	-	200	-	200	-	200	-	-	200
Condominiums - mid-priced	Dwelling Units	-	-	-	150	-	150	-	150	-	-	150	-	150	-	-	150	-	-
Condominiums - luxury	Dwelling Units	-	-	-	-	-	-	90	-	-	-	-	-	90	-	-	-	-	90
Office	Sq.Ft.	-	-	-	-	-	-	300,000	-	-	-	-	300,000	-	-	300,000	-	-	-
Hotel - limited service	Rooms	-	-	-	-	-	-	-	-	-	-	225	-	-	-	-	-	-	-
Hotel - full service	Rooms	-	-	-	-	-	-	250	-	-	-	-	-	-	-	-	-	-	-
Retail – by demand <sup>1</sup>	Sq.Ft.	-	-	-	-	-	15,000	-	15,000	-	-	15,000	-	15,000	-	-	15,000	-	15,000
Retail – actual <sup>2</sup>	Sq.Ft.	-	-	-	-	-	15,000	7,500	7,500	-	-	15,000	7,500	7,500	-	15,000	-	-	15,000
		Cumulative Units Added																	
Land Use	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Apartments	Dwelling Units	-	-	-	200	200	400	400	600	600	600	800	800	1,000	1,000	1,200	1,200	1,200	1,400
Condominiums - mid-priced	Dwelling Units	-	-	-	150	150	300	300	450	450	450	600	600	750	750	750	900	900	900
Condominiums - luxury	Dwelling Units	-	-	-	-	-	-	90	90	90	90	90	90	180	180	180	180	180	270
Office	Sq.Ft.	-	-	-	-	-	-	300,000	300,000	300,000	300,000	300,000	600,000	600,000	600,000	900,000	900,000	900,000	900,000
Hotel - limited service	Rooms	-	-	-	-	-	-	-	-	-	-	225	225	225	225	225	225	225	225
Hotel - full service	Rooms	-	-	-	-	-	-	250	250	250	250	250	250	250	250	250	250	250	250
Retail – by demand <sup>1</sup>	Sq.Ft.	-	-	-	-	-	15,000	15,000	30,000	30,000	30,000	45,000	45,000	60,000	60,000	60,000	75,000	75,000	90,000
Retail – actual <sup>2</sup>	Sq.Ft.	-	-	-	-	-	15,000	22,500	30,000	30,000	30,000	45,000	52,500	60,000	60,000	75,000	75,000	75,000	90,000

<sup>1</sup> Represents retail space theoretically added solely from projected supportable absorption. Not used for projected TIRZ value calculation.

<sup>2</sup> Retail “by demand” amounts modified to correspond with construction of other uses. Used as input into projected TIRZ value calculation.

Source: CDS | Spillette

## Waller Creek TIRZ Development Program – Creekside

		New Construction Units Added																	
Land Use	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Apartments	Dwelling Units	-	-	-	200	-	-	200	-	-	200	-	-	-	200	-	-	-	200
Condominiums - mid-priced	Dwelling Units	-	-	-	150	-	-	150	-	-	150	-	-	-	150	-	-	-	150
Condominiums - luxury	Dwelling Units	-	-	-	-	-	-	-	90	-	-	-	-	-	-	-	90	-	-
Office	Sq.Ft.	-	-	-	-	-	-	-	300,000	-	-	-	-	300,000	-	-	-	300,000	-
Hotel - limited service	Rooms	-	-	-	-	-	-	-	-	225	-	-	-	225	-	-	-	-	-
Hotel - full service	Rooms	-	-	-	-	-	-	250	-	-	-	-	-	-	-	250	-	-	-
Retail – by demand <sup>1</sup>	Sq.Ft.	-	-	-	-	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Retail – actual <sup>2</sup>	Sq.Ft.	-	-	-	-	-	-	30,000	15,000	15,000	15,000	-	-	30,000	30,000	15,000	7,500	22,500	15,000
		Cumulative Units Added																	
Land Use	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Apartments	Dwelling Units	-	-	-	200	200	200	400	400	400	600	600	600	600	800	800	800	800	1,000
Condominiums - mid-priced	Dwelling Units	-	-	-	150	150	150	300	300	300	450	450	450	450	600	600	600	600	750
Condominiums - luxury	Dwelling Units	-	-	-	-	-	-	-	90	90	90	90	90	90	90	90	180	180	180
Office	Sq.Ft.	-	-	-	-	-	-	-	300,000	300,000	300,000	300,000	300,000	600,000	600,000	600,000	600,000	900,000	900,000
Hotel - limited service	Rooms	-	-	-	-	-	-	-	-	225	225	225	225	450	450	450	450	450	450
Hotel - full service	Rooms	-	-	-	-	-	-	250	250	250	250	250	250	250	250	500	500	500	500
Retail – by demand <sup>1</sup>	Sq.Ft.	-	-	-	-	-	15,000	30,000	45,000	60,000	75,000	90,000	105,000	120,000	135,000	150,000	165,000	180,000	195,000
Retail – actual <sup>2</sup>	Sq.Ft.	-	-	-	-	-	-	30,000	45,000	60,000	75,000	75,000	75,000	105,000	135,000	150,000	157,500	180,000	195,000

<sup>1</sup> Represents retail space theoretically added solely from projected supportable absorption. Not used for projected TIRZ value calculation.

<sup>2</sup> Retail “by demand” amounts modified to correspond with construction of other uses. Used as input into projected TIRZ value calculation.

Source: CDS | Spillette

Using the new development projections within the TIRZ, the future TIRZ assessed value and tax increment could be projected. These projections also require a set of assumptions, listed as follows.

1. All existing assessed value within the TIRZ is projected to increase by an average of 5.0% annually, starting after 2011. This assumption is the result of an examination of historical assessed value trends within the TIRZ since 2006, which has indicated rates both above and below this level depending upon land use and other factors.
2. Assessed value increases due to new construction are projected to enter the tax rolls at a ratio of 30% of the increase in the year prior to project completion and 70% in the year of completion.
3. Based on analysis of exemptions claimed in existing condominium developments in the TIRZ, 54% of condominium owners are projected to claim a Travis County homestead exemption. A projected 4% of condominium owners will claim an Over-65 exemption from both the City of Austin and Travis County.
4. A survey of assessed values for downtown Austin properties of various land uses provided the basis for the projected new development value per unit factors summarized in the table below. These values are presented for 2009 and are projected to appreciate at the same rate given above.

#### New Construction Value Factors

Land Use	Value Factor	Unit
Apartments	\$ 150,000	per dwelling unit
Condominiums - mid priced	\$ 340,000	per dwelling unit
Condominiums - luxury	\$ 650,000	per dwelling unit
Office	\$ 250	per leasable sq.ft.
Hotel - limited service	\$ 90,000	per room
Hotel - first class	\$ 130,000	per room
Retail	\$ 195	per leasable sq.ft.

Source: CDS | Spillette

## Waller Creek TIRZ Projected New Construction Value and Tax Exemptions – Base Case

Note: Does not reflect a master planning framework to guide development or address surface amenities and public infrastructure.

Land Use	Year	New Construction Value (\$)																	
	Constr.	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Tax	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Revenue	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Apartments		-	-	9,922,500	24,310,125	-	11,486,534	28,142,008	-	-	-	14,660,052	35,917,127	-	-	17,819,384	43,657,492	-	-
Condominiums - mid-priced		-	-	16,868,250	41,327,213	-	-	20,503,463	50,233,485	-	-	24,922,088	61,059,115	-	-	-	31,807,601	77,928,623	-
Condominiums - luxury		-	-	-	-	-	-	23,518,678	57,620,762	-	-	-	-	-	-	34,747,800	85,132,109	-	-
Office		-	-	-	-	-	-	30,152,152	73,872,772	-	-	-	38,482,636	94,282,457	-	-	46,775,884	114,600,916	-
Hotel - limited service		-	-	-	-	-	-	-	-	-	-	-	10,390,312	25,456,263	-	-	-	-	-
Hotel - full service		-	-	-	-	-	12,443,745	30,487,176	-	-	-	-	-	-	-	-	-	-	-
Retail		-	-	-	-	1,119,937	3,919,780	2,881,038	-	-	-	1,500,823	3,677,016	-	-	1,824,259	4,469,436	-	-
Exemption Category	New Property Tax Exemptions (\$)																		
Travis County homestead		-	-	-	(405,000)	-	-	-	(648,000)	-	-	-	(405,000)	-	-	-	(243,000)	(405,000)	-
City of Austin over 65		-	-	-	(306,000)	-	-	-	(489,600)	-	-	-	(306,000)	-	-	-	(183,600)	(306,000)	-
Travis County over 65		-	-	-	(390,000)	-	-	-	(624,000)	-	-	-	(390,000)	-	-	-	(234,000)	(390,000)	-
<u>Cumulative</u>																			
Travis County homestead		-	-	-	(405,000)	(405,000)	(405,000)	(405,000)	(1,053,000)	(1,053,000)	(1,053,000)	(1,053,000)	(1,458,000)	(1,458,000)	(1,458,000)	(1,458,000)	(1,701,000)	(2,106,000)	(2,106,000)
City of Austin over 65		-	-	-	(306,000)	(306,000)	(306,000)	(306,000)	(795,600)	(795,600)	(795,600)	(795,600)	(1,101,600)	(1,101,600)	(1,101,600)	(1,101,600)	(1,285,200)	(1,591,200)	(1,591,200)
Travis County over 65		-	-	-	(390,000)	(390,000)	(390,000)	(390,000)	(1,014,000)	(1,014,000)	(1,014,000)	(1,014,000)	(1,404,000)	(1,404,000)	(1,404,000)	(1,404,000)	(1,638,000)	(2,028,000)	(2,028,000)

Source: CDS | Spillette



## Waller Creek TIRZ Projected New Construction Value and Tax Exemptions – Master Plan

Land Use	Year	New Construction Value (\$)																	
	Constr.	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Tax	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Revenue	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Apartments	-	-	9,922,500	24,310,125	10,939,556	26,801,913	12,060,861	29,549,109	-	13,961,954	34,206,787	15,393,054	37,712,983	16,970,842	41,578,564	-	19,645,871	48,132,385	
Condominiums - mid-priced	-	-	16,868,250	41,327,213	18,597,246	45,563,252	20,503,463	50,233,485	-	23,735,322	58,151,538	26,168,192	64,112,071	-	30,292,953	74,217,736	-	-	
Condominiums - luxury	-	-	-	-	-	22,398,741	54,876,916	-	-	-	-	30,016,456	73,540,317	-	-	-	38,309,449	93,858,150	
Office	-	-	-	-	-	28,716,335	70,355,021	-	-	-	36,650,129	89,792,816	-	42,427,106	103,946,409	-	-	-	
Hotel - limited service	-	-	-	-	-	-	-	-	-	9,424,319	23,089,581	-	-	-	-	-	-	-	
Hotel - full service	-	-	-	-	-	12,443,745	30,487,176	-	-	-	-	-	-	-	-	-	-	-	
Retail	-	-	-	-	1,066,607	3,173,155	1,959,890	1,440,519	-	1,361,291	4,049,839	2,501,371	1,838,508	1,654,657	4,053,910	-	1,915,472	4,692,908	
Exemption Category		New Property Tax Exemptions (\$)																	
Travis County homestead	-	-	-	(405,000)	-	(405,000)	(243,000)	(405,000)	-	-	(405,000)	-	(648,000)	-	-	(405,000)	-	(243,000)	
City of Austin over 65	-	-	-	(306,000)	-	(306,000)	(183,600)	(306,000)	-	-	(306,000)	-	(489,600)	-	-	(306,000)	-	(183,600)	
Travis County over 65	-	-	-	(390,000)	-	(390,000)	(234,000)	(390,000)	-	-	(390,000)	-	(624,000)	-	-	(390,000)	-	(234,000)	
Cumulative																			
Travis County homestead	-	-	-	(405,000)	(405,000)	(810,000)	(1,053,000)	(1,458,000)	(1,458,000)	(1,458,000)	(1,863,000)	(1,863,000)	(2,511,000)	(2,511,000)	(2,511,000)	(2,916,000)	(2,916,000)	(3,159,000)	
City of Austin over 65	-	-	-	(306,000)	(306,000)	(612,000)	(795,600)	(1,101,600)	(1,101,600)	(1,101,600)	(1,407,600)	(1,407,600)	(1,897,200)	(1,897,200)	(1,897,200)	(2,203,200)	(2,203,200)	(2,386,800)	
Travis County over 65	-	-	-	(390,000)	(390,000)	(780,000)	(1,014,000)	(1,404,000)	(1,404,000)	(1,404,000)	(1,794,000)	(1,794,000)	(2,418,000)	(2,418,000)	(2,418,000)	(2,808,000)	(2,808,000)	(3,042,000)	

Source: CDS | Spillette

## Waller Creek TIRZ Projected New Construction Value and Tax Exemptions – Creekside

Land Use	Year	New Construction Value (\$)																	
	Constr.	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Tax	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Revenue	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Apartments	-	-	9,922,500	24,310,125	-	11,486,534	28,142,008	-	13,297,099	32,577,893	-	-	16,162,707	39,598,632	-	-	19,645,871	48,132,385	
Condominiums - mid-priced	-	-	16,868,250	41,327,213	-	19,527,108	47,841,414	-	22,605,068	55,382,417	-	-	27,476,602	67,317,674	-	-	33,397,981	81,825,054	
Condominiums - luxury	-	-	-	-	-	-	23,518,678	57,620,762	-	-	-	-	-	-	34,747,800	85,132,109	-	-	
Office	-	-	-	-	-	-	30,152,152	73,872,772	-	-	-	-	38,482,636	94,282,457	-	-	46,775,884	114,600,916	-
Hotel - limited service	-	-	-	-	-	-	-	8,548,135	20,942,931	-	-	-	10,390,312	25,456,263	-	-	-	-	-
Hotel - full service	-	-	-	-	-	-	12,443,745	30,487,176	-	-	-	-	-	-	18,385,079	45,043,444	-	-	-
Retail	-	-	-	-	-	-	2,239,874	6,663,626	4,115,769	4,321,557	3,176,345	-	3,001,646	10,505,760	9,376,390	4,922,605	4,864,692	8,619,626	4,692,908
Exemption Category		New Property Tax Exemptions (\$)																	
Travis County homestead	-	-	-	(405,000)	-	-	(405,000)	(243,000)	-	(405,000)	-	-	-	(405,000)	-	(243,000)	-	(405,000)	
City of Austin over 65	-	-	-	(306,000)	-	-	(306,000)	(183,600)	-	(306,000)	-	-	-	(306,000)	-	(183,600)	-	(306,000)	
Travis County over 65	-	-	-	(390,000)	-	-	(390,000)	(234,000)	-	(390,000)	-	-	-	(390,000)	-	(234,000)	-	(390,000)	
Cumulative																			
Travis County homestead	-	-	-	(405,000)	(405,000)	(405,000)	(810,000)	(1,053,000)	(1,053,000)	(1,458,000)	(1,458,000)	(1,458,000)	(1,458,000)	(1,863,000)	(1,863,000)	(2,106,000)	(2,106,000)	(2,511,000)	
City of Austin over 65	-	-	-	(306,000)	(306,000)	(306,000)	(612,000)	(795,600)	(795,600)	(1,101,600)	(1,101,600)	(1,101,600)	(1,101,600)	(1,407,600)	(1,407,600)	(1,591,200)	(1,591,200)	(1,897,200)	
Travis County over 65	-	-	-	(390,000)	(390,000)	(390,000)	(780,000)	(1,014,000)	(1,014,000)	(1,404,000)	(1,404,000)	(1,404,000)	(1,404,000)	(1,794,000)	(1,794,000)	(2,028,000)	(2,028,000)	(2,418,000)	

Source: CDS | Spillette

The 2009 taxable assessed value of the TIRZ is calculated by taking the certified taxable values for the City of Austin and Travis County for 2009 and adding the total taxable values of accounts remaining under protest, less a 15% protest loss. The estimates are made as follows:

For the projected 2010 assessed value, CDS | Spillette has assumed that the assessed value of parcels on the north side of 4<sup>th</sup> Street sold in December 2009 will become the TCAD assessed value for January 1, 2010 for those parcels. The 2010 assessed values are therefore projected to be the 2009 estimated certified values given above plus the increase in value for those particular parcels (sales price less 2009 assessed value) of \$4,430,587.

It is possible that TCAD will add value for 2010 to the Legacy apartment tower property owing to its completion and lease up in

2009; however, CDS | Spillette has not assumed this in the projections.

Adding the projected value of new construction and tax exemptions to the 2010 projected assessed value, subject to appreciation over time (after 2011), thereby calculates the projected assessed value of the TIRZ. The projected assessed value for each year less the 2007 base year taxable value equals the projected tax increment. The annual increment is calculated separately for the City of Austin and Travis County because each jurisdiction has a different base year value due to differences in exemptions offered. The projections for each scenario are provided on the following pages.

CDS | Spillette has not assumed any permanent value loss due to City property acquisition within the TIRZ, nor are any currently publicly-owned parcels assumed to be released to the private market.

### Estimated 2009 TIRZ Assessed Value

Land Use	City of Austin	Travis County
2009 certified taxable value	\$376,155,041	\$363,526,840
plus: prelim. value protest accounts	\$544,000	\$544,000
less: projected hearing loss on protests	15%	15%
Estimated final 2009 certified value	\$376,617,441	\$363,989,240

Source: CDS | Spillette

**Projected TIRZ Assessed Value and Increment – Base Case**

Note: Does not reflect a master planning framework to guide development or address surface amenities and public infrastructure.

		City of Austin		Travis County	
Tax Year	Revenue Year	Projected Assessed Value	Projected Increment	Projected Assessed Value	Projected Increment
2010	2011	\$ 381,048,028	\$ 144,848,246	\$ 368,419,827	\$ 140,275,237
2011	2012	\$ 381,048,028	\$ 144,848,246	\$ 368,419,827	\$ 140,275,237
2012	2013	\$ 400,100,429	\$ 163,900,647	\$ 386,840,818	\$ 158,696,228
2013	2014	\$ 446,896,201	\$ 210,696,419	\$ 432,973,609	\$ 204,829,019
2014	2015	\$ 534,572,348	\$ 298,372,566	\$ 519,464,627	\$ 291,320,037
2015	2016	\$ 560,994,966	\$ 324,795,184	\$ 544,642,859	\$ 316,498,269
2016	2017	\$ 613,788,930	\$ 377,589,148	\$ 596,130,218	\$ 367,985,628
2017	2018	\$ 780,895,635	\$ 544,695,853	\$ 761,864,987	\$ 533,720,397
2018	2019	\$ 1,003,752,874	\$ 767,553,092	\$ 982,499,294	\$ 754,354,704
2019	2020	\$ 1,053,144,918	\$ 816,945,136	\$ 1,029,557,258	\$ 801,412,668
2020	2021	\$ 1,105,006,564	\$ 868,806,782	\$ 1,078,968,121	\$ 850,823,531
2021	2022	\$ 1,199,043,431	\$ 962,843,649	\$ 1,170,431,667	\$ 942,287,077
2022	2023	\$ 1,405,244,015	\$ 1,169,044,233	\$ 1,373,441,262	\$ 1,145,296,672
2023	2024	\$ 1,597,820,352	\$ 1,361,620,570	\$ 1,562,667,061	\$ 1,334,522,471
2024	2025	\$ 1,676,609,769	\$ 1,440,409,987	\$ 1,637,938,414	\$ 1,409,793,824
2025	2026	\$ 1,811,905,842	\$ 1,575,706,060	\$ 1,769,540,519	\$ 1,541,395,929
2026	2027	\$ 2,110,413,279	\$ 1,874,213,497	\$ 2,063,875,890	\$ 1,835,731,300
2027	2028	\$ 2,411,341,717	\$ 2,175,141,935	\$ 2,359,934,659	\$ 2,131,790,069
2028	2029	\$ 2,530,317,603	\$ 2,294,117,821	\$ 2,473,797,392	\$ 2,245,652,802

Source: CDS | Spillette

## Projected TIRZ Assessed Value and Increment – Master Plan

		City of Austin		Travis County	
Tax Year	Revenue Year	Projected Assessed Value	Projected Increment	Projected Assessed Value	Projected Increment
2010	2011	\$ 381,048,028	\$ 144,848,246	\$ 368,419,827	\$ 140,275,237
2011	2012	\$ 381,048,028	\$ 144,848,246	\$ 368,419,827	\$ 140,275,237
2012	2013	\$ 400,100,429	\$ 163,900,647	\$ 386,840,818	\$ 158,696,228
2013	2014	\$ 446,896,201	\$ 210,696,419	\$ 432,973,609	\$ 204,829,019
2014	2015	\$ 534,572,348	\$ 298,372,566	\$ 519,464,627	\$ 291,320,037
2015	2016	\$ 591,598,374	\$ 355,398,592	\$ 575,246,267	\$ 347,101,677
2016	2017	\$ 759,663,435	\$ 523,463,653	\$ 741,515,722	\$ 513,371,132
2017	2018	\$ 987,094,334	\$ 750,894,552	\$ 966,767,835	\$ 738,623,245
2018	2019	\$ 1,116,570,563	\$ 880,370,781	\$ 1,093,467,340	\$ 865,322,750
2019	2020	\$ 1,171,297,492	\$ 935,097,710	\$ 1,145,278,707	\$ 917,134,117
2020	2021	\$ 1,277,243,651	\$ 1,041,043,869	\$ 1,248,163,528	\$ 1,020,018,938
2021	2022	\$ 1,495,846,109	\$ 1,259,646,327	\$ 1,463,062,579	\$ 1,234,917,989
2022	2023	\$ 1,733,102,704	\$ 1,496,902,922	\$ 1,696,430,598	\$ 1,468,286,008
2023	2024	\$ 1,995,064,517	\$ 1,758,864,735	\$ 1,953,527,006	\$ 1,725,382,416
2024	2025	\$ 2,153,973,148	\$ 1,917,773,366	\$ 2,107,326,961	\$ 1,879,182,371
2025	2026	\$ 2,439,646,442	\$ 2,203,446,660	\$ 2,387,636,145	\$ 2,159,491,555
2026	2027	\$ 2,633,643,300	\$ 2,397,443,518	\$ 2,575,511,689	\$ 2,347,367,099
2027	2028	\$ 2,822,993,058	\$ 2,586,793,276	\$ 2,758,434,066	\$ 2,530,289,476
2028	2029	\$ 3,108,439,353	\$ 2,872,239,571	\$ 3,036,838,211	\$ 2,808,693,621

Source: CDS | Spillette

## Projected TIRZ Assessed Value and Increment – Creekside

		City of Austin		Travis County	
Tax Year	Revenue Year	Projected Assessed Value	Projected Increment	Projected Assessed Value	Projected Increment
2010	2011	\$ 381,048,028	\$ 144,848,246	\$ 368,419,827	\$ 140,275,237
2011	2012	\$ 381,048,028	\$ 144,848,246	\$ 368,419,827	\$ 140,275,237
2012	2013	\$ 400,100,429	\$ 163,900,647	\$ 386,840,818	\$ 158,696,228
2013	2014	\$ 446,896,201	\$ 210,696,419	\$ 432,973,609	\$ 204,829,019
2014	2015	\$ 534,572,348	\$ 298,372,566	\$ 519,464,627	\$ 291,320,037
2015	2016	\$ 560,994,966	\$ 324,795,184	\$ 544,642,859	\$ 316,498,269
2016	2017	\$ 634,435,975	\$ 398,236,193	\$ 616,777,263	\$ 388,632,673
2017	2018	\$ 832,350,829	\$ 596,151,047	\$ 812,831,181	\$ 584,686,591
2018	2019	\$ 1,017,330,209	\$ 781,130,427	\$ 995,563,178	\$ 767,418,588
2019	2020	\$ 1,128,567,774	\$ 892,367,992	\$ 1,104,440,992	\$ 876,296,402
2020	2021	\$ 1,275,031,218	\$ 1,038,831,436	\$ 1,247,937,696	\$ 1,019,793,106
2021	2022	\$ 1,337,681,178	\$ 1,101,481,396	\$ 1,307,472,581	\$ 1,079,327,991
2022	2023	\$ 1,455,338,230	\$ 1,219,138,448	\$ 1,421,858,803	\$ 1,193,714,213
2023	2024	\$ 1,700,887,330	\$ 1,464,687,548	\$ 1,663,973,532	\$ 1,435,828,942
2024	2025	\$ 1,919,201,873	\$ 1,683,002,091	\$ 1,878,192,984	\$ 1,650,048,394
2025	2026	\$ 2,098,468,215	\$ 1,862,268,433	\$ 2,053,159,482	\$ 1,825,014,892
2026	2027	\$ 2,338,573,110	\$ 2,102,373,328	\$ 2,288,456,141	\$ 2,060,311,551
2027	2028	\$ 2,630,174,960	\$ 2,393,975,178	\$ 2,575,009,342	\$ 2,346,864,752
2028	2029	\$ 2,894,436,854	\$ 2,658,237,072	\$ 2,833,481,155	\$ 2,605,336,565

Source: CDS | Spillette

## Potential Adjustments to Value and Increment Projections

CDS | Spillette projections of Waller Creek TIRZ property value increment are lower than the projections contained in the existing TIRZ Project and Financing Plan. Kellogg, Brown & Root / Espey- produced that plan based on projections of market demand from the CDS | Spillette market study update in 2006. The most significant reason for the decrease in the updated TIRZ values is the lower projection of supportable office space construction, which decreased from a cumulative total of 2,950,000 square feet by 2028 in the previous projection to a total of 900,000 square feet in the current projection. Also, due to the current economic downturn, CDS | Spillette is projecting that both new development and base value appreciation are delayed until 2012.

The evolution of the Austin office market, particularly in Downtown, since 2006 has led CDS | Spillette to lower projected demand for office space within the TIRZ. In particular, overall office absorption has been lower than anticipated in Downtown and the preferred location for new office projects has shifted to the western half of Downtown, encouraged partly by the City's planning and development efforts at the Green Water Treatment Plant and Seaholm Power Plant sites and general support for mixed-use vitality in that area.

CDS | Spillette has examined the impact of changing some analysis variables that would affect future TIRZ property value increment: increasing the base value appreciation rate and projecting a slightly higher level of office construction. A summary of the resulting impacts on the tax year 2028 projected value increment are shown in the table below.

### Sensitivity Analysis – Impact on City of Austin 2028 Increment

Modification	Master Plan 2028 Increment
<b>Existing TIRZ Project Plan (KBR projection)</b>	<b>\$ 3,771,374,421</b>
1. Existing projection	\$ 2,866,359,091
2. Increase appreciation rate to 5.25%	\$ 2,995,098,739
3. Increase appreciation rate to 5.5%	\$ 3,128,832,880
4. Add 1 office building between 2020 and 2030	\$ 3,038,260,465
5. Both #2 and #4	\$ 3,174,092,149

Source: CDS | Spillette

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The likelihood of such changes occurring is difficult to discern, especially since such a long time period is under consideration. The base appreciation rate of 5.0% that was assumed is reasonable given the recent historical data available; several relevant land uses have appreciated considerably faster since 2006 within the zone. An analysis of the zone's property accounts found that when accounts related to new construction were netted out due to their not yet reaching market stabilization (or a lack of historical data due to new condo account creation), the 2006 to 2009 appreciation rate was 6.6% per year.

If similar market momentum continues for this portion of Downtown after the recession's impacts have eased (and CDS | Spillette is of the opinion that momentum will resume), plus the benefits of Master Plan implementation are layered on top of this, it is not unreasonable that the appreciation rate could edge higher, though likely not above a long term average rate of 5.5%.

Regarding additional office development in the later years of the zone's life, adding an additional 250,000 square foot building is equivalent to increasing the zone's share of Downtown market demand from 25% to 30% between 2021 to 2027. This is not a major change in the context of the projection model, particularly for the relatively distant future years. However, it does imply an even greater shift in the existing trend of office development on the west side of Downtown. The successful creation of a more complete urban mixed-use district, which Master Plan implementation will help, could enable such a shift. It would be important to ensure that new zoning and building regulations do not discourage more intensive office uses within the zone.

The following table depicts potential ranges of City tax increments assuming the changing inputs discussed above.



## Waller Creek Tax Increment Reinvestment Zone No. 17 Projected Increment Ranges

	Original Projections Based on 2006 Market Update (Prepared by KBR)	Potential Increment Ranges Based on 2009 Market Update			
<b>Changing inputs:</b>					
Appreciation		5.0%	5.5%	5.0%	5.5%
Extra Demand in 2026		-	-	250,000	250,000
<b>City tax increment:</b>					
2010	\$ 102,193,893	\$ 144,848,246	\$ 144,848,246	\$ 144,848,246	\$ 144,848,246
2011	\$ 246,765,125	\$ 144,848,246	\$ 144,848,246	\$ 144,848,246	\$ 144,848,246
2012	\$ 308,001,868	\$ 163,900,647	\$ 165,805,888	\$ 163,900,647	\$ 165,805,888
2013	\$ 406,638,381	\$ 210,696,419	\$ 214,962,707	\$ 210,696,419	\$ 214,962,707
2014	\$ 513,678,233	\$ 298,372,566	\$ 306,050,130	\$ 298,372,566	\$ 306,050,130
2015	\$ 665,695,160	\$ 355,398,592	\$ 366,758,383	\$ 355,398,592	\$ 366,758,383
2016	\$ 806,728,263	\$ 523,463,653	\$ 541,749,752	\$ 523,463,653	\$ 541,749,752
2017	\$ 986,239,988	\$ 750,894,552	\$ 779,485,348	\$ 750,894,552	\$ 779,485,348
2018	\$ 1,175,223,691	\$ 880,370,781	\$ 918,215,966	\$ 880,370,781	\$ 918,215,966
2019	\$ 1,346,815,487	\$ 935,097,710	\$ 980,607,232	\$ 935,097,710	\$ 980,607,232
2020	\$ 1,531,857,854	\$ 1,041,043,869	\$ 1,097,030,762	\$ 1,041,043,869	\$ 1,097,030,762
2021	\$ 1,731,259,941	\$ 1,259,646,327	\$ 1,332,695,705	\$ 1,259,646,327	\$ 1,332,695,705
2022	\$ 1,980,012,865	\$ 1,496,902,922	\$ 1,590,240,335	\$ 1,496,902,922	\$ 1,590,240,335
2023	\$ 2,212,118,471	\$ 1,758,864,735	\$ 1,876,396,614	\$ 1,758,864,735	\$ 1,876,396,614
2024	\$ 2,461,704,993	\$ 1,917,773,366	\$ 2,055,634,160	\$ 1,917,773,366	\$ 2,055,634,160
2025	\$ 2,729,937,390	\$ 2,203,446,660	\$ 2,372,029,446	\$ 2,247,995,121	\$ 2,419,641,503
2026	\$ 3,061,155,024	\$ 2,397,443,518	\$ 2,592,978,264	\$ 2,553,363,131	\$ 2,760,414,001
2027	\$ 3,371,767,481	\$ 2,586,793,276	\$ 2,810,978,824	\$ 2,750,508,870	\$ 2,987,623,527
2028	\$ 3,662,706,291	\$ 2,872,239,571	\$ 3,135,207,973	\$ 3,044,140,945	\$ 3,321,568,134

Source: City of Austin; CDS | Spillette

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