



Reverend

APPENDIX 1

3 April 2014





WEST192

Redevelopment Plan

*Prepared for the W192 Development Authority
West US Highway 192, from the Osceola-Polk County line to
Hoagland Boulevard*

*For Development Authority Approval
April 3, 2014*



Ad Valorem Property Tax Estimates

An analysis of potential ad valorem property tax revenue that could be generated within the West 192 Community Redevelopment Area (CRA) has been completed. The following information, provided by Osceola County was utilized in the analysis:

- Parcel identification numbers for all the parcels within the West 192 Community Redevelopment Area. These parcel numbers were used to obtain property valuation data on each parcel for the tax years 2000, 2005 and 2006 through 2013.
- The Certification of Final Taxable Value in fiscal year 2013 for the West 192 CRA.
- The tax increment base year value for the West 192 CRA.

The historical values within the CRA for each year were compared to establish trends in valuation. Trends for the same parcels were also looked at over a multi-year period to determine real growth trends separate from growth that may also include new development as well as existing structures. The following table summarizes the historical growth trends for each time period.

West 192 CRA, Growth Trends in Non-School District Taxable Values

Data Set	2000-2005	2006	2007	2008	2009	2010	2011	2012	2013
<i>Same Parcels:</i>									
2000-2013	3.9%	-1.5%	2.8%	-5.6%	-10.4%	-14.0%	-8.0%	-0.8%	2.8%
2005-2013		6.5%	4.7%	-5.5%	-11.6%	-14.9%	-7.6%	7.1%	2.3%
2007-2013				1.9%	-14.9%	-16.9%	-8.5%	8.4%	2.5%
<i>All Parcels:</i>									
2007-2013				4.9%	-7.7%	-8.5%	-8.7%	-0.6%	3.1%

Source: Osceola County Property Appraiser; RERC

Values dropped substantially during and after the recession. Recovery began in 2012 for most areas and positive growth continued into 2013. As noted earlier, the same parcel data set reflects what could be considered “real” growth trends net of new development because these are identical parcels over time. In 2012 values for all parcels declined while the same parcel set grew, which could have been caused by removal of property from the tax rolls due to demolition, changes in land use categories from a higher to a lower value, or a change in the number of parcels or parcel identification numbers within the CRA from one year to the next.

Using this information, growth in taxable values was estimated over a 25 year period for three different scenarios. The Base Case represents very low growth scenario comparable to a real growth without the “boost” from new development. The Moderate Case assumes there would be some modest growth from new development as well as real growth from existing properties. Finally, the High Case would expect to include a more substantial share of new development.

In no case, beyond the general assumptions described, did the analysis deal with the development potential of any specific site, deployed to accommodate a defined program. As a result, any significant improvements would not be reflected on holdings controlled by Disney, Xentury City or other major parcels along the Corridor. Each of these sites, at this point, are materially underdeveloped or underutilized. As a result, the analysis seems likely, even in the more aggressive case, to understate what receipts might be realized.

The following growth rates were used in the projections.

Projected Growth in Taxable Values in W192 CRA, 2014-2038

Year	Annual Growth Rates		
	Base Case	Moderate Case	High Case
2014	2.00%	2.50%	2.75%
2015	1.50%	2.00%	2.50%
2016	1.00%	1.50%	2.00%
2017	0.75%	0.75%	1.50%
2018-2038	0.50%	0.75%	1.00%

Source: RERC

It was assumed that the current millage rate of 6.70000 per 41,000 of taxable value would continue into the future unchanged. A 5% administrative fee was also deducted each year. All of these assumptions result in the real property tax increment estimates for each scenario as noted on the following table.

Real Property Tax Increment Estimates in West 192 CRA, 2014-2038

	2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	Total
<i>Base Case</i>	\$9,875,000	\$14,445,000	\$18,308,000	\$22,268,000	\$26,329,000	\$91,225,000
<i>Moderate Case</i>	\$11,719,000	\$18,272,000	\$24,241,000	\$30,438,000	\$36,870,000	\$121,540,000
<i>High Case</i>	\$13,671,000	\$22,985,000	\$31,224,000	\$39,883,000	\$48,984,000	\$156,747,000

Source: Osceola County Property Appraiser; RERC

All of the scenarios create a significant amount of tax increment revenue over the 25 year period. There is about a \$30,000,000 to \$35,000,000 difference as the valuation growth rates increased progressing through the scenarios. More detailed information on these projections on a year by year basis is included in the tables on the following pages. Those tables also include an estimate of the present value of the tax increment revenue stream using a 3.5% discount rate. The present value of those revenue streams is about \$55,400,000, \$72,800,000 and \$93,100,000 for the Base Case, Moderate Case and High Case, respectively.

**BASE CASE
PROPERTY TAX
INCREMENT PROJECTIONS**

TABLE 1

	Year: <u>2013</u>	1 <u>2014</u>	2 <u>2015</u>	3 <u>2016</u>	4 <u>2017</u>	5 <u>2018</u>	6 <u>2019</u>	7 <u>2020</u>	8 <u>2021</u>
Projected Taxable Values	\$4,472,467,781	\$4,561,917,137	\$4,630,345,894	\$4,676,649,353	\$4,711,724,223	\$4,735,282,844	\$4,758,959,258	\$4,782,754,054	\$4,806,667,825
Base Year Value	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>
Increment Value	\$119,571,581	\$209,020,937	\$277,449,694	\$323,753,153	\$358,828,023	\$382,386,644	\$406,063,058	\$429,857,854	\$453,771,625
Millage Rate	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000
Administrative Fee	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>
Tax Increment	\$761,073	\$1,330,418	\$1,765,967	\$2,060,689	\$2,283,940	\$2,433,891	\$2,584,591	\$2,736,045	\$2,888,256
Average Annual Growth Rate		2.00%	1.50%	1.00%	0.75%	0.50%	0.50%	0.50%	0.50%

**BASE CASE
PROPERTY TAX
INCREMENT PROJECTIONS**

TABLE 1 (CONTINUED)

	9 <u>2022</u>	10 <u>2023</u>	11 <u>2024</u>	12 <u>2025</u>	13 <u>2026</u>	14 <u>2027</u>	15 <u>2028</u>	16 <u>2029</u>	17 <u>2030</u>
Projected Taxable Values	\$4,830,701,164	\$4,854,854,670	\$4,879,128,943	\$4,903,524,588	\$4,928,042,211	\$4,952,682,422	\$4,977,445,834	\$5,002,333,063	\$5,027,344,728
Base Year Value	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>
Increment Value	\$477,804,964	\$501,958,470	\$526,232,743	\$550,628,388	\$575,146,011	\$599,786,222	\$624,549,634	\$649,436,863	\$674,448,528
Millage Rate	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000
Administrative Fee	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>
Tax Increment	\$3,041,229	\$3,194,966	\$3,349,471	\$3,504,750	\$3,660,804	\$3,817,639	\$3,975,258	\$4,133,666	\$4,292,865
Average Annual Growth Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

**MODERATE CASE
PROPERTY TAX
INCREMENT PROJECTIONS**

TABLE 2

	Year: <u>2013</u>	1 <u>2014</u>	2 <u>2015</u>	3 <u>2016</u>	4 <u>2017</u>	5 <u>2018</u>	6 <u>2019</u>	7 <u>2020</u>	8 <u>2021</u>
Projected Taxable Values	\$4,472,467,781	\$4,584,279,476	\$4,675,965,065	\$4,746,104,541	\$4,781,700,325	\$4,817,563,078	\$4,853,694,801	\$4,890,097,512	\$4,926,773,243
Base Year Value	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>
Increment Value	\$119,571,581	\$231,383,276	\$323,068,865	\$393,208,341	\$428,804,125	\$464,666,878	\$500,798,601	\$537,201,312	\$573,877,043
Millage Rate	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000
Administrative Fee	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>
Tax Increment	\$761,073	\$1,472,755	\$2,056,333	\$2,502,771	\$2,729,338	\$2,957,605	\$3,187,583	\$3,419,286	\$3,652,727
Average Annual Growth Rate		2.50%	2.00%	1.50%	0.75%	0.75%	0.75%	0.75%	0.75%

**MODERATE CASE
PROPERTY TAX
INCREMENT PROJECTIONS**

TABLE 2 (CONTINUED)

	9 <u>2022</u>	10 <u>2023</u>	11 <u>2024</u>	12 <u>2025</u>	13 <u>2026</u>	14 <u>2027</u>	15 <u>2028</u>	16 <u>2029</u>	17 <u>2030</u>
Projected Taxable Values	\$4,963,724,042	\$5,000,951,973	\$5,038,459,112	\$5,076,247,556	\$5,114,319,412	\$5,152,676,808	\$5,191,321,884	\$5,230,256,798	\$5,269,483,724
Base Year Value	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>
Increment Value	\$610,827,842	\$648,055,773	\$685,562,912	\$723,351,356	\$761,423,212	\$799,780,608	\$838,425,684	\$877,360,598	\$916,587,524
Millage Rate	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000
Administrative Fee	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>
Tax Increment	\$3,887,919	\$4,124,875	\$4,363,608	\$4,604,131	\$4,846,459	\$5,090,604	\$5,336,579	\$5,584,400	\$5,834,080
Average Annual Growth Rate	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%

**HIGH CASE
PROPERTY TAX
INCREMENT PROJECTIONS**

TABLE 3

	Year: <u>2013</u>	1 <u>2014</u>	2 <u>2015</u>	3 <u>2016</u>	4 <u>2017</u>	5 <u>2018</u>	6 <u>2019</u>	7 <u>2020</u>	8 <u>2021</u>
Projected Taxable Values	\$4,472,467,781	\$4,595,460,645	\$4,710,347,161	\$4,804,554,104	\$4,876,622,416	\$4,925,388,640	\$4,974,642,526	\$5,024,388,952	\$5,074,632,841
Base Year Value	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>
Increment Value	\$119,571,581	\$242,564,445	\$357,450,961	\$451,657,904	\$523,726,216	\$572,492,440	\$621,746,326	\$671,492,752	\$721,736,641
Millage Rate	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000
Administrative Fee	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>
Tax Increment	\$761,073	\$1,543,923	\$2,275,175	\$2,874,803	\$3,333,517	\$3,643,914	\$3,957,415	\$4,274,051	\$4,593,854
Average Annual Growth Rate		2.75%	2.50%	2.00%	1.50%	1.00%	1.00%	1.00%	1.00%

**HIGH CASE
PROPERTY TAX
INCREMENT PROJECTIONS**

TABLE 3 (CONTINUED)

	<u>9</u> <u>2022</u>	<u>10</u> <u>2023</u>	<u>11</u> <u>2024</u>	<u>12</u> <u>2025</u>	<u>13</u> <u>2026</u>	<u>14</u> <u>2027</u>	<u>15</u> <u>2028</u>	<u>16</u> <u>2029</u>	<u>17</u> <u>2030</u>
Projected Taxable Values	\$5,125,379,170	\$5,176,632,961	\$5,228,399,291	\$5,280,683,284	\$5,333,490,117	\$5,386,825,018	\$5,440,693,268	\$5,495,100,201	\$5,550,051,203
Base Year Value	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>
Increment Value	\$772,482,970	\$823,736,761	\$875,503,091	\$927,787,084	\$980,593,917	\$1,033,928,818	\$1,087,797,068	\$1,142,204,001	\$1,197,155,003
Millage Rate	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000
Administrative Fee	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>
Tax Increment	\$4,916,854	\$5,243,084	\$5,572,577	\$5,905,365	\$6,241,480	\$6,580,957	\$6,923,828	\$7,270,128	\$7,619,892
Average Annual Growth Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

**HIGH CASE
PROPERTY TAX
INCREMENT PROJECTIONS**

TABLE 3 (CONTINUED)

	<u>18</u> <u>2031</u>	<u>19</u> <u>2032</u>	<u>20</u> <u>2033</u>	<u>21</u> <u>2034</u>	<u>22</u> <u>2035</u>	<u>23</u> <u>2036</u>	<u>24</u> <u>2037</u>	<u>25</u> <u>2038</u>	Total <u>2014-2038</u>
Projected Taxable Values	\$5,605,551,715	\$5,661,607,232	\$5,718,223,304	\$5,775,405,537	\$5,833,159,593	\$5,891,491,189	\$5,950,406,100	\$6,009,910,161	
Base Year Value	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	<u>\$4,352,896,200</u>	
Increment Value	\$1,252,655,515	\$1,308,711,032	\$1,365,327,104	\$1,422,509,337	\$1,480,263,393	\$1,538,594,989	\$1,597,509,900	\$1,657,013,961	
Millage Rate	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	6.70000	
Administrative Fee	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	
Tax Increment	\$7,973,152	\$8,329,946	\$8,690,307	\$9,054,272	\$9,421,876	\$9,793,157	\$10,168,151	\$10,546,894	\$156,748,574
Average Annual Growth Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
								Present Value of Revenue Stream	\$93,090,946
								Discount Rate	3.5%

