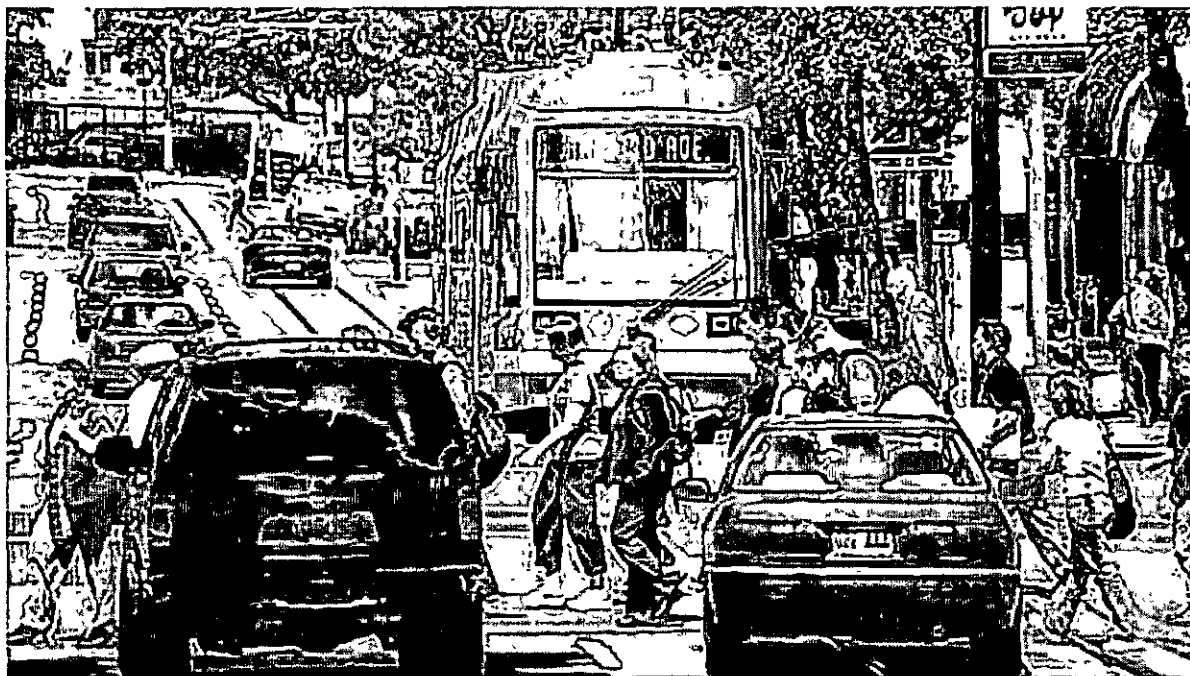


Downtown Rail

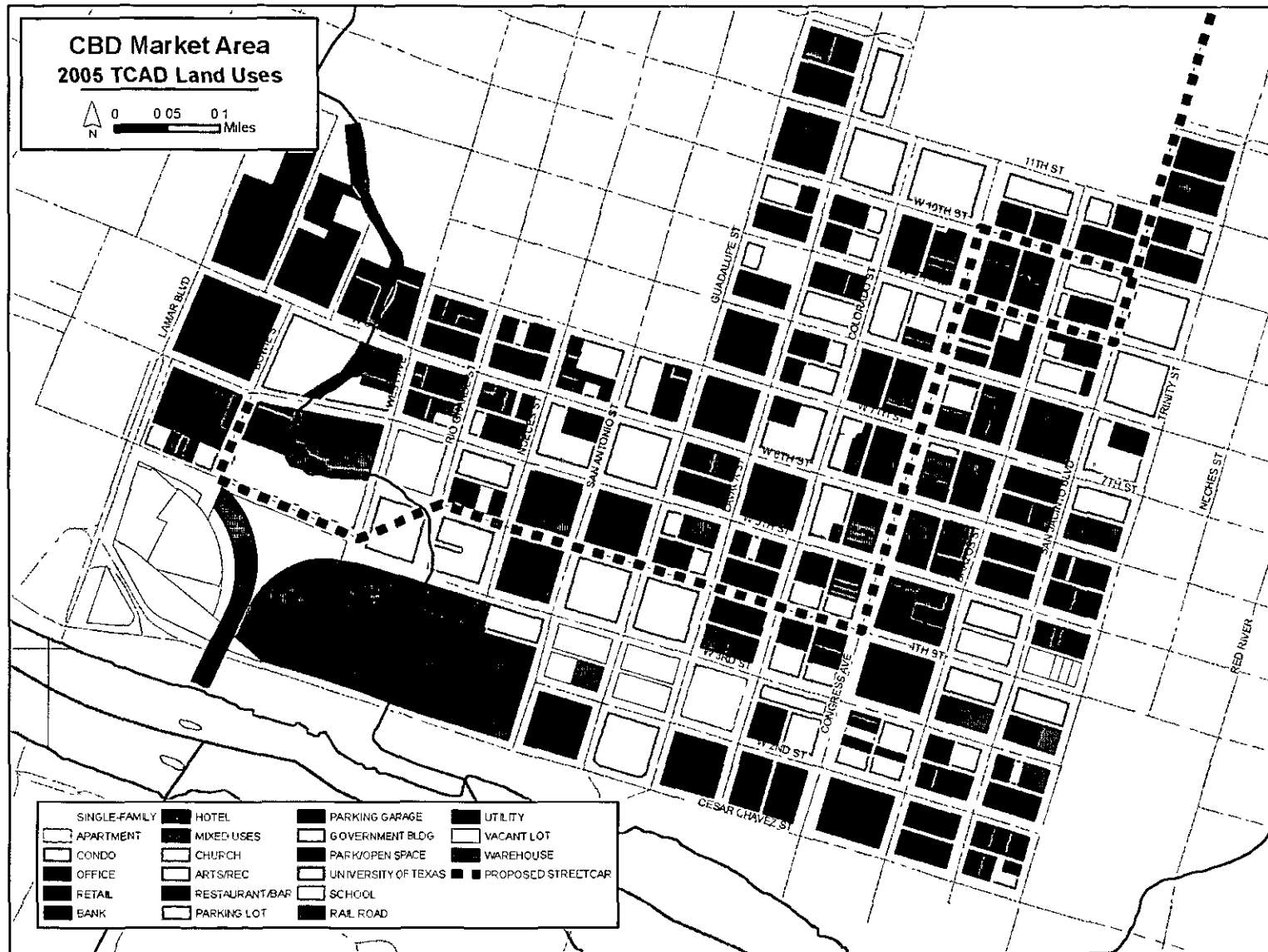


Development Impact Analysis

Charles Heimsath

November 2, 2006

Study Area



Baseline

- 105-Block Study Area (walking distance from circulator route)
- 36 blocks tax-exempt
- TCAD 2005 certified tax roll total assessed value \$1,410,851,213

Project Overview

1. 2005 Baseline - \$ 1.4 Billion
2. Projects already under construction or planned - \$ 334 m + \$1.1 Billion
3. 2015 Market Forecast under existing conditions - \$ 5.27 Billion
4. 2015 Market Forecast with commuter rail and circulator streetcar system - \$ 5.96 Billion
5. 2015 Difference in Value due to streetcar \$697 million.

Rail Impact on Office Market



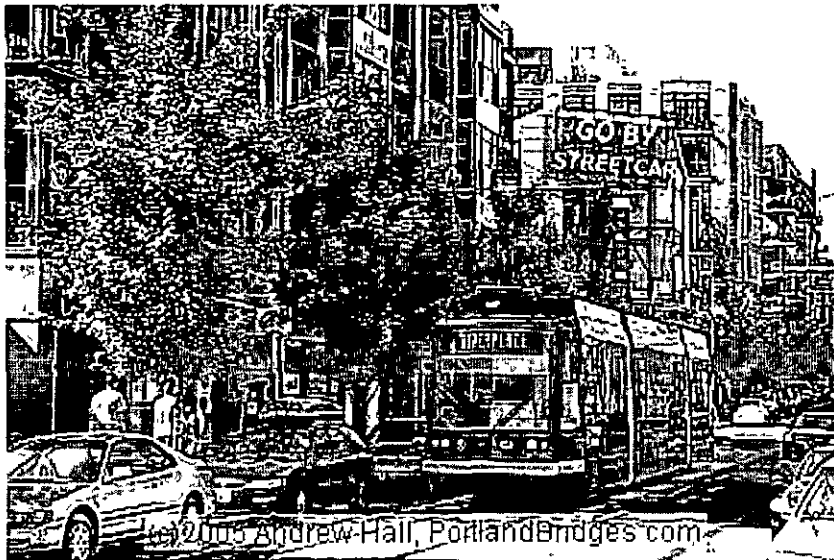
Streetcars on commercial corridors, Memphis

Future Market Conditions - Office

Downtown Circulator Corridor

	Occupied Inventory (space)	Occupancy	Annual Net Operating Income	Land & Improvement Value
2005 Baseline	8,419,431	78.2%	\$60,382,863	\$1,104,589,483
2015 Without Rail	8,988,569	94.9%	\$101,211,282	\$1,445,875,464
2015 With Rail	9,873,278	96.1%	\$111,173,108	\$1,588,187,251
2015 Difference with Rail	884,709	1.2%	\$9,961,825	\$142,311,787

Rail Impact on Residential Market



Portland and Memphis streetcars

Future Market Conditions - Residential

Multi-Family Housing in the Downtown Circulator Corridor

	Inventory (Units)	Occupancy	Annual Net Operating Income	Land & Improvement Value
2005 Baseline	599	96.7%	\$4,416,828	\$88,336,565
2015 Without Rail	2,860	96.7%	\$55,268,158	\$1,105,363,161
2015 With Rail	3,321	98.8%	\$65,525,616	\$1,310,512,313
2015 Difference with Rail	461	2.1%	\$10,257,458	\$205,149,152

Future Market Conditions - Residential

Condominium Housing in the Downtown Circulator Corridor

	Inventory (Units)	Average Unit Value	Average New Unit Value	Total Condominium Value
2005 Baseline	604	\$376,564	\$512,263	\$278,158,693
2015 Without Rail	3,292	\$498,872	\$709,581	\$1,779,093,645
2015 With Rail	3,762	\$511,306	\$709,581	\$2,128,742,842
2015 Difference with Rail	470	\$12,434	\$0	\$349,649,197

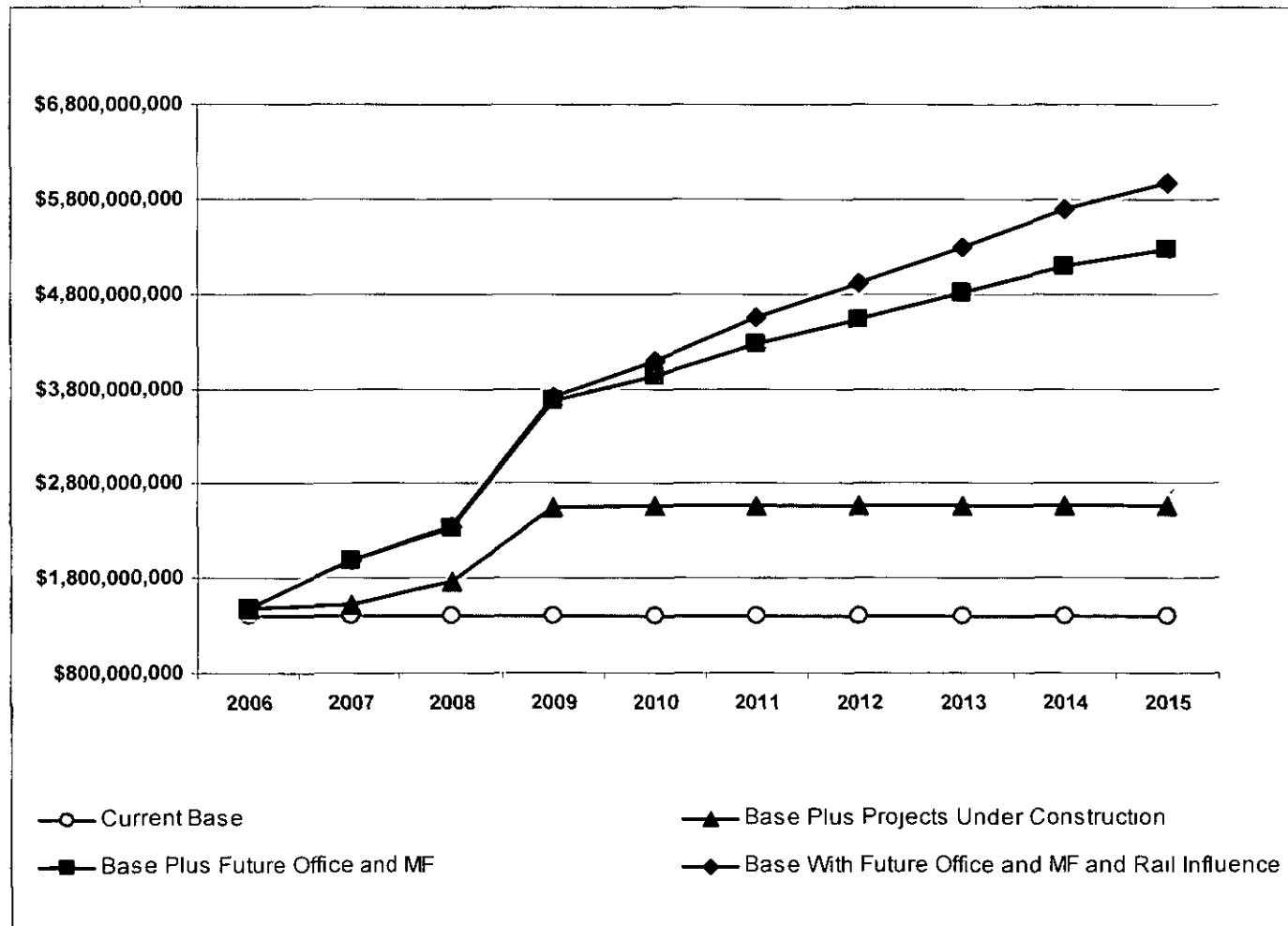
Comparison of Values With New Construction & Rail Influence

Base Taxable Value	\$1,410 million
Base Plus Value of Projects Already Under Construction & Planned	\$2,567 million
2015 Taxable Value Without Rail Circulator	\$5,270 million
2015 Taxable Value With Rail Circulator	\$5,967 million
2015 Difference in Taxable Value	\$697 million

Increase in Assessed Value from Downtown Rail Corridor from 2005 to 2015

	Office	Apartment	Condominium	Total	Percent of Increase
Increase in New Construction	\$80.0	\$175.2	\$338.0	\$593.2	85%
Increase in Existing Value	\$62.2	\$30.0	\$11.6	\$103.8	15%
Total Increase	\$142.2	\$205.2	\$349.6	\$697.0	100%

Comparison of Values With New Construction & Rail Influence



Cities with Active Streetcar Service

City	Vintage Trolley		Modern Streetcar
	Restored	Replica	
Boston	X		
Charlotte	X	X	X
Dallas	X		
Little Rock		X	
Memphis	X		
New Orleans	X	X	
Philadelphia	X		
Portland		X	X
San Francisco	X		
San Jose	X		
Seattle	X		X
Tacoma			X
Tampa		X	
Washington, DC			X

Source Portland State University Design Seminar

Discussion



City Property Tax Revenue by Fiscal Year from 85 %
Increase in New Construction

Fiscal Year	
2008	\$37
2009	\$7,881
2010	\$9,906
2011	\$404,920
2012	\$694,223
2013	\$1,101,665
2014	\$1,535,639
2015	\$1,994,517
2016	\$2,447,711