

Land Capacity for Infill Development

The streetcar corridor lies entirely within an already developed urban area, with no undeveloped “greenfield” sites. This means that properties within the corridor already have access to roads, utilities, and other infrastructure, and much of the corridor already has priority for further infrastructure investment under the City’s Centers, Corridors, and Wedges Framework. Many properties have PED or other zoning that permits development intensification of use.

This helps create substantial potential for redevelopment and new infill development at numerous sites along the streetcar corridor, driven by factors such as:

- Redevelopment of functionally obsolete properties whose zoning now permits significantly denser development, e.g., properties that have been “upzoned”;
- New development on properties with surplus land, i.e. more land than is needed pursuant to the zoning code for existing improvements and are thus “underimproved”;
- Redevelopment or new development in areas that become attractive to a broader range of residents and businesses because of changes in perceptions and markets, i.e. “gentrification”.

Even though these and other factors may create significant development potential in an area, the potential for development alone does not necessarily mean that all or even many properties will redevelop, even in the long term. Key factors potentially shaping the pace of redevelopment of existing properties, *in addition* to real estate market fundamentals and owner expectations on property value, include:

- **Size of Available Parcels.** Areas with numerous small parcels requiring land assembly into parcels sizes sufficient to provide attractive development opportunities, will likely experience less development. This is because land assembly is complicated, time-consuming, and risky, limiting the interest by developers to undertake the process in many cases. At the same time, small-parcel constraints can create an opportunity for a public agency to undertake land assembly, typically on the basis of working only with willing sellers.
- **Existing Owner Objectives.** Existing property owners may simply be satisfied with their properties as is, particularly if they have recently made improvements. Existing multi-tenant properties may be generating enough cash flow that owners are not motivated to take on the risks inherent in redevelopment, the potential increase in value is too small, or owners may lack the knowledge of how to do development but are unwilling to sell. Elderly owners may be more focused on estate and tax planning considerations than maximizing property value.
- **Existing or Adjacent Residential Uses.** Areas with extensive single-family, townhouse, or condominium developments occupied by owners present an almost insurmountable land assembly challenge. Most cities find it inappropriate and politically infeasible, absent extraordinary circumstances, to use eminent domain powers to assemble land for economic development purposes (and North Carolina law expressly prohibits this). Adjacent

homeowners are often extremely concerned about impacts on their property value from new development, and may oppose new denser development, and significantly slow down the planning approval process or discourage developers from undertaking projects that may generate opposition.

- **Development Constraints.** There are a range of development issues that may be complicated and expensive to resolve, further constraining new development of infill sites. These can include a need for environmental remediation (e.g., brownfields); a need for substantial infrastructure improvements, particularly if required at a scale that benefits the larger area; and complex permitting and entitlement processes. Many property owners lack the technical knowledge, financial wherewithal, or are not able to assemble the multi-disciplinary teams needed to successfully resolve these issues – but are not willing to sell at a discounted price that would allow another party with greater capabilities to do so.

While infill development is often more complex than greenfield projects in outlying undeveloped areas, it can also be more attractive to developers because of the increasingly higher premiums that residents and businesses place on convenient locations close to Downtown areas. Existing closer-in locations, particularly in well-built older areas and historic districts with unique characters, can attract residents and businesses who increasingly place a premium on quality of place and seek neighborhoods and locations that offer a unique and engaging environment.

Estimate of Infill Potential Using Improvement-to-Land Ratios

One method for quickly identifying those sites that are currently underutilized and may be stimulated to redevelop with the construction of a streetcar route is to compare the ratio of improvements (e.g., buildings) to land values (also known as I:L ratio). In cases where the value of a building is less than the land it sits on (e.g., a ratio of improvements to land is less than 1:1), this suggests that the building may be at the end of its economic life, or the site may be under-improved, presenting opportunities to develop the land to a higher and better use.

BAE used the City's GIS layers and current tax assessor's data for the Streetcar Corridor, to conduct an initial screening of all sites' improvement-to-land ratios to identify all parcels within the Streetcar Corridor where land had a greater value than the buildings on it. The complete corridor, including the identified parcels, was then extensively reviewed in an iterative process involving BAE, Warren & Associates, and City staff to integrate knowledge of existing conditions, property owner plans and objectives, planned and proposed development, existing land uses and zoning entitlements, and other site factors affecting development.

Following an initial identification of potential underutilized sites along the corridor which could attract redevelopment and new investment based on the I:L ratios, the identified sites were further screened to eliminate properties owned by institutions and non-profit organizations, small sites that would be difficult to assemble into developable parcels, and sites that could create conflicts over appropriate use or development due to adjacency with established residential areas.

Based on locations and characteristics, remaining sites were then sorted into two tiers:

- **Tier 1** - those sites with the greatest potential for infill development over the next 25 years; and
- **Tier 2** – sites with long-term potential for infill development, but likely further than the next 25 years.

Existing zoning was then reviewed for the Tier 1 and Tier 2 sites. The segments of the streetcar corridors have a range of residential and commercial zoning, as well as mixed-use development zoning. Of particular significance is the Pedestrian Overlay District (PED) zoning that allows considerably denser development, as explained in the previous section.

Various transit-oriented development projects that have been built along the LYNX Blue Line, or near the streetcar corridor, were evaluated to identify the types and densities of development that could be accommodated on sites based on height limits, allowed densities, and other regulations. These prototype projects used to identify potential types of residential and mixed-use development along the streetcar corridor are shown in Appendix B.

A factor affecting potential development quantities is the size and density of units within individual projects. Charlotte has historically been a low-density city, and multifamily residential development has tended to feature units that are considerably larger than those in more urbanized cities. This means that a given building envelope allowed by the zoning code will result in fewer units, and thus lower density. However, as land values increase for sites served by fixed guideway transit and due to neighborhood revitalization, it should be expected that in the medium- and longer-term units sizes in Charlotte multifamily developments will become more comparable to those in other cities. This would occur as higher land values motivate developers to build smaller units so that more units and thus greater density can be achieved within allowable building envelopes.

GIS tools were used to calculate potential development that could be accommodated on various parcels, based on allowable densities, FAR, and the types of prototype streetcar-oriented development that could be accommodated within the regulations. The analysis included calculation of height planes to determine allowable heights in overlay districts and urban zoned areas that are adjacent to residential uses. This approach to estimating development potential, while not as precise as specific site planning, does provide a useful initial assessment.

The analysis considered residential in all segments of the streetcar corridor, including Downtown. However, for commercial uses, the Downtown area was excluded because existing zoning provides few limits on the size of such development. The office market for Downtown is a regional-serving market, and is thus driven by the overall regional economy and activities of major corporate tenants, unlike that in the other segments that will be oriented more towards local areas.

The findings from this analysis include:

- The Tier 1 sites have the potential to accommodate anywhere from 10,000 to 20,000 new dwelling units along the entire streetcar corridor over the next 25 years. This range reflects differing assumptions about the densities of units that would be built.
- Aside from Downtown, the Tier 1 sites could accommodate anywhere from 500,000 to one million square feet or more of all types of commercial uses, including office and retail. The variation reflects how commercial development potential is affected by whether other development is solely residential, or part of a mix of uses that includes commercial. The range is also affected by the range of residential unit sizes cited above, because additional units would support some additional retail space.
- For the longer-term, beyond 25 years, the Tier 2 sites could support an *additional* 5,000 to 10,000 new dwelling units throughout the streetcar corridor, along with an additional 200,000 to 400,000 square feet of all types of commercial in the streetcar segments excluding Downtown.

These figures represent potential new development that can be accommodated by the streetcar corridor, and demonstrate that there is great potential to urbanize along the corridor and take advantage of the mobility, access, and amenity that streetcar systems provide. It should be noted that numerous existing buildings and residences would be expected to be renovated and improved to take advantage of improved market conditions, but would not add to the total newly developed square footage within various segments of the streetcar corridor.

Projected Development - “No Streetcar” Scenario

Potential development that could be expected along the streetcar corridor if the proposed streetcar is not built – a “No Build” or “No Streetcar” Scenario – was estimated in order to allow comparison of the “revitalization effects” of the streetcar, as measured in terms of new development and new fiscal revenues for the City from the streetcar corridor.

The beginning point for this analysis is consideration of development absorption along the streetcar corridor during the current decade, from 2000 to the second quarter of 2008, which approximately corresponds to a complete market cycle, along with data on current development activity. Absorption data is preferable because it reflects actual market activity. Historical data was obtained only for residential uses, both because it represents the largest amount of potential development by square footage, and because data for retail and office are not available at geographies that approximate the proposed streetcar corridor and segment boundaries.

Table 7 summarizes absorption and development trends in the local market areas surrounding the proposed streetcar corridor, comparing Downtown which has the most active development market, with the remainder of the proposed streetcar corridor. It is important to note that only a portion of

this local market area activity occurs or would be expected to be captured within ¼ mile of the proposed streetcar corridor; the capture rate could range from 35 percent to 45 percent.

Table 7: Streetcar Corridor Residential Absorption and Development Trends

Average Annual Annual Residential Absorption, Dwelling Units, 2000 - 2008			
	Downtown Segment	All Other Segments	Total Corridor
Apartments (Net)	96	65	161
For-Sale (New Construction)	<u>82</u>	<u>68</u>	<u>150</u>
	178	133	311
Units Currently Under Construction as of 4th Quarter 2008			
Apartments	0	319	319
For-Sale	<u>1,291</u>	<u>692</u>	<u>1,983</u>
	1,291	1,011	2,302
Units Proposed as of 4th Quarter 2008			
Apartments	337	1,085	1,422
For-Sale	<u>1,965</u>	<u>876</u>	<u>2,841</u>
	2,302	1,961	4,263
Total - Units Under Construction & Proposed			
Apartments	337	1,404	1,741
For-Sale	<u>3,256</u>	<u>1,568</u>	<u>4,824</u>
	3,593	2,972	6,565

Note: For-Sale units includes condominiums and townhouses

Source: Warren & Associates, 2008.

This data highlights several key points:

- Most of the streetcar corridor during this decade has experienced modest development activity. Applying the above annual absorption rates to the 2010 to 2035 time period, and assuming an average of 40 percent of local market activity would be captured along the streetcar corridor, it would suggest that the market could support less than 3,000 new residential units along the entire streetcar corridor.
- During the last couple years there has been a spike in development activity in the streetcar corridor. This spike most likely represents a combination of a shift in market demand, with greater interest in living in or closer to Downtown, as well as an increase in development activity that often occurs late in market cycles. However, absorption trends suggest that there may be a near-term overbuilding of residential along the streetcar corridor, particularly if the current credit crunch and recession continue.
- The very large number of proposed units reflects strong increases in developer assessment of the market potential of the streetcar area. However, given current economic conditions and the challenges of obtaining project financing, it is likely that a large portion of this proposed development will be postponed until conditions improve, as well as until after the market has shown that it can absorb the higher level of development that is now occurring.

Projections for residential development from 2010 to 2035 in the No Streetcar Scenario would most appropriately be based on current development activity, and assume slightly more than half of currently proposed units are developed. Converting these figures to an annual absorption rate would result in total projected new residential development from 2010 to 2035 in the No Streetcar Scenario of 6,551 multifamily residential units (2,427 for-sale and 4,124 rental).

The retail projection would be based on the same household expenditure methodology used for other scenarios, resulting in 253,295 square feet of net new retail. Without streetcar, the office development in the Downtown area projected for the Baseline Scenario with streetcar would likely be minimally affected, however minimal new office development would be expected in the West and East streetcar segments, resulting in a projection of 3,827,854 square feet of new office space. Hotel development is affected by the decreased employment, and the projection for the streetcar corridor would be 1,003 hotel rooms.

The Downtown segment of the streetcar corridor would capture by far the largest share of all new development, with 56 percent of new residential, and 89 percent of new office development.

Projected Development with Streetcar – Baseline Scenario

This scenario presents what is considered an achievable level of new development along the proposed streetcar corridor, reflecting the ability of streetcar to stimulate additional new development.

The specific methodology for projecting this scenario is as follows (and tables outlining specific figures and adjustment factors for each segment of the streetcar corridor is contained in Appendix A, which is the executive summary of the separate market study prepared by Warren & Associates):

- TAZ data was assembled for each of the local market areas around each of the streetcar segments. The boundaries of these areas was defined based on local market dynamics, and they also correspond to published data sources for home prices and other market information.
- Near-term TAZ estimates 2010 – 2015 for each segment were adjusted to reflect the potential demand in development activity that will occur as a result of the current recession.
- For each segment, based on a review of market trends, the portion of local market area growth that could be captured along the streetcar corridor (the ¼ mile distance from the line itself) was identified. These factors vary from streetcar segment to streetcar segment; for residential they range from approximately 30 percent to 45 percent (see Appendix A for more detail).
- Each segment's share of residential household growth is then allocated between for-sale and rental units. These figures vary between segments, and also over time, with a greater trend towards ownership units in later years. Ownership units represent 35 percent to 50+ percent of units. For sale units are then further distributed between townhouse and condominium units.

- For office uses, Centralina’s estimates of future regional employment by economic sector is converted to an estimate of office-based employment by applying factors that represent the proportion of jobs that are office-based (e.g., professional services is largely office-based, while transportation and utilities has a relatively low proportion of office-based employment). Growth for the local area is then allocated to each segment, and total office space is determined by multiplying those figures by an average of 225 square feet per office worker.
- Retail demand is estimated by using household growth projections and current household incomes in each streetcar corridor segment to estimate household retail spending on local goods and services. An average of \$350¹⁴ per square foot per year for retail sales is used to convert this figure to supportable retail space. This approach may be conservative to the extent that there is “leakage” of local retail sales from existing residents to other areas that could be located in new local retail development.

Total new development from 2010 to 2035 in the Baseline Scenario is projected to consist of 9,460 multifamily residential units (4,117 for-sale and 5,343 rental), a 44 percent increase over the No Streetcar Scenario; 365,723 square feet of net new retail, also 44 percent more than the No Streetcar Scenario; 4,338,849 square feet of new office space, a 13 percent increase over the No Streetcar Scenario; and 1,137 hotel rooms. Downtown captures by far the largest share of new development, with 54 percent of new residential, and 78 percent of new office development.

Projected Development with Streetcar – Accelerated Scenario

This scenario presents more intensive levels of new development along the proposed streetcar corridor than the baseline scenario, corresponding to the proposed streetcar having a stronger catalytic effect for new development. Such a stronger catalytic effect would correspond to the high level of development seen along streetcar corridors in some of the case study cities, as well as Charlotte’s recent experience with TOD along the new LYNX Blue Line.

For the accelerated scenario, additional residential demand was estimated by considering a larger share of regional household growth that the streetcar corridor might capture than estimated in the baseline method. It should be noted, however, that since Charlotte may have five corridors with various types of fixed guideway transit service designated for more intensive development in addition to the streetcar corridor, this limits how much any corridor can accelerate its capture of market growth due to new transit service.

Looking at growth projections for the nine-county region through 2035, it appears unlikely that the streetcar corridor, or any other corridor, could increase its share by more than one percent to two percent. These seemingly small percentage shifts in corridor capture of regional growth can lead to substantial amounts of new housing, office, and retail space development. Therefore, the accelerated scenario assumes that the share of growth of the overall nine-county region increases

¹⁴ Based on Urban Land Institute *Dollars and Cents of Shopping Centers 2008* for median retail sales in neighborhood shopping centers in the Southern U.S.

0.5%. This amount results in a nearly 20 percent additional increase in residential development in the streetcar corridor above the Baseline Scenario.

Total new development from 2010 to 2035 in the Accelerated Scenario is projected to consist of 11,314 multifamily residential units (4,928 for-sale and 6,386 rental), a 20 percent increase over the Baseline Scenario and 73 percent over the No Streetcar Scenario; 391,109 square feet of net new retail (same proportion increase as residential); 4,488,439 square feet of new office space, a three percent increase over the Baseline Scenario and a 17 percent increase over the No Streetcar Scenario; and 1,176 hotel rooms. Downtown captures by far the largest share of new development, with 47 percent of new residential, and 76 percent of new office development.

The larger amount of development in the Accelerated Scenario, compared to the Baseline Scenario, mostly accrues to the streetcar segments outside Downtown. For multifamily development as compared to the Baseline Scenario, the West Segment would experience a 41 percent increase; the Downtown Segment would experience a five percent increase; the Midtown Segment would experience a 32 percent increase; and the East Segment would experience a 37 percent increase. The lesser increase for Downtown would occur because it is already an active market for development with less unrealized potential for additional development than the other segments.

Summary of Development Scenarios

The baseline and accelerated scenarios result in the following projections for new residential development in the streetcar corridor from 2010 through 2035: Additional detail for each five year increment per segment, per land use, is including in Appendix D.

Table 8: Summary of Streetcar Corridor Development Scenarios, 2010 – 2035

Segment	Amount of New Development														
	No Streetcar (Slower Growth Scenario)					Baseline Growth Scenario					Accelerated Growth Scenario				
	For Sale Units	Apt. Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms	For Sale Units	Apt. Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms	For Sale Units	Apt. Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms
West	416	508	12,228	0	0	646	742	17,656	178,762	47	917	1,037	20,545	220,440	58
Downtown	1,294	2,402	150,520	3,393,695	889	2,169	2,896	217,329	3,393,695	889	2,282	3,052	221,940	3,409,258	893
Midtown	468	869	69,729	434,159	114	786	1,002	100,679	434,159	114	1,032	1,331	115,265	488,192	128
East	249	345	20,819	0	0	516	703	30,059	332,233	87	697	966	33,359	370,549	97
Total	2,427	4,124	253,295	3,827,854	1,003	4,117	5,343	365,723	4,338,849	1,137	4,928	6,386	391,109	4,488,439	1,176

Segment	Distribution of New Development by Segment														
	No Streetcar (Slower Growth Scenario)					Baseline Growth Scenario					Accelerated Growth Scenario				
	For Sale Units	Apt. Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms	For Sale Units	Apt. Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms	For Sale Units	Apt. Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms
West	17%	12%	5%	0%	0%	16%	14%	5%	4%	4%	19%	16%	5%	5%	5%
Downtown	53%	58%	59%	89%	89%	53%	54%	59%	78%	78%	46%	48%	57%	76%	76%
Midtown	19%	21%	28%	11%	11%	19%	19%	28%	10%	10%	21%	21%	29%	11%	11%
East	10%	8%	8%	0%	0%	13%	13%	8%	8%	8%	14%	15%	9%	8%	8%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: BAE, 2008.

Most of the residential and commercial growth is concentrated in the Downtown area because of its active development market and zoning that allows large scale development, including high rises.

It should be noted that both the Baseline and Accelerated Scenarios represent considerably more growth than would be expected in the streetcar corridor outside of Downtown based on historical trends, as discussed in the section on the No Streetcar Scenario. The Baseline Scenario incorporates the results of a “streetcar effect” that attracts substantial new development that would not otherwise occur because of the amenity value of the streetcar and enhanced mobility. The Baseline Scenario also assumes that other public policies and improvements occur to stimulate neighborhood revitalization. The Accelerated Scenario represents a best case outcome, where not only does the streetcar corridor become an active development market along its length, but it is succeeds in attracting development from other areas, including areas in the region outside the City of Charlotte.

Estimate of Potential Property-Based Funding

This chapter provides an overview of several key property-based funding mechanisms under consideration for financing a portion of the capital costs of streetcar construction. It also outlines the assumptions and findings from a forecasting model prepared for this report to evaluate the funding potential of these mechanisms as applied to the Charlotte streetcar corridor.

Overview of Property-Based Funding Mechanisms

This section describes three public financing mechanisms that are potentially applicable to pay for the City's share of costs to develop the streetcar project.

Tax Increment Financing

Following a referendum to amend the State constitution, North Carolina became the forty-ninth state to allow the use of Project Development Finance, or as it is more commonly known nationally, Tax Increment Financing or TIF. Historically tax increment financing has been a tool specifically reserved for blighted or economically depressed areas. In North Carolina, the Project Development Financing Act is broadly written and allows for the use of tax increment financing in any area “appropriate for the economic development of the community.”

The Project Development Finance act works through the creation of Development Financing Districts by cities or counties (referred to in this section as *cities*). Within a District a portion of the property taxes that would otherwise flow to the city general fund, is diverted to a special revenue fund (or Revenue Increment Fund). It is important to note that TIF does not increase taxes for property owners, rather it reallocates a portion of the growth in property taxes receipts to cities that arise from new construction and market-based increases in property value. These revenues may be bonded against to pay for a variety of types of capital projects including the development of public transportation facilities (G.S. 159-48).

When a District is established, the assessed value of property within the District is calculated for the starting year and referred to as the “baseline valuation”. For the duration of the District, which lasts until any bonds are repaid, but not any longer than thirty years, the amount of property taxes which accrue to city general fund from the District is tied to the baseline valuation. The difference between the baseline valuation and the current valuation at the end of each year is referred to as the incremental valuation. Taxes are collected on the incremental valuation at the effective property tax rate for the city and flow into the Revenue Increment Fund for use on capital or other projects that promote the economic development of the District.¹⁵

Development Financing Districts are established through a multi-step process that includes: 1) consultation with the North Carolina Local Governments Commission; 2) a city defines an

¹⁵ As of 2008, the property tax rate for the City of Charlotte is \$0.4586 per \$100 of assessed value.

appropriate area as a Development Financing District; 3) a city adopts a TIF Plan, 4) a city conducts external reviews, including review by the County Commission, who can veto it; and 5) hold public hearings and complete adoption. Additional steps are required to issue bonds repaid by TIF. The TIF Plan must address the costs of proposed public activities, the sources and amounts of funds to pay for these activities, a projection of the amount of tax increment revenues that will be raised, and the estimated duration of the District. A city may have no more than five percent of its total land area within Development Financing Districts, and no more than 20 percent of future projected private development within a District located outside of a central business district may be used for “retail sales, hotels, banking and financial services offered directly to consumers, and other commercial uses other than office space” (G.S. 158-7.3).¹⁶

Municipal Service Districts

North Carolina state law also authorizes cities to establish Municipal Service Districts (MSDs) to provide or maintain services or facilities that are not offered to the entire city or which would be provided to a greater extent than elsewhere in the city (G.S. 160A-536). MSDs levy an additional ad valorem property tax in the defined area and use the proceeds to fund special programs or the development of facilities that will benefit the properties and businesses in the District. All funds generated through this additional tax must be spent within the District on enhancement programs managed either directly by the City or by another organization contracted to provide services. Importantly, MSD revenues may be bonded against through the issuance of special obligation bonds to pay for any service or facility which MSDs are authorized to provide (G.S. 159I-30).

Cities may define MSDs for a variety of functions, including downtown and urban area revitalization projects, transit-oriented development projects, infrastructure improvements, and planning and design work for District improvements, including fees for consultants, engineers, and architects. Streetcar systems qualify as projects eligible for MSD funding.

State law outlines four actions required of cities seeking to establish an MSD. The city must develop a report that defines the proposed boundaries, demonstrates the proposed District meets state standards, and identifies a plan for providing services in the District. The city must then notify all property owners in the District of the proposed District formation and the date of a public hearing. After holding a public hearing, the city must approve a resolution adding parcels to the MSD and establish the tax rate as part of its annual budget ordinance. Upon formation, MSDs may tax property owners at a rate determined to generate sufficient revenue to fund the additional services provided in the District. Petitions and votes by property owners within the District are not required for MSD formation.

¹⁶ According to the US Census Bureau, the City of Charlotte is approximately 242 square miles or 154,880 acres in size. By comparison, a Development Financing District covering the area within one-quarter mile of the proposed streetcar route, would be approximately 3,350 acres or 2.16 percent of the land area of the City, well below the maximum size of 5 percent. Similarly, based on an analysis of projected future private development in the one-quarter mile corridor surrounding the proposed streetcar route, the amount of retail, hotel, and retail banking/financial services would be far below the 20 percent maximum allowed under state law. A preliminary analysis indicates that this type of development would account for only 5 to 7 percent of total projected private development, measured on a per square foot basis.

An MSD does not have its own governing board separate from the city council that established it. However, cities may create advisory boards within Districts or contract for the operation of the District with a nonprofit organization that represents District property owners.

The City of Charlotte currently has five MSDs, all of which are managed through contracts with a nonprofit service provider. Center City Partners services MSDs 1-4 while University Partners manages MSD 5. Services provided in these MSDs by these nonprofit providers include land use and transportation planning and development, minor streetscape improvements, special events, marketing and promotion, transportation services, and business development.

The proposed streetcar route passes through three Municipal Service Districts in the Uptown area. Tax Rates in these areas range from 1.31 percent to 1.35 percent, reflecting an additional 0.017 percent to 0.056 percent tax rate applied on top of combined City and County property tax rate for the City of Charlotte, which is 1.30 percent as of 2008. Per state law, the maximum property tax rate that can be charged in the state on any property is 1.50 percent. Hence, in areas where no MSD already exists, the City can increase property taxes by a maximum of 0.20 percent through the creation of an MSD.

If the City were to establish an MSD to pay for streetcar improvements, it would need to first develop a report which identifies the District boundaries and details the plan to implement the streetcar improvement program. After notifying property owners and holding a public hearing, the city council must find that the District needs the proposed services “to a demonstrably greater extent” than the rest of the city and adopt a resolution establishing the MSD.

In addition to establishing a new MSD which encompasses the entire streetcar system, individual stations located in one of the existing MSDs in the City may be eligible for MSD funding for station area enhancements. Eight of the proposed streetcar stations are located in existing MSDs. MSD 1 and MSD 3 each contain one station while MSD 2 contains six stations.

Special Assessments

Special assessments are financing mechanisms cities and counties use to fund capital projects. These assessments are levied on properties to pay for public improvements that benefit them with the amount of the assessment placed on each property determined based on the proportional benefit it receives. Often, the basis of assessment is front footage, meaning that each property is assessed a uniform rate per foot of property that abuts the project. Other bases of assessment include the size of the area benefited and the value added to the property because of the improvement project.

In North Carolina, cities may levy special assessments to finance public improvements including streets, sidewalks, water systems, sewage collection and disposal systems, storm sewer and drainage systems, and beach erosion control and flood and hurricane protection projects. Public transit improvements are not identified as public improvements authorized for special assessments

in the statute (G.S. 160-A-216). This means that the State legislature would need to modify special assessment district legislation to allow its collection for the streetcar system.

This year the State legislature approved the creation of Special Assessment Districts for Critical Infrastructure Needs (G.S. 121-38). This authority allows a petition by 50 percent of property owners in an area representing 2/3 of assessed value to create district to finance infrastructure improvements. Public transportation facilities are specifically included. Furthermore, unlike property taxes or MSD payments, tax-exempt property owners such as institutions and non-profits would be required to pay this type of assessment, on the theory that they also share in the benefits of such improvements. Because of the petition requirements, it is more practical when there are only a few owners controlling a large amount of land, such as in a new subdivision. Creating such a district in the streetcar corridor would likely require tightly drawn district boundaries that include those owners who benefit most (e.g., excluding single-family neighborhoods with many property owners) and an active education and outreach campaign to generate support among those property owners who would pay the assessments.

Forecasting Model Methodology

The following section provides a step-by-step description of BAE’s methodology for forecasting MSD and TIF revenues which could be used to pay for the City’s share of costs to build the streetcar. Detailed calculations regarding this methodology are shown in Appendix D.

Define Boundaries of MSD and TIF District

For purposes of forecasting tax revenues, BAE used a distance of one-quarter mile around the proposed streetcar route to define the boundaries of a potential MSD and TIF District. Actual District boundaries would be determined through a public process, taking into account input from the community and affected property owners and the boundaries of the MSD and TIF districts would not need to be contiguous. One-quarter mile is typically considered the distance people will walk to access light rail and streetcar transit systems and is defined in State law as a “public transit area” within which an MSD may be formed to help pay for the development of transit facilities (G.S. 160A-536).

Calculate Baseline Valuation for the District

Tax increment financing forecasts begin with the calculation of a baseline valuation for the District during the initial year of its formation. Based on tax data provided by Mecklenburg County, BAE used a GIS analysis to calculate the assessed value of all taxable properties¹⁷ located within one quarter mile of the proposed streetcar route.¹⁸ Property values reflected in this data were from the

¹⁷ Which properties are taxable is described in State law with several categories of property explicitly identified as exempt from property taxes, including government-owned properties, cemeteries, religious institutions, educational institutions, and properties used for various other charitable purposes (G.S. 159 107).

¹⁸ BAE considered parcels to be within the District if center point of those parcels was within a quarter-mile of the proposed streetcar route. Hence, where only a small portion of parcels was located within the quarter-mile

2003 revaluation and totals \$3.1 billion, including residential and non-residential properties. Using data from the S&P/Case-Shiller index for the Charlotte metropolitan area and MIT Center for Real Estate Transactions-Based Index of U.S. Institutional Commercial Property to identify long-term appreciation trends for residential and commercial properties, BAE inflated these values to current dollars to approximate the future 2010 reassessment (although this will not account for properties that have had more rapid appreciation¹⁹).

Estimate the Quantity and Value of New Development with the District

Warren & Associates forecast the quantity of new residential and commercial development anticipated within the District throughout the 25 year period from 2010 to 2035, in five-year increments, as described in the previous chapter on development scenarios. These forecasts included a baseline scenario, which quantifies the amount of development expected within the District, excluding the active Downtown streetcar corridor segment, based on streetcar and neighborhood revitalization increasing development activity above historical and recent trends. An accelerated scenario was created, which assumes that the District will capture an even larger share of regional growth as a result of the streetcar project, representing a 0.5 percent additional share of residential growth in the 9-county region. Both scenarios were adjusted to show more modest development during the 2010 to 2015 time period, as a result of the current deep recession. Given the multiple transit corridors being created, and development through the region, it would be extremely difficult for the streetcar corridor to attract more than a one to two percent additional share of regional growth; 0.5 percent was chosen to provide a more reasonable increment.. BAE modeled tax revenue forecasts based on both the baseline and accelerated scenarios to show the range of possible revenue generation, depending on the quantity of new development that actually occurs.

Warren & Associates also provided market data for each of the real estate product types expected to be built in the various segments of the corridor. These data included condominium/townhouse sale prices and apartment, office, and retail rents, and are shown in Appendix A. Also provided were data regarding operating expenses and vacancies. For so-called income properties (those which are leased rather than sold), BAE calculated the completed value of new development using a capitalized value approach. This approach is commonly used by appraisers and estimates the value of a property based on the stream of net operating income that it generates. Capitalization rates and other assumptions are set forth in the detailed model in Appendix D.

Calculate Increase in Assessed Value

A key step in determining the amount of MSD and TIF revenues the District would generate is estimating the increase in assessed value in the District during its duration. Described below are various property value appreciation factors relevant to this Study:

buffer around the streetcar, those parcels were not included in District as defined for purposes of this analysis. Exempt parcels include those

¹⁹ The higher value of such properties would be included in the baseline value for a District, and therefore would not generate additional increment.

Streetcar Premium²⁰. A streetcar premium is the assumed increase in land values within the District attributable to the development of the streetcar. As described previously in this report, much research has been conducted into the impact of fixed guideway transit systems on the value of nearby land. For purposes of this analysis, BAE used a low, medium, and high values for this appreciation factor ranging from 0 percent to 10 percent. The streetcar premium is a one-time factor that is assumed to be realized concurrent with the opening of the streetcar project.

Real Increases in Market Values. Although the data indicates continuing long-term increases in Charlotte real property values, which could result in increases in assessed value and tax increment, this factor was not included in future projections of assessed value.

The reason for this arises from the particulars of how reassessments are conducted pursuant to North Carolina law. One of the final steps in the reassessment process, after new values have been determined, is to readjust the property tax rate so that there is no net increase in property tax receipts due to overall increases assessed value (this does not apply to individual properties that may have increased in value because of gentrification, etc.). After this step, jurisdictions can subsequently decide to increase the property tax rate to increase property tax receipts as a result of higher assessed values, however, the City's policy is to not do this.

Theoretically, the policy of tax rate adjustment to offset increases in assessed value could diminish some of the utility of a tax increment finance district, since increased assessed values in the district would have to result in an adjustment to the City-wide property tax rate to offset the increased receipts. However, based on discussions with the City's Finance Department, it was decided that projections should assume that a new tax increment finance district would capture the increase in assessed value resulting from new development or redevelopment of properties, any streetcar premium, and other reinvestment in existing properties that increases their value, as described in the next section. This means that future reassessments after 2010 are not projected to increase property tax receipts, and therefore the financial model does not account for future reassessment cycles.

Neighborhood Reinvestment. Another factor leading to property value appreciation is reinvestment in properties, through the process of renovation, rehabilitation, or expansion of existing development as neighborhood market conditions improve. For purposes of estimating its impact on assessed value, BAE has estimated the potential range of this effect (in real inflation-adjusted terms) to be between 0 percent per year at the low end to 0.3 percent per year at the high end and applied the factor only to residential development. These figures are based on professional judgment, with the upper figure selected to avoid overstating this effect. Per State law, changes in value resulting from construction activity are assessed on an annual basis, separate from the revaluation process.

²⁰ This is the same as the "TOD Premium" discussed in the academic literature; it is referred to here as a "Streetcar Premium" to avoid confusion with Charlotte's TOD definition and policies that are not necessarily applicable to the proposed streetcar corridor.

Agreements with Property Owners. A final factor which can lead to increases in property value is agreements between the City and individual property owners establishing the minimum assessed value of properties. Under a provision of State law, any jurisdiction forming a TIF District may negotiate agreements with property owners establishing a floor for assessed property values, regardless of actual market conditions. Agreements may extend for the life of the District with agreed-upon minimum assessed values varying from year to year (G.S. 159-108). Such agreements would presumably only be entered into with major property owners expected to directly benefit from expenditures of the District. This analysis does not make any adjustments to account for the possibility of such agreements. If the city proceeds to form a District it may wish to study the desirability and feasibility of entering into such agreements with key property owners.²¹

Calculate MSD and TIF Revenues

Based on expectation for new development within the District and the appreciation factors described above, the assessed value of the District was expected to increase year-by-year, leading to increasing MSD and TIF revenues through the life of the District.²²

MSD Revenues. For each year from 2010 to 2035, BAE estimated the total assessed value at the start of the year and applied an assumed MSD tax rate to determine the amount of revenue generated. For purposes of this model, BAE assumed an MSD tax rate ranging from a low of 0.02 percent of assessed value to a high of 0.06 percent. Current MSDs in the City have tax rates ranging from approximately 0.012 percent to approximately 0.067 percent. Per State law, the maximum MSD tax rate that could be assessed in Charlotte would be approximately 0.20 percent.²³

TIF Revenues. In addition to calculating the assessed value each year, BAE calculated the incremental value, which is the difference between the baseline valuation (calculated for the District's initial year) and the valuation at the end of each subsequent year. TIF revenues are calculated by multiplying the incremental valuation each year by the City property tax rate, currently 0.46 percent of assessed value. During early years, TIF revenues are expected to be quite small as the baseline valuation and current valuation are similar. However, as new development activity occurs, the amount of TIF revenues become quite significant in later years.

²¹ At their discretion, tax-exempt institutions could potentially enter into such agreements, allowing their properties to be taxed as a way of contributing to the amount of available tax increment generated from a District and thereby helping to finance desired public improvements. The decision to enter into such an agreement would be at the discretion of these institutions and would require further legal research to determine whether this provision of State law is in fact applicable to tax-exempt properties.

²² Note that TIF districts can exist for a maximum of up to 30 years under North Carolina law. For purposes of analysis, BAE has only modeled revenues over a 25 year period due to a lack of housing and employment forecasts for the region beyond 2035.

²³ State law allows both the County and the City to establish a maximum property tax rate of 1.50%, for a total combined rate of 3.0%. The combined City and County tax rate in Charlotte is approximately 1.30% as of 2008. For this analysis, a target maximum combined tax rate of 1.5% was used, therefore the maximum MSD rate in the City would be approximately 0.20%. A higher tax rate was not modeled in order to provide a more conservative estimate of potential MSD revenue generation.

Model Assumptions for Taxation and Value Capture

The table below summarizes the various assumptions regarding the applicable MSD tax rate, TOD premium, and neighborhood reinvestment factor. These are included in three scenarios formulated to combine multiple variables and allow meaningful comparison. The Low and Moderate Scenario use the Baseline Development Scenario described in the preceding chapter of this Study, while the High Scenario uses the Accelerated Development Scenario.

The Low Scenario starts with the Baseline Development Scenario, and assumes a modest MSD rate of 0.02 percent, no streetcar premium, and no increase in assessed values from increased demand or improvements to existing properties.

The Moderate Scenario starts with the Baseline Development Scenario, and assumes a higher MSD rate of 0.04 percent, a five percent streetcar premium, and a 0.3 percent annual increase in assessed values from improvements to existing properties arising from neighborhood reinvestment.

The High Scenario starts with the Accelerated Development Scenario, and assumes a higher MSD rate of 0.06 percent, a 10 percent streetcar premium, and a 0.3 percent annual increase in assessed values from improvements to existing properties arising from neighborhood reinvestment.

Table 9: Taxation and Value Assumptions for Model

Taxation and Property Value Appreciation Assumptions			
	Scenarios		
	Low	Moderate	High
Tax Rates (a)			
MSD Tax Rate	0.02%	0.04%	0.06%
TIF Tax Rate	0.46%	0.46%	0.46%
Streetcar Value Premium (b)			
Residential	0.00%	5.00%	10.00%
Commercial	0.00%	5.00%	10.00%
Neighborhood Reinvestment Factor (Annual) (c)			
Residential	0.00%	0.30%	0.30%
Commercial	0.00%	0.00%	0.00%

Notes:

(a) Tax rate assumptions are as follows:

-MSD tax rates show various possible tax rates which could be applied to properties in the streetcar corridor. With a current combined City and County tax rate of approximately 1.3% in Charlotte and a maximum allowable property tax rate of 1.5% under state law, the maximum MSD tax rate could go as high as approximately 0.20%.

-TIF tax rate is based on the 2008 City of Charlotte property tax rate. (Note this is different from the combined City and County rate of 1.3%).

(b) Streetcar value premium based on case study research regarding increases in land value for properties near transit systems.

(c) Denotes the estimated increase in improved value attributable to renovations, additions, and small-scale infill development.

Sources: Warren & Associates, 2008; BAE, 2008; and other sources as listed above.

Model Findings for No Streetcar vs. Streetcar Scenarios

The property-based tax proceeds for the No Streetcar scenario was modeled in order to allow a comparison of how much additional tax proceeds would result from the various streetcar scenarios described in the preceding section. Such a comparison needs to focus on solely property tax proceeds to the City’s General Fund, since in the No Streetcar scenario neither a TIF District, nor an MSD or other assessment district would be created.

To provide an even comparison, the No Streetcar scenario as well as the Low, Moderate, and High Streetcar scenarios were modeled for the period from 2010 to 2035, using the development

scenarios outlined in the previous chapter of this Study, and the assumptions described in the preceding section. The No Streetcar scenario uses the same inflation and increase in neighborhood value assumptions as the Low Streetcar scenario.

Table 10 shows the model results for these four scenarios. These figures show only the increase from new development (i.e. property tax proceeds from existing development is not included), along with the resulting increases in property values from renovation and improvement of existing properties.

Table 10: Growth in Streetcar Corridor Property Tax Increment from New Development and Appreciation Factors, 2010 to 2035

(Figures in constant 2008 dollars)

Year	No Streetcar Scenario (No Streetcar Premium / Slower Growth)	Low Growth Scenario (No Streetcar Premium / Baseline Growth)	Moderate Growth Scenario (Moderate Streetcar Premium / Baseline Growth)	High Growth Scenario (High Streetcar Premium / Accelerated Growth)
2010	\$217,411	\$284,593	\$528,913	\$765,652
2011	\$434,821	\$569,187	\$821,760	\$1,058,627
2012	\$652,232	\$853,780	\$1,115,155	\$1,352,151
2013	\$869,643	\$1,138,374	\$1,409,100	\$1,646,225
2014	\$1,087,054	\$1,422,967	\$1,703,596	\$1,940,850
2015	\$1,304,464	\$1,707,561	\$1,998,644	\$2,236,028
2016	\$1,853,952	\$2,389,224	\$2,691,317	\$3,037,908
2017	\$2,403,439	\$3,070,888	\$3,385,065	\$3,841,170
2018	\$2,952,926	\$3,752,551	\$4,079,891	\$4,645,820
2019	\$3,502,413	\$4,434,215	\$4,775,799	\$5,451,861
2020	\$4,051,901	\$5,115,879	\$5,472,792	\$6,259,297
2021	\$4,577,211	\$5,780,975	\$6,154,306	\$7,024,934
2022	\$5,102,522	\$6,446,071	\$6,836,939	\$7,791,911
2023	\$5,627,833	\$7,111,167	\$7,520,695	\$8,560,230
2024	\$6,153,144	\$7,776,264	\$8,205,577	\$9,329,897
2025	\$6,678,454	\$8,441,360	\$8,891,589	\$10,100,915
2026	\$7,196,277	\$9,120,576	\$9,592,854	\$10,867,860
2027	\$7,714,099	\$9,799,793	\$10,295,388	\$11,636,225
2028	\$8,231,921	\$10,479,009	\$10,999,195	\$12,406,017
2029	\$8,749,743	\$11,158,226	\$11,704,277	\$13,177,238
2030	\$9,267,565	\$11,837,442	\$12,410,640	\$13,949,894
2031	\$9,783,511	\$12,517,617	\$13,119,246	\$14,727,898
2032	\$10,299,457	\$13,197,792	\$13,829,153	\$15,507,396
2033	\$10,815,403	\$13,877,966	\$14,540,366	\$16,288,391
2034	\$11,331,349	\$14,558,141	\$15,252,889	\$17,070,888
2035	\$11,847,295	\$15,238,316	\$15,966,726	\$17,854,892
Total	\$142,706,040	\$182,079,935	\$193,301,874	\$218,530,175

Note:

(a) City of Charlotte Property Tax Rate, 2008:

\$0.4586 per \$100 of assessed value

Source: BAE, 2008.

Using 2035 as a comparison year, with no streetcar the corridor is still projected to generate an additional approximately \$11.8 million in property tax proceeds in constant 2008 dollars, versus \$15.2 million for the Low Scenario, \$18 million for the Moderate Scenario, and \$20 million for the High Scenario. In percentage terms, the Low Scenario would generate approximately 28 percent more property tax revenues, the Moderate Scenario 52 percent, and the High scenario 70 percent.

Model Findings for Streetcar Scenarios

The following paragraphs summarize the model results shown in Table 11, on the page after next, for potential TIF and MSD generation for the Low, Moderate, and High Scenarios²⁴.

Low Appreciation Factors / Baseline Growth Scenario

This scenario is based on the low range of taxation and property appreciation factor assumptions and the *baseline* assumption for future growth. Findings include:

- Annual MSD revenues increase from \$750,000 in 2010 to \$1.4 million in 2035.
- Annual TIF revenues increase from \$285,000 in 2010 to \$15.2 million in 2035.
- Added together, these revenues total approximately \$209 million over a 25 year period, expressed in constant 2008 dollars.

Moderate Appreciation Factors / Baseline Growth Scenario

This scenario is based on the middle range of taxation and property appreciation factor assumptions and the *baseline* assumption for future growth. Findings include:

- Annual MSD revenues would increase from \$1.5 million in 2010 to \$2.9 million in 2035.
- Annual TIF revenues would increase from \$529,000 in 2010 to \$16.0 million in 2035.
- Added together, these revenues would total approximately \$249 million over a 25 year period, expressed in constant 2008 dollars. Underlying the higher revenue projections in this scenario compared to the Low Scenario is the assumption of a higher MSD tax rate and higher rates for property value appreciation factors.

High Appreciation Factors / Accelerated Growth Scenario

This scenario is based on the high range of taxation and property appreciation factor assumptions and the accelerated assumption for future growth. Findings include:

- Annual MSD revenues would increase from \$2.3 million in 2010 to \$4.6 million in 2035.
- Annual TIF revenues would increase from \$766,000 in 2010 to \$17.8 million in 2035.
- Added together, these revenues would total approximately \$305 million over a 25 year period, expressed in constant 2008 dollars. Underlying the higher revenue projections in this scenario compared to the Low Scenario and Moderate Scenario is the assumption of a higher MSD tax rate, larger TOD premium, and an accelerated projection of amount new development that will occur in the streetcar corridor.

²⁴ These figures do not include the proposed Elizabeth Avenue Synthetic Tax Increment Finance District (STIF) repayment. The value of the STIF was in the process of being determined when the Study was prepared.

Implications for Streetcar Capital Improvements Financing

The preceding figures do not directly translate to available potential financing for the streetcar system, for several reasons. Perhaps the most significant factor is that property-based value capture mechanisms build value over time, while capital improvement costs typically need to be made up-front. Obtaining a larger amount of financing than can be justified by available tax increment and/or assessment district proceeds is often done by providing credit guarantees, or arranging internal loans of funds from other accounts that would be repaid from future tax increment and MSD payments as they increase. Other factors that might affect financing would include whether improvements can be phased.

Next steps for a streetcar financing strategy would include evaluation of these and other factors with the City's budget and management staff, and decisions on the optimal methods for leveraging potential tax increment and MSD proceeds. That work would then need to be integrated with other work addressing other federal, state, and local grants and non-property tax based funding sources.

Table 11: Yearly Revenue from MSD and TIF

(Figures in constant 2008 dollars)

Year	Low Appreciation / Baseline Growth Scenario			Moderate Appreciation / Baseline Growth Scenario			High Appreciation / Accelerated Growth Scenario		
	Annual MSD Revenues	Annual TIF Revenues	Total MSD and TIF Revenues	Annual MSD Revenues	Annual TIF Revenues	Total MSD and TIF Revenues	Annual MSD Revenues	Annual TIF Revenues	Total MSD and TIF Revenues
2010	\$750,348	\$284,593	\$1,034,941	\$1,522,005	\$528,913	\$2,050,918	\$2,313,982	\$765,652	\$3,079,634
2011	\$762,759	\$569,187	\$1,331,946	\$1,547,548	\$821,760	\$2,369,308	\$2,352,312	\$1,058,627	\$3,410,940
2012	\$775,171	\$853,780	\$1,628,951	\$1,573,139	\$1,115,155	\$2,688,294	\$2,390,715	\$1,352,151	\$3,742,866
2013	\$787,582	\$1,138,374	\$1,925,956	\$1,598,777	\$1,409,100	\$3,007,877	\$2,429,189	\$1,646,225	\$4,075,414
2014	\$799,993	\$1,422,967	\$2,222,961	\$1,624,464	\$1,703,596	\$3,328,059	\$2,467,736	\$1,940,850	\$4,408,586
2015	\$812,405	\$1,707,561	\$2,519,965	\$1,650,198	\$1,998,644	\$3,648,842	\$2,506,355	\$2,236,028	\$4,742,383
2016	\$842,133	\$2,389,224	\$3,231,357	\$1,710,615	\$2,691,317	\$4,401,932	\$2,611,267	\$3,037,908	\$5,649,175
2017	\$871,861	\$3,070,888	\$3,942,749	\$1,771,125	\$3,385,065	\$5,156,190	\$2,716,361	\$3,841,170	\$6,557,531
2018	\$901,589	\$3,752,551	\$4,654,140	\$1,831,729	\$4,079,891	\$5,911,620	\$2,821,635	\$4,645,820	\$7,467,455
2019	\$931,317	\$4,434,215	\$5,365,532	\$1,892,427	\$4,775,799	\$6,668,227	\$2,927,092	\$5,451,861	\$8,378,953
2020	\$961,045	\$5,115,879	\$6,076,924	\$1,953,220	\$5,472,792	\$7,426,013	\$3,032,731	\$6,259,297	\$9,292,028
2021	\$990,050	\$5,780,975	\$6,771,025	\$2,012,663	\$6,154,306	\$8,166,969	\$3,132,902	\$7,024,934	\$10,157,836
2022	\$1,019,056	\$6,446,071	\$7,465,127	\$2,072,204	\$6,836,939	\$8,909,143	\$3,233,248	\$7,791,911	\$11,025,159
2023	\$1,048,061	\$7,111,167	\$8,159,229	\$2,131,843	\$7,520,695	\$9,652,537	\$3,333,769	\$8,560,230	\$11,894,000
2024	\$1,077,067	\$7,776,264	\$8,853,331	\$2,191,579	\$8,205,577	\$10,397,156	\$3,434,467	\$9,329,897	\$12,764,364
2025	\$1,106,072	\$8,441,360	\$9,547,432	\$2,251,415	\$8,891,589	\$11,143,004	\$3,535,342	\$10,100,915	\$13,636,257
2026	\$1,135,694	\$9,120,576	\$10,256,270	\$2,312,580	\$9,592,854	\$11,905,435	\$3,635,683	\$10,867,860	\$14,503,543
2027	\$1,165,315	\$9,799,793	\$10,965,108	\$2,373,857	\$10,295,388	\$12,669,245	\$3,736,211	\$11,636,225	\$15,372,436
2028	\$1,194,936	\$10,479,009	\$11,673,945	\$2,435,244	\$10,999,195	\$13,434,439	\$3,836,925	\$12,406,017	\$16,242,942
2029	\$1,224,558	\$11,158,226	\$12,382,783	\$2,496,743	\$11,704,277	\$14,201,020	\$3,937,826	\$13,177,238	\$17,115,065
2030	\$1,254,179	\$11,837,442	\$13,091,621	\$2,558,353	\$12,410,640	\$14,968,994	\$4,038,915	\$13,949,894	\$17,988,810
2031	\$1,283,842	\$12,517,617	\$13,801,459	\$2,620,159	\$13,119,246	\$15,739,405	\$4,140,704	\$14,727,898	\$18,868,602
2032	\$1,313,505	\$13,197,792	\$14,511,297	\$2,682,079	\$13,829,153	\$16,511,232	\$4,242,688	\$15,507,396	\$19,750,083
2033	\$1,343,168	\$13,877,966	\$15,221,134	\$2,744,112	\$14,540,366	\$17,284,479	\$4,344,868	\$16,288,391	\$20,633,258
2034	\$1,372,831	\$14,558,141	\$15,930,972	\$2,806,260	\$15,252,889	\$18,059,149	\$4,447,244	\$17,070,888	\$21,518,132
2035	\$1,402,494	\$15,238,316	\$16,640,810	\$2,868,522	\$15,966,726	\$18,835,248	\$4,549,818	\$17,854,892	\$22,404,710
Total	\$27,127,031	\$182,079,935	\$209,206,965	\$55,232,861	\$193,301,874	\$248,534,735	\$86,149,986	\$218,530,175	\$304,680,160

Source: BAE, 2008.

Appendix A: Market Study Executive Summary

The study area for the Streetcar corridor has been established based on transportation analysis zones (TAZs), as defined by Charlotte region jurisdictions. The TAZs have been divided into four segments along the Streetcar line, bounded by major roads and creeks. For the purposes of this report, the segments have been defined as follows:

West: Beatties Ford Road between Rosa Parks Place and I-77
 Downtown: Trade Street between I-77 and I-277
 Midtown: Elizabeth Avenue, Hawthorne Lane, and Central Avenue west of Briar Creek
 East: Central Avenue between Briar and Campbell creeks

A quarter-mile corridor surrounding the proposed Streetcar line was used to focus residential, office, and retail demand forecasts. All of the potential development in this report has been forecasted for the corridor. The four segments and the Streetcar corridor are shown in Map 1.

1. Demographic Forecasts

The Streetcar study area is forecasted to increase from 99,540 residents in 2010 to 152,399 residents in 2035 (Table 1). This would represent a 53.1% increase over the 25-year period. Growth would be concentrated in the Downtown segment, with 21,722 new residents representing 41.1% of the total study area increase. The much larger East segment would add the second-highest absolute number of residents, but would grow at the lowest rate of 26.6%.

Table 1: Baseline Population Forecasts, Streetcar Segments, 2010-2035

Streetcar Segment	Population						2010-2035 Change	
	2010	2015	2020	2025	2030	2035	#	%
West	23,696	26,260	28,317	30,374	31,980	33,574	9,878	41.7%
Downtown	11,651	14,612	19,369	24,126	28,758	33,373	21,722	186.4%
Midtown	21,004	22,558	23,927	25,295	28,052	30,787	9,783	46.6%
East	43,189	45,621	47,799	49,976	52,332	54,665	11,476	26.6%
Total	99,540	109,051	119,411	129,771	141,122	152,399	52,859	53.1%

Source: Charlotte Department of Transportation and Centralina Council of Governments

An accelerated growth scenario has been applied to the study area to indicate a potential shift in regional growth toward the Streetcar corridor. The market for additional growth and the ability to accommodate it varies by segment.

Assuming an accelerated growth rate, the Streetcar study area could grow by 57,656 residents between 2010 and 2035 (Table 2), up 9.1% from 52,859 new residents in the baseline scenario. Again, the Downtown segment commands the highest absolute and percentage growth, comprising 38.8% of the total study area growth.

Table 2: Accelerated Population Forecasts, Streetcar Segments, 2010-2035

Streetcar Segment	Population						2010-2035 Change	
	2010	2015	2020	2025	2030	2035	#	%
West	23,696	26,260	28,461	30,662	32,776	34,891	11,195	47.2%
Downtown	11,651	14,612	19,503	24,393	29,327	34,026	22,375	192.0%
Midtown	21,004	22,558	24,514	26,471	29,290	32,344	11,340	54.0%
East	43,189	45,621	48,311	51,001	53,585	55,935	12,746	29.5%
Total	99,540	109,051	120,789	132,526	144,978	157,195	57,656	57.9%

Source: Charlotte Department of Transportation and Centralina Council of Governments

Table 3 compares population forecasts for the Streetcar study area based on baseline and accelerated growth scenarios. Under the accelerated growth scenario, there would be 4,797 more residents in the study area than under the baseline scenario.

Table 3: Population Scenario Comparison, Streetcar Areas, 2010-2035

Scenario	Population						2010-2035 Change	
	2010	2015	2020	2025	2030	2035	#	%
Baseline	99,540	109,051	119,411	129,771	141,122	152,399	52,859	53.1%
Accelerated	99,540	109,051	120,789	132,526	144,978	157,195	57,656	57.9%
Accelerated Premium	0.0%	0.0%	1.2%	2.1%	2.7%	3.1%	9.1%	

Source: Charlotte Department of Transportation and Centralina Council of Governments

Table 4 compares the shares of regional population growth to the Streetcar study area for both the baseline and accelerated scenarios. Premiums for the accelerated scenario range from 0% to 0.6%. Premiums are only applied after 2015, when the construction of the Streetcar line is expected to be complete.

Table 4: Shares of Regional Population Growth, Baseline & Accelerated Scenarios, 2010-2035

Scenario	2010-2015	2016-2020	2021-2025	2026-2030	2031-2035
Baseline	5.0%	4.2%	4.2%	4.8%	4.8%
Accelerated	5.0%	4.8%	4.7%	5.2%	5.2%
Accelerated Premium	0.0%	0.6%	0.5%	0.4%	0.4%

Source: Warren & Associates

2. Residential Forecasts

New residential unit forecasts were based on household growth. Vacancy rates, tenure, and corridor captures were taken into account for each Streetcar segment to determine the overall demand for residential units. The baseline scenario shows demand for 9,458 new units in the Streetcar corridor between 2010 and 2035 (Table 5). Housing unit demand is strongest in the Downtown segment, making up 53.6% of the total forecast.

**Table 5: Baseline Total Unit Forecast,
Streetcar Corridor, 2010-2035**

Segment	2010- 2015	2016- 2020	2021- 2025	2026- 2030	2031- 2035	Total	% of Total
West	222	337	337	249	241	1,387	14.7%
Downtown	596	1,167	1,167	1,071	1,065	5,065	53.6%
Midtown	227	222	222	562	554	1,787	18.9%
East	200	223	223	290	283	1,219	12.9%
Total	1,245	1,950	1,950	2,171	2,142	9,458	100.0%

Source: Charlotte Department of Transportation and Centralina COG

The accelerated growth scenario forecasts additional residential units exceeding the baseline total. Since growth in the accelerated scenario is attributed entirely to the Streetcar, all of the residential units are forecasted to be developed within the quarter-mile corridor. An additional 1,875 units could be supported in the accelerated growth scenario (Table 6). The accelerated scenario limits additional units Downtown because the Streetcar will be only one of multiple factors driving demand. Midtown would account for 31% of the total accelerated increment.

**Table 6: Accelerated New Unit Forecast,
Streetcar Corridor, 2010-2035**

Segment	2010- 2015	2016- 2020	2021- 2025	2026- 2030	2031- 2035	Total	% of Total
West	0	98	98	183	189	567	30.5%
Downtown	0	150	0	72	46	269	14.5%
Midtown	0	218	218	22	117	575	31.0%
East	0	189	189	30	39	446	24.0%
Total	0	655	505	307	391	1,857	100.0%

Source: Charlotte Department of Transportation and Centralina COG

Table 7 indicates demand for 11,316 total residential units in the accelerated growth scenario. The forecasted residential units are expected to be developed within the quarter-mile Streetcar corridor.

**Table 7: Total Residential Unit
Demand Summary, Streetcar
Corridor, 2010-2035**

Corridor	Accelerated			% of Total
	Baseline	Increment	Total	
West	1,387	567	1,954	17.3%
Downtown	5,065	269	5,334	47.1%
Midtown	1,787	575	2,363	20.9%
East	1,219	446	1,665	14.7%
Total	9,458	1,857	11,316	100.0%
% of Total	83.6%	16.4%	100.0%	

Source: Warren & Associates

Owner occupied units account for 43.5% of the total forecasted units in the accelerated scenario (Table 8). Rental units make up a larger 56.5% of the new units within the corridor. The accelerated increase for all residential units is 19.6% over the baseline total.

**Table 8: Total New Residential
Units by Tenure, Streetcar
Corridor, 2010-2035**

Tenure	Accelerated			% of Total
	Baseline	Increment	Total	
Owner	4,114	813	4,927	43.5%
Rental	5,344	1,045	6,389	56.5%
Total	9,458	1,857	11,316	100.0%

Source: Warren & Associates

Table 9 shows the estimated unit size and sales price for for-sale residential product in the Streetcar corridor. Reported in 2008 dollars, the Downtown submarket has an average sales price of \$350,000, the highest of all four corridor segments. At \$198,000, the West corridor has the lowest average sales price. Average for-sale unit sizes range from 1,000 square feet Downtown to 1,200 square feet in the East segment.

**Table 9: New For-Sale Unit Pricing in 2008 Dollars,
Streetcar Corridor, 2010-2035**

Segment	Average Price/S.F.	Average Unit Size	Average Sales Price
West	\$180	1,100	\$198,000
Downtown	\$350	1,000	\$350,000
Midtown	\$215	1,100	\$236,500
East	\$170	1,200	\$204,000

Source: Warren & Associates

Note: Pricing in 2008 dollars.

Rental units in the Downtown corridor have the highest rent per square foot at \$1.80 (Table 10). Downtown units have an average unit size of 850 square feet, equating to an average monthly rent of \$1,440. The East segment has the lowest rent per square foot at \$1.00, while the West segment has the lowest average monthly rent at \$990.

**Table 10: New Rental Unit Pricing in 2008
Dollars, Streetcar Corridor, 2010-2035**

Segment	Average Price/S.F.	Average Unit Size	Average Monthly Rent
West	\$1.10	900	\$990
Downtown	\$1.80	800	\$1,440
Midtown	\$1.60	850	\$1,360
East	\$1.00	1,000	\$1,000

Source: Warren & Associates

Note: Rents in 2008 dollars.

3. Office Forecasts

Baseline forecasts for square footage along the Streetcar corridor were based on employment estimates provided by the Centralina Council of Governments. Shares were applied to eight employment sectors to determine the number of new office-occupying employees expected in the Streetcar segments.

Based on office-occupying employee growth, it is anticipated that there is demand for 4.3 million square feet of office space in the Streetcar corridor by 2035 (Table 11). The Downtown segment accounts for 78.2% of total office demand for the Streetcar corridor. Office demand is expected to peak between 2016 and 2025, after the Streetcar opens.

**Table 11: Baseline Office Square Feet Demand
Forecast, Streetcar Corridor, 2010-2035**

Corridor	2010-2015	2016-2020	2021-2025	2026-2030	2031-2035	Total	% of Total
West	20,736	34,029	38,283	44,282	41,432	178,761	4.1%
Downtown	302,040	912,229	821,006	681,559	676,861	3,393,695	78.2%
Midtown	70,642	81,149	81,149	102,622	98,597	434,160	10.0%
East	40,644	59,041	67,475	84,190	80,883	332,234	7.7%
Total	434,063	1,086,448	1,007,913	912,653	897,773	4,338,851	100.0%

Note: Based on 225 square feet per office employee.

Source: Warren & Associates

The accelerated growth scenario is based on additional demand that would be generated exclusively by the Streetcar. Table 12 shows that an additional 149,590 square feet of office space could be absorbed in the accelerated growth model. The Midtown corridor would account for 36% of the additional growth.

**Table 12: Accelerated Office Square Feet
Demand Forecast, Streetcar Corridor, 2010-2035**

Corridor	2010- 2015	2016- 2020	2021- 2025	2026- 2030	2031- 2035	Total	% of Total
West	0	0	10,342	19,041	12,295	41,678	27.9%
Downtown	0	0	0	12,207	3,356	15,563	10.4%
Midtown	0	10,498	22,424	19,890	1,221	54,033	36.1%
East	0	10,215	10,215	11,364	6,522	38,315	25.6%
Total	0	20,712	42,981	62,502	23,394	149,590	100.0%

Note: Based on 225 square feet per office employee.

Source: Warren & Associates

The accelerated growth model forecasts a total of 4.5 million square feet of new office space within the Streetcar corridor by 2035 (Table 13). Approximately 96.7% of the total is accounted for in the baseline growth scenario, with only 3.3% added as the accelerated increment.

**Table 13: Total Accelerated Scenario
Summary, Streetcar Corridor, 2010-
2035**

Corridor	Baseline Sq. Ft.	Accelerated Increment	Total	% of Total
West	178,761	41,678	220,439	4.9%
Downtown	3,393,695	15,563	3,409,258	76.0%
Midtown	434,160	54,033	488,193	10.9%
East	332,234	38,315	370,549	8.3%
Total	4,338,851	149,590	4,488,440	100.0%
% of Total	96.7%	3.3%	100.0%	

Source: Warren & Associates

Average full-service office rents for new Class A space range from \$18.00 per square foot in the West and East segments to \$34.00 per square foot Downtown (Table 14). The Midtown segment could command an estimated \$30.00 per square foot. Office pricing is shown in 2008 dollars.

**Table 14: Office Pricing
in 2008 Dollars, Streetcar
Corridor**

Corridor	Full Service Office Rent
West	\$18.00
Downtown	\$34.00
Midtown	\$30.00
East	\$18.00

Source: Warren & Associates

4. Retail Forecasts

Demand for retail square footage was determined based on household growth within the Streetcar study area. Using the average annual income for each segment, a total household income (THI) was determined. It was assumed that 30% of THI is spent on retail goods and services, including restaurants. A corridor capture of THI and employee and visitor inflow were applied to of the four segments.

The baseline scenario shows 365,722 square feet of new retail space for the corridor, ranging from 17,657 in the West to 217,328 Downtown (Table 15). The accelerated increment, due to the Streetcar adds another 25,388 square feet. This results in a total accelerated scenario of 391,110 square feet. Downtown represents 56.7% of the total.

Table 15: Retail Square Feet Demand Summary, 2010-2035

Corridor	Baseline Sq. Ft.	Accelerated Increment	Total	% of Total
West	17,657	2,889	20,546	5.3%
Downtown	217,328	4,612	221,940	56.7%
Midtown	100,679	14,586	115,265	29.5%
East	30,059	3,300	33,359	8.5%
Total	365,722	25,388	391,110	100.0%
% of Total	93.5%	6.5%	100.0%	

Source: Warren & Associates

Table 16 shows that estimated triple net retail rents for the corridor range from \$17.00 per square foot in the East to \$27.00 per square foot Downtown. Retail rents are shown in 2008 dollars.

Table 16: Retail Pricing in 2008 Dollars, Streetcar Corridor

Corridor	Triple Net Retail Rent
West	\$18.00
Downtown	\$27.00
Midtown	\$25.00
East	\$17.00

Source: Warren & Associates

Appendix B: Charlotte TOD Prototypes

Prototype Streetcar Developments in Charlotte

Map Key	Project	Construction			Year			
		Type	Location	Neighborhood	Completed	Tenure	Units	Other Uses
1	Midwood Central Phase 1	Courtyard/Small Lot	Central Avenue	Plaza-Midwood	Und. Const.	For-Sale	11	None
2	Dilworth Crescent	Courtyard/Small Lot	Dilworth Road	Dilworth	1999	For-Sale	40	None
3	3030 South	Townhouse	South Boulevard	South End	2007	For-Sale	100	None
4	Elizabeth Village	Townhouse	Hawthorne Lane	Elizabeth	2004	For-Sale	42	None
5	Elizabeth on the Park	Townhouse	Park Drive	Elizabeth	2000	For-Sale	16	None
6	Woodfield Elizabeth	Texas Donut	Hawthorne Lane	Elizabeth	Und. Const.	Rental	267	None
7	Camden Dilworth	Texas Donut	Scott Avenue	Dilworth	2006	Rental	145	None
8	Cotton Mills	Podium	W. 5th Street	Uptown	2002	Rental	180	Retail, Office
9	626 N. Graham	Podium	N. Graham Street	Uptown	2004	For-Sale	43	Retail
10	Camden Grandview	Mid-Rise	E. Morehead Street	Uptown	1999	Rental	266	Retail, Office
11	Metropolitan Lofts	Mid-Rise	Kings Drive	Midtown	2008	For-Sale	101	Retail, Office

Source: Warren & Associates

Courtyards – Small Lots: Midwood Central



Dilworth Crescent



Townhouses: 3030 South



Elizabeth Village



Elizabeth on the Park



Texas Donut: Woodfield Elizabeth



Camden Dilworth





Podium: Camden Cotton Mills



626 N. Graham



Mid-Rise: Camden Grandview



Metropolitan Lofts



Appendix C: Analysis of LYNX Blue Line

MARKET STUDY (Excerpted sections)

Market Study

Lynx Blue-Line Light Rail Corridor

Charlotte, Mecklenburg County

North Carolina

PREPARED FOR:

Bay Area Economics

1285 66th Street

Emeryville, CA 94608

EFFECTIVE DATE OF THE STUDY:

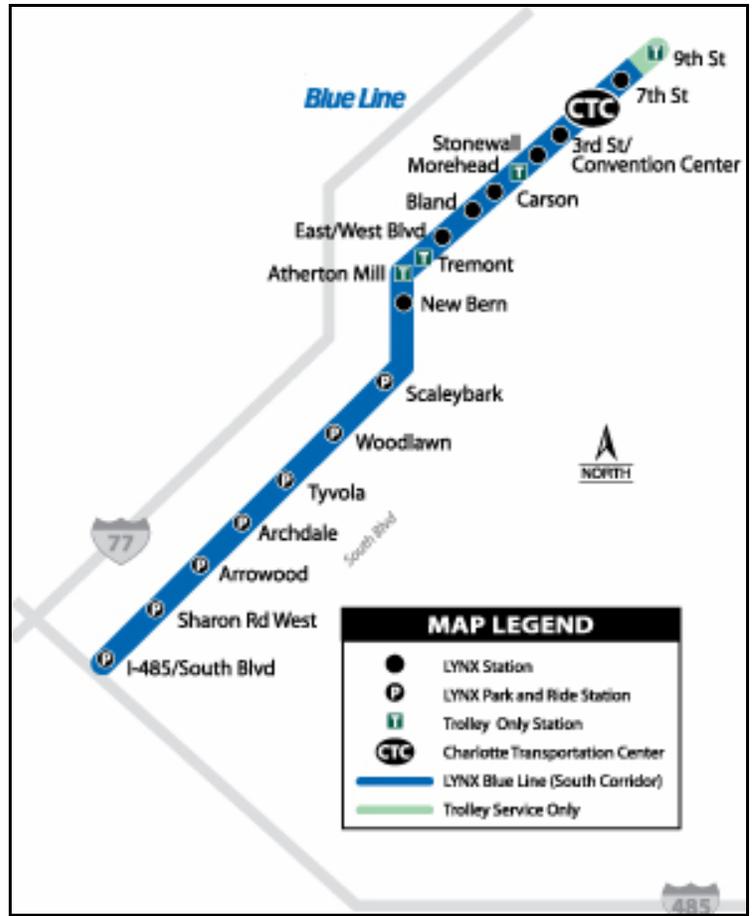
October 17, 2008

REPORT FORMAT

Summary

INTEGRA REALTY RESOURCES - CHARLOTTE

File Number: 105-2008-0561



**Market Study Along the Lynx Blue-Line Light Rail Corridor
Charlotte, North Carolina**

October 17, 2008

Mr. Ron Golem
Bay Area Economics
1285 66th Street
Emeryville, CA 94608

SUBJECT: Market Study
Market Study Along the Lynx Blue-Line Light Rail Corridor
Charlotte, Mecklenburg County
North Carolina
Integra Charlotte File No. 105-2008-0561

Dear Mr. Golem:

Integra Realty Resources – Charlotte is pleased to submit the accompanying market study of the referenced corridor. The purpose of the study to identify and analyze land sales along the Lynx Blue-Line Light Rail Corridor as well as within a quarter mile radius of each of the fifteen stations document appreciation levels, and identify development trend, the key factors influencing sales activity and land values. The client for the assignment is Bay Area Economics, and the intended use is to identify development trends and impacts on land values along the light rail corridor as a direct effect of its implementation..

This market study has been prepared in conformance with the Code of Ethics and Standards of Professional Practice of the Appraisal Institute. Further, the report is intended to comply with the Uniform Standards of Professional Appraisal Practice. The analysis involved the determination of a number of factors relating to supply, demand and market conditions.

The Lynx Blue Line Light Rail is a 15-station corridor that parallels South Boulevard (NC Highway 521) starting at 7th Street on the northeastern side of the Charlotte Central Business District (CBD) and moving southwest approximately 9.5 miles to the intersection of Interstate 485 and South Boulevard.

Mr. Ron Golem
Bay Area Economics
October 16, 2008
Page 2

An investigation was conducted of land sales along the Lynx Blue Line X Blue-Line Corridor between the 7th Street Station and the I-485/South Boulevard Station which resulted in a total of 65 land sales. These sales occurred between 2002 and 2008. A total of 11 paired sales (sale and resale of the same property) was made to determine the various levels of appreciation along the light rail corridor. The annualized percentage change in value for sales with zoning changes ranged from 36.8% to 143.1%. The annualized percentage change in value for sales with no zoning change range from 5.1% to 16.6%. The primary reason for this dramatic change in value was attributed to the ability to rezone land along the light rail corridor to permit higher density development under the transit orientated development zoning ordinance with the second most influencing factor being the location along the light rail corridor. A more detailed summary is provided herein.

Thank you for the opportunity to provide our service.

Respectfully submitted,

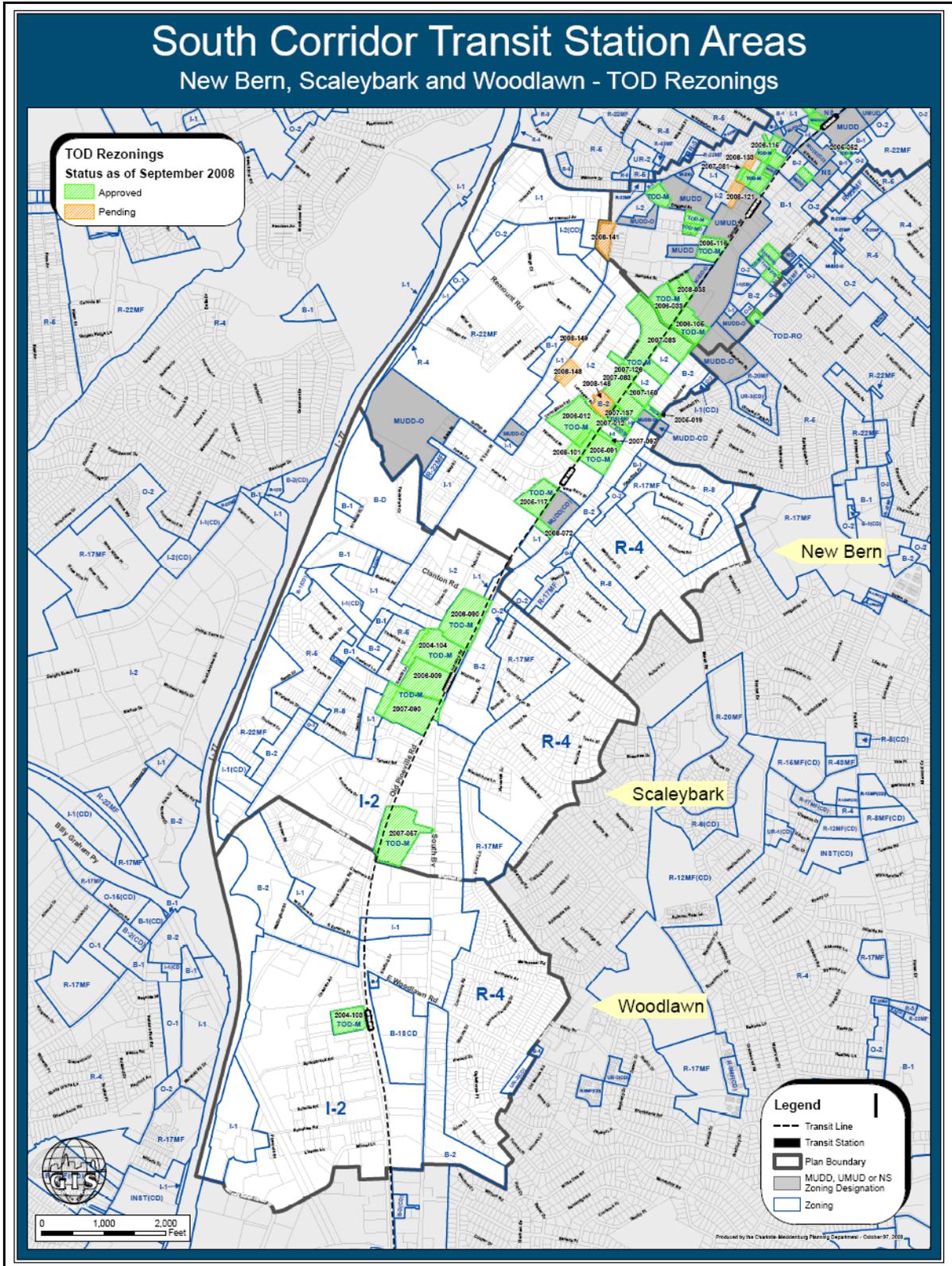
INTEGRA REALTY RESOURCES - CHARLOTTE

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Lynx Blue Line Light Rail Study Land Sale Findings

Mile 1

The following stations are located within the first mile of the Lynx Blue Line Light Rail:

Station 1 – 7th Street Station

Station 2 – Transportation Center Station

Station 3 – 3rd Street/ Convention Center Station

Station 4 – Stonewall Street Station

Station 5 – Carson Street Station

The following is a paired sale that reflects the upper end of the range based on the sales identified in the first mile of the Lynx Blue Line.

228 South Church Street – 0.207 acre or 9,008 SF

Sale 1- August 1, 2005, \$800,000 - \$88.81/SF

Sale 2- February 12, 2007, \$1,500,000 - \$166.51/SF

Total percent change – 87.5%

Annual Percent Change- 56.75%

The chart below summarizes the land sales identified within the first mile. The station numbers listed correspond with the numbers listed above. The sales are listed by sales year and are ordered by ascending price per square foot, with an average provided where applicable.

Sale Date	Owner	Size (SF)	Sale Price	Price/SF	Station Proximity	Initial Zoning	Date	New Zoning
7/31/2007	135 Morehead Apartments, LLC	104,805	\$8,155,000	\$77.81	5	UMUD	N/A	N/A
7/19/2007	Preferred Parking Service, LLC	5,924	\$572,000	\$96.56	1	UMUD	N/A	N/A
6/21/2007	Morehead Acquisitions, LLC	27,676	\$4,000,000	\$144.53	4 & 5	UMUD	N/A	N/A
2/12/2007	222 South Church Street, LLC*	9,008	\$1,500,000	\$166.52	3	UMUD	N/A	N/A
			2007 Average:	\$121.35				
7/18/2006	Crescent Resources, LLC	20,374	\$3,851,400	\$189.04	4	UMUD	N/A	N/A
1/10/2005	Starport Parking I, LLC	35,065	\$4,005,000	\$114.22	4	UMUD-O	N/A	N/A
8/1/2005	New Americana Investments, LLC*	9,008	\$800,000	\$88.81	3	UMUD	N/A	N/A
			2005 Average:	\$101.51				
10/9/2003	Morehead Tryon Properties, LLC	19,397	\$981,500	\$50.60	5	UMUD	N/A	N/A

* Denotes a paired sale

Mile 2

The following stations are located within the second mile of the Lynx Blue Line Light Rail:

Station 6 – Bland Street Station

Station 7 – East/ West Boulevard Station

The following are paired sales identified in the second mile of the Lynx Blue Line.

1927 South Tryon – 1.621 acres or 70,604 SF

Sale 1 – July 29, 2005, \$1,200,000 - \$16.99/SF

Sale 2 – August 8, 2006, \$2,000,000 - \$28.33/SF

Total percent change – 66.67%

Annual percent change – 66.67%

2203 Hawkins Street – 4.221 usable acres or 183,867 SF

Sale 1 – December 30, 2005, \$3,500,000 - \$19.03/SF

Sale 2 – August 14, 2006, (effective) \$6,650,000 - \$36.16/SF

Total percent change – 90%

Annual percent change – 127.06%

Design Center Carolinas – East Worthington Avenue – 0.4883 acre or 21,270 SF

Sale 1 – March 11, 2002, \$477,000 - \$22.42/SF

Sale 2 – June 22, 2007, \$893,000 - \$41.98/SF

Total percentage change – 87.21%

Annual percentage change – 16.61% (no change in zoning)

101 West Tremont – 2.866 acres or 124,843 SF

Sale 1 – November 13, 2002, \$2,300,000 or \$18.42/SF

Sale 2 – August 18, 2006, \$6,500,000 or 52.07/SF

Total percentage change – 182.61%

Annual percentage change – 48.69%

Annual percentage change ranges from 16.61% to 127.06% with an average of 65.76% for the four paired sales identified in the second mile of the Lynx Blue Line.

The chart below summarizes the land sales identified within the second mile. The station numbers listed correspond with the numbers listed above. The sales are listed by sales year and are ordered by ascending price per square foot, with an average provided where applicable.

Sale Date	Owner	Size (SF)	Sale Price	Price/SF	Station Proximity	Initial Zoning	Date	New Zoning
3/13/2008	Southend Development Group, LLC	43,560	\$1,700,000	\$39.03	7	I-2	N/A	N/A
2/1/2008	Backstreets Marketing Group, Inc.	8,000	\$350,000	\$43.75	7	B-1	N/A	N/A
4/1/2008	Trehouse, LLC	15,000	\$800,000	\$53.33	7	UR-2 (CD)	N/A	N/A
3/25/2008	1200 South Boulevard, LLC	8,362	\$941,000	\$112.53	5	B-2	N/A	N/A
			2008 Average:	\$62.16				
1/17/2007	Park Avenue Investors, LLC	80,491	\$2,800,000	\$34.79	7	B-1	10/18/2006	TOD-M
6/22/2007	Design Center Carolinas*	21,270	\$893,000	\$41.98	7	UMUD	N/A	N/A
1/29/2007	1423 South Tryon Partners, LLC	10,572	\$476,000	\$45.02	6	I-2	N/A	N/A
9/5/2007	Rappaport Pearson, LLC	13,141	\$620,000	\$47.18	7	B-1	N/A	N/A
1/19/2007	Euclid, LLC	43,974	\$2,250,000	\$51.17	7	O-2	N/A	N/A
10/30/2007	South and Bland, LLC	155,073	\$8,500,000	\$54.81	6	MUDD	N/A	N/A
			2007 Average:	\$45.83				
8/4/2006	Southend Associates, LLC	38,594	\$805,725	\$20.88	7	I-2	4/17/2006	TOD-M
7/20/2006	Greendoc, LLC	72,609	\$1,800,000	\$24.79	7	I-2	7/16/2007	TOD-M
5/16/2006	McMahon Investments, LLC	8,113	\$204,000	\$25.14	5	I-2	N/A	N/A
8/8/2006	1927 Tryon Street Investors, LLC*	70,604	\$2,050,000	\$29.04	7	I-2	2/20/2006	TOD-M
8/14/2006	Hawkins Street Holdings, LLC*	183,867	\$6,650,000	\$36.17	7	I-2	4/17/2006	TOD-M
8/18/2006	Tremont Partners, LP*	124,843	\$6,500,000	\$52.07	7	I-2	10/19/2005	TOD-M
			2006 Average:	\$33.44				
6/30/2005	Waypoint Development, LLC	38,159	\$455,000	\$11.92	7	B-1	N/A	N/A
8/25/2005	1100 South Tryon Group I, LLC	29,577	\$433,000	\$14.64	6	I-2	N/A	N/A
7/29/2005	1927 South Tryon, LLC*	71,438	\$1,200,000	\$16.80	7	I-2	2/20/2006	TOD-M
12/30/2005	HMV Hawkins, LLC*	206,735	\$3,500,000	\$16.93	7	I-2	4/17/2006	TOD-M
12/14/2005	Tidewater Corporate Dev., LLC	33,454	\$600,000	\$17.94	7	B-1	11/21/2005	TOD-M (CD)
4/16/2005	Cole-Newman Investments, LLC	7,500	\$275,000	\$36.67	7	B-1	N/A	N/A
1/31/2005	Shoe Properties, LLC	2,420	\$113,000	\$46.69	6	I-2	N/A	N/A
			2005 Average:	\$23.08				
3/22/2004	Jupiter Group, LLC	20,400	\$519,600	\$25.47	7	B-1	7/16/2007	TOD-M
8/31/2004	Southend Investment Properties, LLC	28,500	\$1,500,000	\$52.63	7	B-1	3/19/2007	TOD-M
			2004 Average:	\$39.05				
11/26/2003	HMV Camden, LLC	11,246	\$505,000	\$44.90	6	MUDD	N/A	N/A
3/11/2002	Thomas P. Moore, III*	21,270	\$477,000	\$22.43	7	UMUD	N/A	N/A
11/13/2002	SGH-Mooresville, LLC*	124,843	\$2,300,000	\$18.42	7	I-2	10/19/2005	TOD-M
			2002 Average:	\$20.42				

* Denotes a paired sale

Mile 3

The following station is located within the third mile of the Lynx Blue Line Light Rail:

Station 8 – New Bern Avenue Station

The following are paired sales were identified in the third mile of the Lynx Blue Line.

123 New Bern Avenue – 0.689 acre or 30,024 SF

Sale 1 – July 22, 2002, \$200,000 or \$6.66/SF

Sale 2 – January 5, 2007, \$950,000 or \$31.64/SF

Total percentage change – 375%

Annual percentage change – 84.91%

2400 South Boulevard – 1.48 (usable) acres or 64,774 SF

Sale 1 – June 18, 2004, \$1,318,200 (effective price) or \$20.35/SF

Sale 2 – January 31, 2006, \$ 2,226,000 or \$34.37/SF

Total percentage change – 68.87%

Annual percentage change – 43.49%

2800 South Boulevard – 4.15 (usable) acres or 181,166 SF

Sale 1 – August 23, 2005, \$5,449,240 (effective price) or \$30.08/SF

Sale 2 – September 11, 2007, \$9,627,740 (effective price) or \$53.14/SF

Total percentage change – 76.68%

Annual percentage change – 36.81%

2610 South Boulevard – 0.69 (usable) acre or 30,056 SF

Sale 1 – January 23, 2004, \$450,000 or \$14.97/SF

Sale 2 – June 13, 2006, \$969,646 (effective price) or 32.26/SF

Total percentage change – 115.48%

Annual percent change – 46.19%

Annual percentage change ranges from 36.81% to 84.91% with an average of 52.85%

The chart on the following page summarizes the land sales identified within the third mile. The station number listed corresponds with the number listed above. The sales are listed by sales year and are ordered by ascending price per square foot, with an average provided where applicable.

Sale Date	Owner	Size (SF)	Sale Price	Price/SF	Station Proximity	Initial Zoning	Date	New Zoning
2/22/2008	Kal Properties, LLC	262,631	\$1,761,500	\$6.71	8	I-2	N/A	N/A
1/22/2008	Fabrix Inc.	9,049	\$350,000	\$38.68	8	I-2	N/A	N/A
			2008 Average:	\$22.69				
1/5/2007	FMK Partners, LLC*	30,024	\$950,000	\$31.64	8	I-2	N/A	N/A
1/19/2007	Edward L. Keller	51,880	\$1,915,000	\$36.91	8	MUDD-O	N/A	N/A
9/11/2007	Colonial Realty, LP*	181,166	\$9,627,740	\$53.14	8	I-2	7/18/2005	TOD-M
8/7/2007	BSP Foster, LLC	166,138	\$9,375,000	\$56.43	8	I-2	10/19/2005	TOD-M
1/11/2007	Cherokee Southline, LLC	96,562	\$5,576,969	\$57.76	8	I-2	9/17/2007	TOD-M
			2007 Average:	\$47.18				
2/15/2006	Arthur and Diane Pue	41,125	\$750,000	\$18.24	8	I-2	N/A	N/A
6/13/2006	Citiline, LLC*	30,056	\$969,646	\$32.26	8	I-2 & B-1	2/19/2007	TOD-M
3/1/2006	Greenhawk Partners, LLC	186,742	\$6,356,000	\$34.04	8	I-2	9/17/2007	TOD-M
1/31/2006	Greenhawk Partners, LLC*	64,776	\$2,226,000	\$34.36	8	I-2	N/A	N/A
			2006 Average:	\$29.72				
8/23/2005	Abberley Station, LP*	181,166	\$5,449,240	\$30.08	8	I-2	7/18/2005	TOD-M
1/23/2004	Cecil E. Ormsby Jr.*	30,056	\$450,000	\$14.97	8			
6/18/2004	2400 South Boulevard, LLC*	64,776	\$1,318,200	\$20.35	8	I-2	N/A	N/A
			2004 Average:	\$17.66				
6/22/2002	Welsh Partners, LLC*	30,024	\$200,000	\$6.66	8	I-2	N/A	N/A

* Denotes a paired sale

Mile 4

The following station is located within the fourth mile of the Lynx Blue Line Light Rail:

Station 9 – Scaleybark Station

There were no identified paired sales found within the fourth mile of the Lynx Blue Line Light Rail.

The chart below summarizes the land sales identified within the fourth mile. The station number listed corresponds with the number listed above. The sales are listed by sales year and are ordered by ascending price per square foot, with an average provided where applicable.

Sale Date	Owner	Size (SF)	Sale Price	Price/SF	Station Proximity	Initial Zoning	Date	New Zoning
3/4/2008	Scaleybark Partners, LLC	714,689	\$5,200,000	\$7.28	9	I-2	9/18/2006	TOD-M
1/18/2008	Crosland Greens, LLC	123,579	\$3,046,000	\$24.65	9	B-2	N/A	N/A
1/28/2008	Crosland Greens, LLC	49,144	\$1,250,000	\$25.44	9	B-2	N/A	N/A
			2008 Average:	\$19.12				
10/13/2006	Scout - JB, LLC	104,065	\$2,520,304	\$24.22	9	B-2	N/A	N/A

Mile 5

The following stations are located within the fifth mile of the Lynx Blue Line Light Rail:

Station 10 – Woodlawn Station

Station 11 – Tyvola Road Station

The following is a paired sale that was identified in the fifth mile of the Lynx Blue Line Light Rail.

144 West Exmore Street – 2.929 acres or 127,587 SF

Sale 1 – March 16, 2000, \$312,000 or \$2.45/SF

Sale 2 – August 4, 2006, \$412,500 or \$3.23/SF

Total percent change – 32.21%

Annual percent change – 5.09% (no change in zoning)

The chart on the following page summarizes the land sales identified within the fifth mile. The station number listed corresponds with the number listed above. The sales are listed by sales year and are ordered by ascending price per square foot, with an average provided where applicable.

Sale Date	Owner	Size (SF)	Sale Price	Price/SF	Station Proximity	Initial Zoning	Date	New Zoning
7/25/2007	De Quaing Nguyen*	94,307	\$1,300,000	\$13.78	11	B-2	N/A	N/A
8/4/2006	Southeast Commercial Corp.	127,587	\$412,500	\$3.23	10	I-2	N/A	N/A
6/28/2006	Claude L. Hensley*	94,307	\$1,200,000	\$12.72	11	B-2	N/A	N/A
			2006 Average:	\$7.98				
10/21/2004	4565 South Boulevard, LLC	31,493	\$355,000	\$11.27	10	I-2	N/A	N/A

* Denotes a paired sale

Mile 6

The following station is located within the sixth mile of the Lynx Blue Line Light Rail:

Station 12 – Archdale Station

There were no identified paired sales found within the sixth mile of the Lynx Blue Line Light Rail.

The chart below summarizes the land sales identified within the sixth mile. The station number listed corresponds with the number listed above. The sales are listed by sales year and are ordered by ascending price per square foot, with an average provided where applicable.

Sale Date	Owner	Size (SF)	Sale Price	Price/SF	Station Proximity	Initial Zoning	Date	New Zoning
2/8/2005	John and Maria Hudson	46,173	\$300,000	\$6.50	11	I-2	N/A	N/A
2/17/2004	City of Charlotte	25,102	\$185,000	\$7.37	12	I-2	11/15/2004	TOD-M

Mile 7

The following station is located within the seventh mile of the Lynx Blue Line Light Rail:

Station 13 – Arrowood Station

There were no identified paired sales found within the seventh mile of the Lynx Blue Line Light Rail.

The chart on the following page summarizes the land sales identified within the seventh mile. The station number listed corresponds with the number listed above. The sales are listed by sales year and are ordered by ascending price per square foot, with an average provided where applicable.

Sale Date	Owner	Size (SF)	Sale Price	Price/SF	Station Proximity	Initial Zoning	Date	New Zoning
11/20/2007	Iglesia Pentecostal El Tabernaculo	84,593	\$150,000	\$1.77	13	O-15 (CD)	N/A	N/A

Mile 8

The following stations are located within the eighth mile of the Lynx Blue Line Light Rail:

Station 14 – Sharron Road West Station

The following is a paired sale that was identified in the eighth mile of the Lynx Blue Line Light Rail.

807 Imperial Court – 48.532 acres or 2,114,054 SF (indicative of up-zoning to TOD)

Sale 1 – March 23, 2006, \$3,150,000 or \$1.49/SF

Sale 2 – August 29, 2007, \$9,161,000 or \$4.49/SF
(Based off 46.866 acres or 2,041,483SF)

Total percentage change – 190.8%

Annual percentage change – 143.12%

The chart below summarizes the land sales identified within the eighth mile. The station number listed corresponds with the number listed above. The sales are listed by sales year and are ordered by ascending price per square foot, with an average provided where applicable.

Sale Date	Owner	Size (SF)	Sale Price	Price/SF	Station Proximity	Initial Zoning	Date	New Zoning
8/29/2007	Arrowood Station, LLC*	2,037,736	\$9,161,000	\$4.50	13	BD	6/18/2007	TOD-M
3/23/2006	Jerry and Susan Helms, et. al. *	2,114,053	\$3,150,000	\$1.49	13	BD	6/18/2007	TOD-M
4/12/2005	The Cato Corporation	618,580	\$1,121,000	\$1.81	14	I-2	N/A	N/A
1/9/2002	John and Irene Blackmon	197,022	\$300,000	\$1.52	13	B-1 SCD	N/A	N/A

* Denotes a paired sale

Mile 9

The following station is located within the ninth mile of the Lynx Blue Line Light Rail:

Station 15 – I-485/South Boulevard Station

There were no identified paired sales found within the ninth mile of the Lynx Blue Line Light Rail.

The chart below summarizes the land sales identified within the ninth mile. The station number listed corresponds with the number listed above. The sales are listed by sales year and are ordered by ascending price per square foot, with an average provided where applicable.

Sale Date	Owner	Size (SF)	Sale Price	Price/SF	Station Proximity	Initial Zoning	Date	New Zoning
1/31/2006	Five SAC Self Storage Corp.	20,865	\$225,000	\$10.78	14	I-2	N/A	N/A
6/18/2004	City of Charlotte	71,221	\$1,088,000	\$15.28	14	B-1	11/15/2004	TOD-M

Summary Lynx Blue-Line Rail Corridor Comparable Sales Data	
Total Number of Land Sales	65
Total Number of Paired Sales (Sale and Resale of Same Property)	11
Time Period Analyzed	2002-2008
Size of Land Sales	2,614 square feet; 0.06 acres to 2,114,053 square feet; 48.53 acres
Price Range	\$1.49/square foot; \$64,904/acre to \$189.04/square foot; \$8,124,582 acre
Annualized Change In Value of 9 Paired Sale With Change in Zoning	36.8 % (Station 8) to 143.1% (Station 13)
Annualized Change In Value of 2 Paired Sale With No Change in Zoning	5.09% (Station 10) to 16.61% (Station7)
Average Annualized Change In Value of 9 Paired Sales with Change Zoning	72.6%
Median Annualized Change In Value of 9 Paired Sales with Change in Zoning	56.8%
Percentage of Paired Sales That Occurred In Less Than 2 years	64% (7 sales)
Highest Concentration of Sales (30 sales - 46%)	Between Stations 7 and 8
Lowest Concentration of Sales (1 sale – 15%)	Station 1
Key Factors Influencing Sales Activity and Land Values along Lynx Blue-Line Corridor in order of Priority	
<ol style="list-style-type: none"> 5. Rezoning of land to Transit Oriented Development (TOD). 6. Location along light rail with most desirable area being South End. 7. Proximity to light rail stations. 8. Strong local economy. 	

Conclusions

As can be seen from this analysis, there was significant appreciation in land values along the light rail corridor which were primarily attributed to the ability of the property owners to rezone the property to allow a higher density of development under the Transit Orientated Development zoning regulations. It is our belief that the existing development and proposed development along the existing light rail corridor is in balance with current market demand. There are a significant number of other proposed projects that will not be completed along the light rail corridor due to the downturn in the economy. Once market conditions improve, we believe that many of their proposed projects will proceed. There has been such significant development in the CBD, South End, Dilworth, Plaza Midwood and NODA as well as additional proposed development in these areas that demand for mixed use development along any future major light rail corridor will most likely proceed at a slower pace than what has been experienced in the past between 2005 and 2008.

It is our opinion that the higher density projects along the existing light rail and future light rail projects will continue to be located in proximity to the central business district with lower density projects occurring the further you are from the central business district. The areas that will have the highest potential for redevelopment along the future light rail corridors are where the improvements are older and may no longer be the highest and best use of the site or contribute value. The majority of any proposed development will be located in proximity to the future transit stations. We are also aware of several development companies acquiring land for speculative purchases for redevelopment along the light rail corridors. Consequently, there will be a significant amount of land available for redevelopment, once market conditions improve that will most likely create an oversupply of land for mixed use development. We believe the oversupply will reduce the levels of appreciation that have occurred along the Lynx Blue Line.

ADDENDUM A

SORTED SALES SHEETS

SORTED BY PRICE PER SQUARE FOOT

Sale Date	Owner	Size (SF)	Sale Price	Price/SF	Station Proximity	Initial Zoning	Date	New Zoning
7/18/2006	Crescent Resources, LLC	20,374.00	\$3,851,400.00	\$189.04	4			
2/12/2007	222 South Church Street, LLC	9,008.00	\$1,500,000.00	\$166.52	3			
6/21/2007	Morehead Acquisitions, LLC	27,676.00	\$4,000,000.00	\$144.53	4			
1/10/2005	Starport Parking I, LLC	35,065.00	\$4,005,000.00	\$114.22	4			
3/25/2008	1200 South Boulevard, LLC	8,362	\$941,000	\$112.53	5	B-2	N/A	N/A
7/19/2007	Preferred Parking Service, LLC	5,924.00	\$572,000.00	\$96.56	1			
8/1/2005	New Americana Investments, LLC*	9,008	\$800,000	\$88.81	3			
7/31/2007	135 Morehead Apartments, LLC	104,805.00	\$8,155,000.00	\$77.81	5			
1/11/2007	Cherokee Southline, LLC	96,562	\$5,576,969	\$57.76	8	I-2	9/17/2007	TOD-M
8/7/2007	BSP Foster, LLC	166,138	\$9,375,000	\$56.43	8	I-2	10/19/2005	TOD-M
10/30/2007	South and Bland, LLC	155,073	\$8,500,000	\$54.81	6	MUDD	N/A	N/A
4/1/2008	Trehouse, LLC	15,000	\$800,000	\$53.33	7	UR-2(CD)	N/A	N/A
9/11/2007	Colonial Realty, LP	181,166	\$9,627,740	\$53.14	8	I-2	7/18/2005	TOD-M
8/31/2004	Southend Investment Prop., LLC	28,500	\$1,500,000	\$52.63	7	B-1	3/19/2007	TOD-M
8/18/2006	Tremont Partners, LP	124,843	\$6,500,000	\$52.07	7	I-2	10/19/2005	TOD-M
1/19/2007	Euclid, LLC	43,974	\$2,250,000	\$51.17	7	O-2	N/A	N/A
10/9/2003	Morehead Tryon Properties, LLC	19,397.00	\$981,500.00	\$50.60	5			
9/5/2007	Rappaport Pearson, LLC	13,141	\$620,000	\$47.18	7	B-1	N/A	N/A
1/29/2007	1423 South Tryon Partners, LLC	10,572	\$476,000	\$45.02	6	I-2	N/A	N/A
11/26/2003	HMV Camden, LLC	11,246	\$505,000	\$44.90	6			
2/1/2008	Backstreets Marketing Group, Inc.	8,000	\$350,000	\$43.75	7	B-1	N/A	N/A
1/31/2005	Shoe Properties, LLC	2,614	\$113,000	\$43.23	6	I-2	N/A	N/A
6/22/2007	Design Center Carolinas	21,270	\$893,000	\$41.98	7	UMUD	N/A	N/A
3/13/2008	Southend Development Group, LLC	43,560	\$1,700,000	\$39.03	7	I-2	N/A	N/A
1/22/2008	Fabrix Inc.	9,049	\$350,000	\$38.68	8	I-2	N/A	N/A
1/19/2007	Edward L. Keller	51,880	\$1,915,000	\$36.91	8	MUDD-O	N/A	N/A
8/14/2006	Hawkins Street Holdings, LLC*	183,867	\$6,650,000	\$36.17	7	I-2	4/17/2006	TOD-M
1/17/2007	Park Avenue Investors, LLC	80,491	\$2,800,000	\$34.79	7	B-1	10/18/2006	TOD-M
1/31/2006	Greenhawk Partners, LLC*	64,776	\$2,226,000	\$34.36	8	I-2	N/A	N/A
3/1/2006	Greenhawk Partners, LLC	186,742	\$6,356,000	\$34.04	8	I-2	9/17/2007	TOD-M
6/13/2006	Citiline, LLC*	30,056	\$969,646	\$32.26	8	I-2 & B-1	2/19/2007	TOD-M
1/5/2007	FMK Partners, LLC*	30,024	\$950,000	\$31.64	8	I-2	N/A	N/A
8/23/2005	Abberley Station, LP*	181,166	\$5,449,240	\$30.08	8	I-2	7/18/2005	TOD-M
8/8/2006	1927 Tryon Street Investors, LLC*	70,604	\$2,050,000	\$29.04	7	I-2	2/20/2006	TOD-M
3/22/2004	Jupiter Group, LLC	20,400	\$519,600	\$25.47	7	B-1	7/16/2007	TOD-M
1/28/2008	Crosland Greens, LLC	49,144	\$1,250,000	\$25.44	9	B-2	N/A	N/A
5/16/2006	McMahon Investments, LLC	8,113	\$204,000	\$25.14	5	I-2	N/A	N/A
7/20/2006	Greendoc, LLC	72,609	\$1,800,000	\$24.79	7	I-2	7/16/2007	TOD-M
1/18/2008	Crosland Greens, LLC	123,579	\$3,046,000	\$24.65	9	B-2	N/A	N/A
10/13/2006	Scout - JB, LLC	104,065	\$2,520,304	\$24.22	9	B-2	N/A	N/A
3/11/2002	Thomas P. Moore, III*	21,270	\$477,000	\$22.43	7	UMUD	N/A	N/A
8/4/2006	Southend Associates, LLC	38,594	\$805,725	\$20.88	7	I-2	4/17/2006	TOD-M
6/18/2004	2400 South Boulevard, LLC*	64,776	\$1,318,200	\$20.35	8	I-2	N/A	N/A
11/13/2002	SGH-Mooresville, LLC*	124,843	\$2,300,000	\$18.42	7	I-2	10/19/2005	TOD-M
2/15/2006	Arthur and Diane Pue	41,125	\$750,000	\$18.24	8	I-2	N/A	N/A
12/14/2005	Tidewater Corporate Dev., LLC	33,541	\$600,000	\$17.89	7	B-1	11/21/2005	TOD-M(CD)
6/18/2004	City of Charlotte	71,221	\$1,088,000	\$15.28	14			TOD-M
1/23/2004	Cecil E. Ormsby Jr.	30,056	\$450,000	\$14.97	8	I-2 & B-1	N/A	N/A
8/25/2005	1100 South Tryon Group I, LLC	29,577	\$433,000	\$14.64	6	I-2	N/A	N/A
7/25/2007	De Quaing Nguyen*	94,307	\$1,300,000	\$13.78	11	B-2	N/A	N/A
6/28/2006	Claude L. Hensley*	94,307	\$1,200,000	\$12.72	11	B-2	N/A	N/A
6/30/2005	Waypoint Development, LLC	38,159	\$455,000	\$11.92	7	B-1	N/A	N/A
10/21/2004	4565 South Boulevard, LLC	31,493	\$355,000	\$11.27	10	I-2	N/A	N/A
1/31/2006	Five SAC Self Storage Corp.	20,865	\$225,000	\$10.78	14	I-2	N/A	N/A
2/17/2004	City of Charlotte	25,102	\$185,000	\$7.37	12			TOD-M
3/4/2008	Scaleybark Partners, LLC	714,689	\$5,200,000	\$7.28	9	I-2	7/17/2006	TOD-M
2/22/2008	Kal Properties, LLC	262,631	\$1,761,500	\$6.71	8	I-2	N/A	N/A
6/22/2002	Welsh Partners, LLC*	30,024	\$200,000	\$6.66	8	I-2	N/A	N/A
2/8/2005	John and Maria Hudson	46,173	\$300,000	\$6.50	11	I-2	N/A	N/A
8/29/2007	Arrowood Station, LLC*	2,037,736	\$9,161,000	\$4.50	13	TOD-M	N/A	N/A
8/4/2006	Southeast Commercial Corp.	127,587	\$412,500	\$3.23	10	I-1	N/A	N/A
4/12/2005	The Cato Corporation	618,580	\$1,121,000	\$1.81	14	I-2	N/A	N/A
11/20/2007	Iglesia Pentecostal El Tabernaculo	84,593	\$150,000	\$1.77	13	O-15 (CD)	N/A	N/A
1/9/2002	John and Irene Blackmon	197,022	\$300,000	\$1.52	13	B-1SCD	N/A	N/A
3/23/2006	Jerry and Susan Helms, et. al. *	2,114,053	\$3,150,000	\$1.49	13	B-D (CD)	6/18/2007	TOD-M

SORTED BY SALE DATE

Sale Date	Owner	Size (SF)	Sale Price	Price/SF	Station Proximity	Initial Zoning	Date	New Zoning
4/1/2008	Trehouse, LLC	15,000	\$800,000	\$53.33	7	UR-2(CD)	N/A	N/A
3/25/2008	1200 South Boulevard, LLC	8,362	\$941,000	\$112.53	5	B-2	N/A	N/A
3/13/2008	Southend Development Group, LLC	43,560	\$1,700,000	\$39.03	7	I-2	N/A	N/A
3/4/2008	Scaleybark Partners, LLC	714,689	\$5,200,000	\$7.28	9	I-2	7/17/2006	TOD-M
2/22/2008	Kal Properties, LLC	262,631	\$1,761,500	\$6.71	8	I-2	N/A	N/A
2/1/2008	Backstreets Marketing Group, Inc.	8,000	\$350,000	\$43.75	7	B-1	N/A	N/A
1/28/2008	Crosland Greens, LLC	49,144	\$1,250,000	\$25.44	9	B-2	N/A	N/A
1/22/2008	Fabrix Inc.	9,049	\$350,000	\$38.68	8	I-2	N/A	N/A
1/18/2008	Crosland Greens, LLC	123,579	\$3,046,000	\$24.65	9	B-2	N/A	N/A
11/20/2007	Iglesia Pentecostal El Tabernaculo	84,593	\$150,000	\$1.77	13	O-15 (CD)	N/A	N/A
10/30/2007	South and Bland, LLC	155,073	\$8,500,000	\$54.81	6	MUDD	N/A	N/A
9/11/2007	Colonial Realty, LP	181,166	\$9,627,740	\$53.14	8	I-2	7/18/2005	TOD-M
9/5/2007	Rappaport Pearson, LLC	13,141	\$620,000	\$47.18	7	B-1	N/A	N/A
8/29/2007	Arrowood Station, LLC*	2,037,736	\$9,161,000	\$4.50	13	TOD-M	N/A	N/A
8/7/2007	BSP Foster, LLC	166,138	\$9,375,000	\$56.43	8	I-2	10/19/2005	TOD-M
7/31/2007	135 Morehead Apartments, LLC	104,805.00	\$8,155,000.00	\$77.81	5			
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6/22/2007	Design Center Carolinas	21,270	\$893,000	\$41.98	7	UMUD	N/A	N/A
6/21/2007	Morehead Acquisitions, LLC	27,676.00	\$4,000,000.00	\$144.53	4			
2/12/2007	222 South Church Street, LLC	9,008.00	\$1,500,000.00	\$166.52	3			
1/29/2007	1423 South Tryon Partners, LLC	10,572	\$476,000	\$45.02	6	I-2	N/A	N/A
1/19/2007	Euclid, LLC	43,974	\$2,250,000	\$51.17	7	O-2	N/A	N/A
1/19/2007	Edward L. Keller	51,880	\$1,915,000	\$36.91	8	MUDD-O	N/A	N/A
1/17/2007	Park Avenue Investors, LLC	80,491	\$2,800,000	\$34.79	7	B-1	10/18/2006	TOD-M
1/11/2007	Cherokee Southline, LLC	96,562	\$5,576,969	\$57.76	8	I-2	9/17/2007	TOD-M
1/5/2007	FMK Partners, LLC*	30,024	\$950,000	\$31.64	8	I-2	N/A	N/A
10/13/2006	Scout - JB, LLC	104,065	\$2,520,304	\$24.22	9	B-2	N/A	N/A
8/18/2006	Tremont Partners, LP	124,843	\$6,500,000	\$52.07	7	I-2	10/19/2005	TOD-M
8/14/2006	Hawkins Street Holdings, LLC*	183,867	\$6,650,000	\$36.17	7	I-2	4/17/2006	TOD-M
8/8/2006	1927 Tryon Street Investors, LLC*	70,604	\$2,050,000	\$29.04	7	I-2	2/20/2006	TOD-M
8/4/2006	Southeast Commercial Corp.	127,587	\$412,500	\$3.23	10	I-1	N/A	N/A
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7/18/2006	Crescent Resources, LLC	20,374.00	\$3,851,400.00	\$189.04	4			
6/28/2006	Claude L. Hensley*	94,307	\$1,200,000	\$12.72	11	B-2	N/A	N/A
6/13/2006	Citiline, LLC*	30,056	\$969,646	\$32.26	8	I-2 & B-1	2/19/2007	TOD-M
5/16/2006	McMahon Investments, LLC	8,113	\$204,000	\$25.14	5	I-2	N/A	N/A
3/23/2006	Jerry and Susan Helms, et. al. *	2,114,053	\$3,150,000	\$1.49	13	B-D (CD)	6/18/2007	TOD-M
3/1/2006	Greenhawk Partners, LLC	186,742	\$6,356,000	\$34.04	8	I-2	9/17/2007	TOD-M
2/15/2006	Arthur and Diane Pue	41,125	\$750,000	\$18.24	8	I-2	N/A	N/A
1/31/2006	Greenhawk Partners, LLC*	64,776	\$2,226,000	\$34.36	8	I-2	N/A	N/A
1/31/2006	Five SAC Self Storage Corp.	20,865	\$225,000	\$10.78	14	I-2	N/A	N/A
12/14/2005	Tidewater Corporate Dev., LLC	33,541	\$600,000	\$17.89	7	B-1	11/21/2005	TOD-M(CD)
8/25/2005	1100 South Tryon Group I, LLC	29,577	\$433,000	\$14.64	6	I-2	N/A	N/A
8/23/2005	Abberley Station, LP*	181,166	\$5,449,240	\$30.08	8	I-2	7/18/2005	TOD-M
8/1/2005	New Americana Investments, LLC*	9,008	\$800,000	\$88.81	3			
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4/12/2005	The Cato Corporation	618,580	\$1,121,000	\$1.81	14	I-2	N/A	N/A
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8/31/2004	Southend Investment Prop., LLC	28,500	\$1,500,000	\$52.63	7	B-1	3/19/2007	TOD-M
6/18/2004	2400 South Boulevard, LLC*	64,776	\$1,318,200	\$20.35	8	I-2	N/A	N/A
6/18/2004	City of Charlotte	71,221	\$1,088,000	\$15.28	14			TOD-M
3/22/2004	Jupiter Group, LLC	20,400	\$519,600	\$25.47	7	B-1	7/16/2007	TOD-M
2/17/2004	City of Charlotte	25,102	\$185,000	\$7.37	12			TOD-M
1/23/2004	Cecil E. Ormsby Jr.	30,056	\$450,000	\$14.97	8	I-2 & B-1	N/A	N/A
11/26/2003	HMV Camden, LLC	11,246	\$505,000	\$44.90	6			
10/9/2003	Morehead Tryon Properties, LLC	19,397.00	\$981,500.00	\$50.60	5			
11/13/2002	SGH-Mooresville, LLC*	124,843	\$2,300,000	\$18.42	7	I-2	10/19/2005	TOD-M
6/22/2002	Welsh Partners, LLC*	30,024	\$200,000	\$6.66	8	I-2	N/A	N/A
3/11/2002	Thomas P. Moore, III*	21,270	\$477,000	\$22.43	7	UMUD	N/A	N/A
1/9/2002	John and Irene Blackmon	197,022	\$300,000	\$1.52	13	B-1SCD	N/A	N/A

SORTED BY PROXIMITY TO STATION

Sale Date	Owner	Size (SF)	Sale Price	Price/SF	Station Proximity	Initial Zoning	Date	New Zoning
7/19/2007	Preferred Parking Service, LLC	5,924.00	\$572,000.00	\$96.56	1			
2/12/2007	222 South Church Street, LLC	9,008.00	\$1,500,000.00	\$166.52	3			
8/1/2005	New Americana Investments, LLC*	9,008	\$800,000	\$88.81	3			
7/18/2006	Crescent Resources, LLC	20,374.00	\$3,851,400.00	\$189.04	4			
1/10/2005	Starport Parking I, LLC	35,065.00	\$4,005,000.00	\$114.22	4			
6/21/2007	Morehead Acquisitions, LLC	27,676.00	\$4,000,000.00	\$144.53	4			
7/31/2007	135 Morehead Apartments, LLC	104,805.00	\$8,155,000.00	\$77.81	5			
10/9/2003	Morehead Tryon Properties, LLC	19,397.00	\$981,500.00	\$50.60	5			
3/25/2008	1200 South Boulevard, LLC	8,362	\$941,000	\$112.53	5	B-2	N/A	N/A
5/16/2006	McMahon Investments, LLC	8,113	\$204,000	\$25.14	5	I-2	N/A	N/A
11/26/2003	HMV Camden, LLC	11,246	\$505,000	\$44.90	6			
1/29/2007	1423 South Tryon Partners, LLC	10,572	\$476,000	\$45.02	6	I-2	N/A	N/A
8/25/2005	1100 South Tryon Group I, LLC	29,577	\$433,000	\$14.64	6	I-2	N/A	N/A
1/31/2005	Shoe Properties, LLC	2,614	\$113,000	\$43.23	6	I-2	N/A	N/A
10/30/2007	South and Bland, LLC	155,073	\$8,500,000	\$54.81	6	MUDD	N/A	N/A
8/31/2004	Southend Investment Prop., LLC	28,500	\$1,500,000	\$52.63	7	B-1	3/19/2007	TOD-M
3/13/2008	Southend Development Group, LLC	43,560	\$1,700,000	\$39.03	7	I-2	N/A	N/A
2/1/2008	Backstreets Marketing Group, Inc.	8,000	\$350,000	\$43.75	7	B-1	N/A	N/A
4/1/2008	Trehouse, LLC	15,000	\$800,000	\$53.33	7	UR-2(CD)	N/A	N/A
1/17/2007	Park Avenue Investors, LLC	80,491	\$2,800,000	\$34.79	7	B-1	10/18/2006	TOD-M
6/22/2007	Design Center Carolinas	21,270	\$893,000	\$41.98	7	UMUD	N/A	N/A
9/5/2007	Rappaport Pearson, LLC	13,141	\$620,000	\$47.18	7	B-1	N/A	N/A
1/19/2007	Euclid, LLC	43,974	\$2,250,000	\$51.17	7	O-2	N/A	N/A
7/20/2006	Greendoc, LLC	72,609	\$1,800,000	\$24.79	7	I-2	7/16/2007	TOD-M
3/22/2004	Jupiter Group, LLC	20,400	\$519,600	\$25.47	7	B-1	7/16/2007	TOD-M
8/8/2006	1927 Tryon Street Investors, LLC*	70,604	\$2,050,000	\$29.04	7	I-2	2/20/2006	TOD-M
8/14/2006	Hawkins Street Holdings, LLC*	183,867	\$6,650,000	\$36.17	7	I-2	4/17/2006	TOD-M
8/18/2006	Tremont Partners, LP	124,843	\$6,500,000	\$52.07	7	I-2	10/19/2005	TOD-M
3/11/2002	Thomas P. Moore, III*	21,270	\$477,000	\$22.43	7	UMUD	N/A	N/A
11/13/2002	SGH-Mooresville, LLC*	124,843	\$2,300,000	\$18.42	7	I-2	10/19/2005	TOD-M
12/14/2005	Tidewater Corporate Dev., LLC	33,541	\$600,000	\$17.89	7	B-1	11/21/2005	TOD-M(CD)
6/30/2005	Waypoint Development, LLC	38,159	\$455,000	\$11.92	7	B-1	N/A	N/A
8/4/2006	Southend Associates, LLC	38,594	\$805,725	\$20.88	7	I-2	4/17/2006	TOD-M
2/22/2008	Kal Properties, LLC	262,631	\$1,761,500	\$6.71	8	I-2	N/A	N/A
1/22/2008	Fabrix Inc.	9,049	\$350,000	\$38.68	8	I-2	N/A	N/A
1/5/2007	FMK Partners, LLC*	30,024	\$950,000	\$31.64	8	I-2	N/A	N/A
1/19/2007	Edward L. Keller	51,880	\$1,915,000	\$36.91	8	MUDD-O	N/A	N/A
9/11/2007	Colonial Realty, LP	181,166	\$9,627,740	\$53.14	8	I-2	7/18/2005	TOD-M
8/7/2007	BSP Foster, LLC	166,138	\$9,375,000	\$56.43	8	I-2	10/19/2005	TOD-M
1/11/2007	Cherokee Southline, LLC	96,562	\$5,576,969	\$57.76	8	I-2	9/17/2007	TOD-M
2/15/2006	Arthur and Diane Pue	41,125	\$750,000	\$18.24	8	I-2	N/A	N/A
6/13/2006	Citiilne, LLC*	30,056	\$969,646	\$32.26	8	I-2 & B-1	2/19/2007	TOD-M
3/1/2006	Greenhawk Partners, LLC	186,742	\$6,356,000	\$34.04	8	I-2	9/17/2007	TOD-M
1/31/2006	Greenhawk Partners, LLC*	64,776	\$2,226,000	\$34.36	8	I-2	N/A	N/A
1/23/2004	Cecil E. Ormsby Jr.	30,056	\$450,000	\$14.97	8	I-2 & B-1	N/A	N/A
6/18/2004	2400 South Boulevard, LLC*	64,776	\$1,318,200	\$20.35	8	I-2	N/A	N/A
6/22/2002	Welsh Partners, LLC*	30,024	\$200,000	\$6.66	8	I-2	N/A	N/A
8/23/2005	Abberley Station, LP*	181,166	\$5,449,240	\$30.08	8	I-2	7/18/2005	TOD-M
3/4/2008	Scaleybark Partners, LLC	714,689	\$5,200,000	\$7.28	9	I-2	7/17/2006	TOD-M
1/18/2008	Crosland Greens, LLC	123,579	\$3,046,000	\$24.65	9	B-2	N/A	N/A
1/28/2008	Crosland Greens, LLC	49,144	\$1,250,000	\$25.44	9	B-2	N/A	N/A
10/13/2006	Scout - JB, LLC	104,065	\$2,520,304	\$24.22	9	B-2	N/A	N/A
8/4/2006	Southeast Commercial Corp.	127,587	\$412,500	\$3.23	10	I-1	N/A	N/A
10/21/2004	4565 South Boulevard, LLC	31,493	\$355,000	\$11.27	10	I-2	N/A	N/A
7/25/2007	De Quaing Nguyen*	94,307	\$1,300,000	\$13.78	11	B-2	N/A	N/A
6/28/2006	Claude L. Hensley*	94,307	\$1,200,000	\$12.72	11	B-2	N/A	N/A
2/8/2005	John and Maria Hudson	46,173	\$300,000	\$6.50	11	I-2	N/A	N/A
2/17/2004	City of Charlotte	25,102	\$185,000	\$7.37	12			TOD-M
11/20/2007	Iglesia Pentecostal El Tabernaculo	84,593	\$150,000	\$1.77	13	O-15 (CD)	N/A	N/A
8/29/2007	Arrowood Station, LLC*	2,037,736	\$9,161,000	\$4.50	13	TOD-M	N/A	N/A
3/23/2006	Jerry and Susan Helms, et. al. *	2,114,053	\$3,150,000	\$1.49	13	B-D (CD)	6/18/2007	TOD-M
1/9/2002	John and Irene Blackmon	197,022	\$300,000	\$1.52	13	B-1SCD	N/A	N/A
4/12/2005	The Cato Corporation	618,580	\$1,121,000	\$1.81	14	I-2	N/A	N/A
1/31/2006	Five SAC Self Storage Corp.	20,865	\$225,000	\$10.78	14	I-2	N/A	N/A
6/18/2004	City of Charlotte	71,221	\$1,088,000	\$15.28	14			TOD-M

Appendix D: Model Details

Table D-1: Summary of Potential Tax Revenue Generation*(Figures in constant 2008 dollars)*

Year	Low Appreciation / Baseline Growth Scenario			Moderate Appreciation / Baseline Growth Scenario			High Appreciation / Accelerated Growth Scenario		
	Annual MSD Revenues	Annual TIF Revenues	Total MSD and TIF Revenues	Annual MSD Revenues	Annual TIF Revenues	Total MSD and TIF Revenues	Annual MSD Revenues	Annual TIF Revenues	Total MSD and TIF Revenues
2010	\$750,348	\$284,593	\$1,034,941	\$1,522,005	\$528,913	\$2,050,918	\$2,313,982	\$765,652	\$3,079,634
2011	\$762,759	\$569,187	\$1,331,946	\$1,547,548	\$821,760	\$2,369,308	\$2,352,312	\$1,058,627	\$3,410,940
2012	\$775,171	\$853,780	\$1,628,951	\$1,573,139	\$1,115,155	\$2,688,294	\$2,390,715	\$1,352,151	\$3,742,866
2013	\$787,582	\$1,138,374	\$1,925,956	\$1,598,777	\$1,409,100	\$3,007,877	\$2,429,189	\$1,646,225	\$4,075,414
2014	\$799,993	\$1,422,967	\$2,222,961	\$1,624,464	\$1,703,596	\$3,328,059	\$2,467,736	\$1,940,850	\$4,408,586
2015	\$812,405	\$1,707,561	\$2,519,965	\$1,650,198	\$1,998,644	\$3,648,842	\$2,506,355	\$2,236,028	\$4,742,383
2016	\$842,133	\$2,389,224	\$3,231,357	\$1,710,615	\$2,691,317	\$4,401,932	\$2,611,267	\$3,037,908	\$5,649,175
2017	\$871,861	\$3,070,888	\$3,942,749	\$1,771,125	\$3,385,065	\$5,156,190	\$2,716,361	\$3,841,170	\$6,557,531
2018	\$901,589	\$3,752,551	\$4,654,140	\$1,831,729	\$4,079,891	\$5,911,620	\$2,821,635	\$4,645,820	\$7,467,455
2019	\$931,317	\$4,434,215	\$5,365,532	\$1,892,427	\$4,775,799	\$6,668,227	\$2,927,092	\$5,451,861	\$8,378,953
2020	\$961,045	\$5,115,879	\$6,076,924	\$1,953,220	\$5,472,792	\$7,426,013	\$3,032,731	\$6,259,297	\$9,292,028
2021	\$990,050	\$5,780,975	\$6,771,025	\$2,012,663	\$6,154,306	\$8,166,969	\$3,132,902	\$7,024,934	\$10,157,836
2022	\$1,019,056	\$6,446,071	\$7,465,127	\$2,072,204	\$6,836,939	\$8,909,143	\$3,233,248	\$7,791,911	\$11,025,159
2023	\$1,048,061	\$7,111,167	\$8,159,229	\$2,131,843	\$7,520,695	\$9,652,537	\$3,333,769	\$8,560,230	\$11,894,000
2024	\$1,077,067	\$7,776,264	\$8,853,331	\$2,191,579	\$8,205,577	\$10,397,156	\$3,434,467	\$9,329,897	\$12,764,364
2025	\$1,106,072	\$8,441,360	\$9,547,432	\$2,251,415	\$8,891,589	\$11,143,004	\$3,535,342	\$10,100,915	\$13,636,257
2026	\$1,135,694	\$9,120,576	\$10,256,270	\$2,312,580	\$9,592,854	\$11,905,435	\$3,635,683	\$10,867,860	\$14,503,543
2027	\$1,165,315	\$9,799,793	\$10,965,108	\$2,373,857	\$10,295,388	\$12,669,245	\$3,736,211	\$11,636,225	\$15,372,436
2028	\$1,194,936	\$10,479,009	\$11,673,945	\$2,435,244	\$10,999,195	\$13,434,439	\$3,836,925	\$12,406,017	\$16,242,942
2029	\$1,224,558	\$11,158,226	\$12,382,783	\$2,496,743	\$11,704,277	\$14,201,020	\$3,937,826	\$13,177,238	\$17,115,065
2030	\$1,254,179	\$11,837,442	\$13,091,621	\$2,558,353	\$12,410,640	\$14,968,994	\$4,038,915	\$13,949,894	\$17,988,810
2031	\$1,283,842	\$12,517,617	\$13,801,459	\$2,620,159	\$13,119,246	\$15,739,405	\$4,140,704	\$14,727,898	\$18,868,602
2032	\$1,313,505	\$13,197,792	\$14,511,297	\$2,682,079	\$13,829,153	\$16,511,232	\$4,242,688	\$15,507,396	\$19,750,083
2033	\$1,343,168	\$13,877,966	\$15,221,134	\$2,744,112	\$14,540,366	\$17,284,479	\$4,344,868	\$16,288,391	\$20,633,258
2034	\$1,372,831	\$14,558,141	\$15,930,972	\$2,806,260	\$15,252,889	\$18,059,149	\$4,447,244	\$17,070,888	\$21,518,132
2035	\$1,402,494	\$15,238,316	\$16,640,810	\$2,868,522	\$15,966,726	\$18,835,248	\$4,549,818	\$17,854,892	\$22,404,710
Total	\$27,127,031	\$182,079,935	\$209,206,965	\$55,232,861	\$193,301,874	\$248,534,735	\$86,149,986	\$218,530,175	\$304,680,160

Source: BAE, 2008.

Table D-2: Key Assumptions**Taxation and Property Value Appreciation Assumptions**

	Scenarios		
	Low	Moderate	High
Tax Rates (a)			
MSD Tax Rate	0.02%	0.04%	0.06%
TIF Tax Rate	0.46%	0.46%	0.46%
Streetcar Value Premium (b)			
Residential	0.00%	5.00%	10.00%
Commercial	0.00%	5.00%	10.00%
Neighborhood Reinvestment Factor (Annual) (c)			
Residential	0.00%	0.30%	0.30%
Commercial	0.00%	0.00%	0.00%

Notes:

(a) Tax rate assumptions are as follows:

-MSD tax rates show various possible tax rates which could be applied to properties in the streetcar corridor. With a current combined City and County tax rate of approximately 1.3% in Charlotte and a maximum allowable property tax rate of 1.5% under state law, the maximum MSD tax rate could go as high as approximately 0.20%.

-TIF tax rate is based on the 2008 City of Charlotte property tax rate. (Note this is different from the combined City and County rate of 1.3%).

(b) Streetcar value premium based on case study research regarding increases in land value for properties near transit systems.

(c) Denotes the estimated increase in improved value attributable to renovations, additions, and small-scale infill development.

Sources: Warren & Associates, 2008; BAE, 2008; and other sources as listed above.

Table D-3: Residential and Non-Residential Assessed Value by Segment**2003 Assessed Values**

Segment	All Parcels			Opportunity Sites		
	Improved Value	Land Value	Total Value	Improved Value	Land Value	Total Value
West						
Residential	\$85,788,700	\$19,284,000	\$105,072,700	\$2,474,800	\$660,900	\$3,135,700
Non-Residential	\$18,129,000	\$16,003,600	\$34,132,600	\$11,184,600	\$10,988,000	\$22,172,600
Total	\$103,917,700	\$35,287,600	\$139,205,300	\$13,659,400	\$11,648,900	\$25,308,300
Downtown						
Residential	\$3,211,400	\$3,109,200	\$6,320,600	\$0	\$0	\$0
Non-Residential	\$1,699,801,240	\$529,862,500	\$2,229,663,740	\$12,609,200	\$50,039,200	\$62,648,400
Total	\$1,703,012,640	\$532,971,700	\$2,235,984,340	\$12,609,200	\$50,039,200	\$62,648,400
Midtown						
Residential	\$112,898,600	\$99,251,600	\$212,150,200	\$3,088,400	\$2,766,600	\$5,855,000
Non-Residential	\$152,179,700	\$99,265,600	\$251,445,300	\$30,937,900	\$25,646,800	\$56,584,700
Total	\$265,078,300	\$198,517,200	\$463,595,500	\$34,026,300	\$28,413,400	\$62,439,700
East						
Residential	\$107,153,400	\$36,144,300	\$143,297,700	\$600,100	\$2,466,500	\$3,066,600
Non-Residential	\$61,870,700	\$68,014,100	\$129,884,800	\$29,437,700	\$34,118,800	\$63,556,500
Total	\$169,024,100	\$104,158,400	\$273,182,500	\$30,037,800	\$36,585,300	\$66,623,100
Total						
Residential	\$309,052,100	\$157,789,100	\$466,841,200	\$6,163,300	\$5,894,000	\$12,057,300
Non-Residential	\$1,931,980,640	\$713,145,800	\$2,645,126,440	\$84,169,400	\$120,792,800	\$204,962,200
Total	\$2,241,032,740	\$870,934,900	\$3,111,967,640	\$90,332,700	\$126,686,800	\$217,019,500

Table D-3: Residential and Non-Residential Assessed Value by Segment

2010 Assessed Values -- Estimated (a)

(Figures in constant 2008 dollars)

Segment	All parcels (b)			Opportunity Sites (b)		
	Improved Value	Land Value	Total Value	Improved Value	Land Value	Total Value
West						
Residential	\$101,246,251	\$22,758,623	\$124,004,874	\$2,920,714	\$779,982	\$3,700,696
Non-Residential	\$21,511,989	\$18,989,976	\$40,501,965	\$13,271,719	\$13,038,432	\$26,310,151
Total	\$122,758,240	\$41,748,599	\$164,506,839	\$16,192,433	\$13,818,414	\$30,010,847
Downtown						
Residential	\$3,790,035	\$3,669,421	\$7,459,456	\$0	\$0	\$0
Non-Residential	\$2,016,995,202	\$628,738,287	\$2,645,733,489	\$14,962,159	\$59,376,840	\$74,338,999
Total	\$2,020,785,237	\$632,407,708	\$2,653,192,945	\$14,962,159	\$59,376,840	\$74,338,999
Midtown						
Residential	\$133,240,858	\$117,134,919	\$250,375,777	\$3,644,873	\$3,265,091	\$6,909,964
Non-Residential	\$180,577,421	\$117,789,206	\$298,366,628	\$36,711,113	\$30,432,660	\$67,143,773
Total	\$313,818,279	\$234,924,125	\$548,742,405	\$40,355,986	\$33,697,750	\$74,053,737
East						
Residential	\$126,460,478	\$42,656,840	\$169,117,319	\$708,227	\$2,910,918	\$3,619,145
Non-Residential	\$73,416,175	\$80,705,973	\$154,122,148	\$34,930,966	\$40,485,590	\$75,416,556
Total	\$199,876,653	\$123,362,814	\$323,239,467	\$35,639,193	\$43,396,508	\$79,035,701
Total						
Residential	\$364,737,623	\$186,219,803	\$550,957,426	\$7,710,158	\$7,373,269	\$15,083,427
Non-Residential	\$2,292,500,787	\$846,223,442	\$3,138,724,230	\$105,862,539	\$151,924,957	\$257,787,496
Total	\$2,657,238,410	\$1,032,443,246	\$3,689,681,656	\$113,572,696	\$159,298,226	\$272,870,923

Opportunity Sites, Value Per Acre

Segment	Total Value Opportunity Sites	Site Acreage	Value / Acre
West	\$30,010,847	122.8	\$244,366
Downtown	\$74,338,999	43.9	\$1,692,870
Midtown	\$74,053,737	147.0	\$503,918
East	\$79,035,701	161.8	\$488,405

(a) 2010 property tax values have been estimated by applying residential and commercial property appreciation assumptions for 2003 through 2010, based on the Case-Shiller Home Price Index and MIT TBI Commercial Property Index. The County commissioners voted on 12/2/08 to postpone revaluation until 2010, which would be the first such revaluation since 2003. Shown above is an estimate of values in 2010. Actual values which will be based on current market conditions in 2010 and could be substantially different from the estimate shown above.

(b) Excludes assessed values of exempt parcels that are not subject to property tax assessments.

Source: BAE, 2008.

Table D-4: Projected New Residential and Commercial Development by Time Period

Time Period	BASELINE					ACCELERATED				
	West Segment					West Segment				
	For Sale Units	Apt Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms	For Sale Units	Apt Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms
2010-2015	100	122	2,826	20,736	5	100	122	2,826	20,736	5
2016-2020	152	186	4,297	34,029	9	196	240	4,796	34,029	9
2021-2025	152	186	4,297	38,283	10	196	240	4,796	48,625	13
2026-2030	123	126	3,166	44,282	12	213	218	4,095	63,323	17
2031-2035	119	122	3,070	41,432	11	212	217	4,032	53,727	14
	646	742	17,656	178,762	47	917	1,037	20,545	220,440	58
Time Period	Downtown Segment					Downtown Segment				
	For Sale Units	Apt Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms	For Sale Units	Apt Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms
	2010-2015	205	391	25,564	302,040	79	205	391	25,564	302,040
2016-2020	434	733	50,063	912,229	239	490	828	52,644	912,229	239
2021-2025	488	679	50,063	821,006	215	488	679	50,063	821,006	215
2026-2030	498	573	45,958	681,559	179	532	612	47,200	693,766	182
2031-2035	544	520	45,681	676,861	177	567	542	46,469	680,217	178
	2,169	2,896	217,329	3,393,695	889	2,282	3,052	221,940	3,409,258	893
Time Period	Midtown Segment					Midtown Segment				
	For Sale Units	Apt Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms	For Sale Units	Apt Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms
	2010-2015	84	143	12,770	70,642	19	84	143	12,770	70,642
2016-2020	93	130	12,531	81,149	21	184	257	18,059	91,647	24
2021-2025	93	130	12,531	81,149	21	184	257	18,059	103,573	27
2026-2030	260	302	31,654	102,622	27	270	314	32,218	122,512	32
2031-2035	256	297	31,193	98,597	26	310	360	34,159	99,818	26
	786	1,002	100,679	434,159	114	1,032	1,331	115,265	488,192	128
Time Period	East Segment					East Segment				
	For Sale Units	Apt Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms	For Sale Units	Apt Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms
	2010-2015	80	120	4,935	40,644	11	80	120	4,935	40,644
2016-2020	89	134	5,507	59,041	15	164	247	6,902	69,256	18
2021-2025	89	134	5,507	67,475	18	164	247	6,902	77,690	20
2026-2030	124	166	7,144	84,190	22	137	183	7,367	95,554	25
2031-2035	134	149	6,966	80,883	21	152	169	7,253	87,405	23
	516	703	30,059	332,233	87	697	966	33,359	370,549	97
Time Period	Total					Total				
	For Sale Units	Apt Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms	For Sale Units	Apt Units	Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms
	2010-2015	469	776	46,095	434,062	114	469	776	46,095	434,062
2016-2020	768	1,183	72,398	1,086,448	285	1,034	1,572	82,401	1,107,161	290
2021-2025	822	1,129	72,398	1,007,913	264	1,032	1,423	79,820	1,050,894	275
2026-2030	1,005	1,167	87,922	912,653	239	1,152	1,327	90,880	975,155	256
2031-2035	1,053	1,088	86,910	897,773	235	1,241	1,288	91,913	921,167	241
	4,117	5,343	365,723	4,338,849	1,137	4,928	6,386	391,109	4,488,439	1,176

Sources: Warren & Associates, 2008; BAE, 2008.

Table D-5: Projected Value of New Development by Time Period, Baseline Growth Scenario

(Figures in constant 2008 dollars)

Total										
Year	RESIDENTIAL DEVELOPMENT				COMMERCIAL DEVELOPMENT					
	Value of New Development		Value of Existing	Total Net	Value of New Development			Value of Existing	Total Net	
	For Sale	Apartment	Development	Increase in Value	Retail	Office	Hotel	Development	Increase in Value	
2010	\$21,289,333	\$18,468,550	\$1,741,727	\$38,016,156	\$1,976,416	\$19,587,281	\$3,736,989	\$1,259,833	\$24,040,853	
2011	\$21,289,333	\$18,468,550	\$1,741,727	\$38,016,156	\$1,976,416	\$19,587,281	\$3,736,989	\$1,259,833	\$24,040,853	
2012	\$21,289,333	\$18,468,550	\$1,741,727	\$38,016,156	\$1,976,416	\$19,587,281	\$3,736,989	\$1,259,833	\$24,040,853	
2013	\$21,289,333	\$18,468,550	\$1,741,727	\$38,016,156	\$1,976,416	\$19,587,281	\$3,736,989	\$1,259,833	\$24,040,853	
2014	\$21,289,333	\$18,468,550	\$1,741,727	\$38,016,156	\$1,976,416	\$19,587,281	\$3,736,989	\$1,259,833	\$24,040,853	
2015	\$21,289,333	\$18,468,550	\$1,741,727	\$38,016,156	\$1,976,416	\$19,587,281	\$3,736,989	\$1,259,833	\$24,040,853	
2016	\$44,429,300	\$34,420,212	\$3,106,458	\$75,743,054	\$3,805,405	\$61,186,383	\$11,224,325	\$3,319,045	\$72,897,068	
2017	\$44,429,300	\$34,420,212	\$3,106,458	\$75,743,054	\$3,805,405	\$61,186,383	\$11,224,325	\$3,319,045	\$72,897,068	
2018	\$44,429,300	\$34,420,212	\$3,106,458	\$75,743,054	\$3,805,405	\$61,186,383	\$11,224,325	\$3,319,045	\$72,897,068	
2019	\$44,429,300	\$34,420,212	\$3,106,458	\$75,743,054	\$3,805,405	\$61,186,383	\$11,224,325	\$3,319,045	\$72,897,068	
2020	\$44,429,300	\$34,420,212	\$3,106,458	\$75,743,054	\$3,805,405	\$61,186,383	\$11,224,325	\$3,319,045	\$72,897,068	
2021	\$48,209,300	\$32,693,940	\$3,106,458	\$77,796,782	\$3,805,405	\$56,181,457	\$10,412,963	\$3,169,074	\$67,230,752	
2022	\$48,209,300	\$32,693,940	\$3,106,458	\$77,796,782	\$3,805,405	\$56,181,457	\$10,412,963	\$3,169,074	\$67,230,752	
2023	\$48,209,300	\$32,693,940	\$3,106,458	\$77,796,782	\$3,805,405	\$56,181,457	\$10,412,963	\$3,169,074	\$67,230,752	
2024	\$48,209,300	\$32,693,940	\$3,106,458	\$77,796,782	\$3,805,405	\$56,181,457	\$10,412,963	\$3,169,074	\$67,230,752	
2025	\$48,209,300	\$32,693,940	\$3,106,458	\$77,796,782	\$3,805,405	\$56,181,457	\$10,412,963	\$3,169,074	\$67,230,752	
2026	\$57,088,000	\$33,890,076	\$3,568,520	\$87,409,556	\$4,582,079	\$49,756,927	\$9,428,812	\$3,070,876	\$60,696,942	
2027	\$57,088,000	\$33,890,076	\$3,568,520	\$87,409,556	\$4,582,079	\$49,756,927	\$9,428,812	\$3,070,876	\$60,696,942	
2028	\$57,088,000	\$33,890,076	\$3,568,520	\$87,409,556	\$4,582,079	\$49,756,927	\$9,428,812	\$3,070,876	\$60,696,942	
2029	\$57,088,000	\$33,890,076	\$3,568,520	\$87,409,556	\$4,582,079	\$49,756,927	\$9,428,812	\$3,070,876	\$60,696,942	
2030	\$57,088,000	\$33,890,076	\$3,568,520	\$87,409,556	\$4,582,079	\$49,756,927	\$9,428,812	\$3,070,876	\$60,696,942	
2031	\$60,368,400	\$31,579,500	\$3,513,121	\$88,434,779	\$4,532,835	\$49,075,294	\$9,275,084	\$3,002,515	\$59,880,697	
2032	\$60,368,400	\$31,579,500	\$3,513,121	\$88,434,779	\$4,532,835	\$49,075,294	\$9,275,084	\$3,002,515	\$59,880,697	
2033	\$60,368,400	\$31,579,500	\$3,513,121	\$88,434,779	\$4,532,835	\$49,075,294	\$9,275,084	\$3,002,515	\$59,880,697	
2034	\$60,368,400	\$31,579,500	\$3,513,121	\$88,434,779	\$4,532,835	\$49,075,294	\$9,275,084	\$3,002,515	\$59,880,697	
2035	\$60,368,400	\$31,579,500	\$3,513,121	\$88,434,779	\$4,532,835	\$49,075,294	\$9,275,084	\$3,002,515	\$59,880,697	

Source: BAE, 2008.

Table D-6: Projected Value of New Development by Time Period, Accelerated Growth Scenario

(Figures in constant 2008 dollars)

Total										
Year	RESIDENTIAL DEVELOPMENT				COMMERCIAL DEVELOPMENT					
	Value of New Development		Value of Existing	Total Net	Value of New Development			Value of Existing	Total Net	
	For Sale	Apartment	Development	Increase in Value	Retail	Office	Hotel	Development	Increase in Value	
2010	\$21,289,333	\$18,468,550	\$1,741,727	\$38,016,156	\$1,976,416	\$19,587,281	\$3,736,989	\$1,259,833	\$24,040,853	
2011	\$21,289,333	\$18,468,550	\$1,741,727	\$38,016,156	\$1,976,416	\$19,587,281	\$3,736,989	\$1,259,833	\$24,040,853	
2012	\$21,289,333	\$18,468,550	\$1,741,727	\$38,016,156	\$1,976,416	\$19,587,281	\$3,736,989	\$1,259,833	\$24,040,853	
2013	\$21,289,333	\$18,468,550	\$1,741,727	\$38,016,156	\$1,976,416	\$19,587,281	\$3,736,989	\$1,259,833	\$24,040,853	
2014	\$21,289,333	\$18,468,550	\$1,741,727	\$38,016,156	\$1,976,416	\$19,587,281	\$3,736,989	\$1,259,833	\$24,040,853	
2015	\$21,289,333	\$18,468,550	\$1,741,727	\$38,016,156	\$1,976,416	\$19,587,281	\$3,736,989	\$1,259,833	\$24,040,853	
2016	\$57,456,000	\$44,986,968	\$4,365,221	\$98,077,747	\$4,304,070	\$62,055,278	\$11,438,315	\$3,450,518	\$74,347,145	
2017	\$57,456,000	\$44,986,968	\$4,365,221	\$98,077,747	\$4,304,070	\$62,055,278	\$11,438,315	\$3,450,518	\$74,347,145	
2018	\$57,456,000	\$44,986,968	\$4,365,221	\$98,077,747	\$4,304,070	\$62,055,278	\$11,438,315	\$3,450,518	\$74,347,145	
2019	\$57,456,000	\$44,986,968	\$4,365,221	\$98,077,747	\$4,304,070	\$62,055,278	\$11,438,315	\$3,450,518	\$74,347,145	
2020	\$57,456,000	\$44,986,968	\$4,365,221	\$98,077,747	\$4,304,070	\$62,055,278	\$11,438,315	\$3,450,518	\$74,347,145	
2021	\$57,316,000	\$40,223,736	\$4,152,201	\$93,387,535	\$4,159,628	\$57,997,853	\$10,857,009	\$3,396,659	\$69,617,832	
2022	\$57,316,000	\$40,223,736	\$4,152,201	\$93,387,535	\$4,159,628	\$57,997,853	\$10,857,009	\$3,396,659	\$69,617,832	
2023	\$57,316,000	\$40,223,736	\$4,152,201	\$93,387,535	\$4,159,628	\$57,997,853	\$10,857,009	\$3,396,659	\$69,617,832	
2024	\$57,316,000	\$40,223,736	\$4,152,201	\$93,387,535	\$4,159,628	\$57,997,853	\$10,857,009	\$3,396,659	\$69,617,832	
2025	\$57,316,000	\$40,223,736	\$4,152,201	\$93,387,535	\$4,159,628	\$57,997,853	\$10,857,009	\$3,396,659	\$69,617,832	
2026	\$64,035,400	\$37,898,508	\$4,023,232	\$97,910,676	\$4,723,329	\$52,472,654	\$10,074,533	\$3,359,675	\$63,910,841	
2027	\$64,035,400	\$37,898,508	\$4,023,232	\$97,910,676	\$4,723,329	\$52,472,654	\$10,074,533	\$3,359,675	\$63,910,841	
2028	\$64,035,400	\$37,898,508	\$4,023,232	\$97,910,676	\$4,723,329	\$52,472,654	\$10,074,533	\$3,359,675	\$63,910,841	
2029	\$64,035,400	\$37,898,508	\$4,023,232	\$97,910,676	\$4,723,329	\$52,472,654	\$10,074,533	\$3,359,675	\$63,910,841	
2030	\$64,035,400	\$37,898,508	\$4,023,232	\$97,910,676	\$4,723,329	\$52,472,654	\$10,074,533	\$3,359,675	\$63,910,841	
2031	\$68,949,800	\$36,716,802	\$4,098,489	\$101,568,113	\$4,776,631	\$49,927,867	\$9,516,772	\$3,115,437	\$61,105,833	
2032	\$68,949,800	\$36,716,802	\$4,098,489	\$101,568,113	\$4,776,631	\$49,927,867	\$9,516,772	\$3,115,437	\$61,105,833	
2033	\$68,949,800	\$36,716,802	\$4,098,489	\$101,568,113	\$4,776,631	\$49,927,867	\$9,516,772	\$3,115,437	\$61,105,833	
2034	\$68,949,800	\$36,716,802	\$4,098,489	\$101,568,113	\$4,776,631	\$49,927,867	\$9,516,772	\$3,115,437	\$61,105,833	
2035	\$68,949,800	\$36,716,802	\$4,098,489	\$101,568,113	\$4,776,631	\$49,927,867	\$9,516,772	\$3,115,437	\$61,105,833	

Source: BAE, 2008.

Table D-7: Calculation of Incremental Value, No Streetcar / Low Appreciation / Baseline Growth Scenario

(Figures in constant 2008 dollars)

Total										
Year	RESIDENTIAL PROPERTIES					COMMERCIAL PROPERTIES				
	Starting Assessed Value (A)	Annual Appreciation Factor (B)	Net Value of New Development (C)	Ending Assessed Value (D)	Incremental Valuation (E)	Starting Assessed Value (A)	Annual Appreciation Factor (B)	Net Value of New Development (C)	Ending Assessed Value (D)	Incremental Valuation (E)
2010	\$550,957,426	0.0%	\$25,771,251	\$576,728,677	\$25,771,251	\$3,138,724,230	0.0%	\$21,636,230	\$3,160,360,459	\$21,636,230
2011	\$576,728,677	0.0%	\$25,771,251	\$602,499,928	\$51,542,502	\$3,160,360,459	0.0%	\$21,636,230	\$3,181,996,689	\$43,272,460
2012	\$602,499,928	0.0%	\$25,771,251	\$628,271,179	\$77,313,753	\$3,181,996,689	0.0%	\$21,636,230	\$3,203,632,919	\$64,908,689
2013	\$628,271,179	0.0%	\$25,771,251	\$654,042,430	\$103,085,004	\$3,203,632,919	0.0%	\$21,636,230	\$3,225,269,149	\$86,544,919
2014	\$654,042,430	0.0%	\$25,771,251	\$679,813,681	\$128,856,254	\$3,225,269,149	0.0%	\$21,636,230	\$3,246,905,378	\$108,181,149
2015	\$679,813,681	0.0%	\$25,771,251	\$705,584,932	\$154,627,505	\$3,246,905,378	0.0%	\$21,636,230	\$3,268,541,608	\$129,817,379
2016	\$705,584,932	0.0%	\$51,371,810	\$756,956,742	\$205,999,316	\$3,268,541,608	0.0%	\$68,446,615	\$3,336,988,223	\$198,263,993
2017	\$756,956,742	0.0%	\$51,371,810	\$808,328,552	\$257,371,126	\$3,336,988,223	0.0%	\$68,446,615	\$3,405,434,838	\$266,710,608
2018	\$808,328,552	0.0%	\$51,371,810	\$859,700,363	\$308,742,936	\$3,405,434,838	0.0%	\$68,446,615	\$3,473,881,452	\$335,157,223
2019	\$859,700,363	0.0%	\$51,371,810	\$911,072,173	\$360,114,747	\$3,473,881,452	0.0%	\$68,446,615	\$3,542,328,067	\$403,603,838
2020	\$911,072,173	0.0%	\$51,371,810	\$962,443,983	\$411,486,557	\$411,486,557	0.0%	\$68,446,615	\$3,610,774,682	\$472,050,452
2021	\$962,443,983	0.0%	\$52,211,936	\$1,014,655,919	\$463,698,493	\$3,610,774,682	0.0%	\$62,334,667	\$3,673,109,349	\$534,385,119
2022	\$1,014,655,919	0.0%	\$52,211,936	\$1,066,867,855	\$515,910,428	\$3,673,109,349	0.0%	\$62,334,667	\$3,735,444,015	\$596,719,786
2023	\$1,066,867,855	0.0%	\$52,211,936	\$1,119,079,791	\$568,122,364	\$3,735,444,015	0.0%	\$62,334,667	\$3,797,778,682	\$659,054,453
2024	\$1,119,079,791	0.0%	\$52,211,936	\$1,171,291,726	\$620,334,300	\$3,797,778,682	0.0%	\$62,334,667	\$3,860,113,349	\$721,389,119
2025	\$1,171,291,726	0.0%	\$52,211,936	\$1,223,503,662	\$672,546,235	\$3,860,113,349	0.0%	\$62,334,667	\$3,922,448,016	\$783,723,786
2026	\$1,223,503,662	0.0%	\$58,142,618	\$1,281,646,280	\$730,688,853	\$3,922,448,016	0.0%	\$54,771,082	\$3,977,219,097	\$838,494,868
2027	\$1,281,646,280	0.0%	\$58,142,618	\$1,339,788,897	\$788,831,471	\$3,977,219,097	0.0%	\$54,771,082	\$4,031,990,179	\$893,265,949
2028	\$1,339,788,897	0.0%	\$58,142,618	\$1,397,931,515	\$846,974,088	\$4,031,990,179	0.0%	\$54,771,082	\$4,086,761,261	\$948,037,031
2029	\$1,397,931,515	0.0%	\$58,142,618	\$1,456,074,133	\$905,116,706	\$4,086,761,261	0.0%	\$54,771,082	\$4,141,532,342	\$1,002,808,113
2030	\$1,456,074,133	0.0%	\$58,142,618	\$1,514,216,750	\$963,259,324	\$4,141,532,342	0.0%	\$54,771,082	\$4,196,303,424	\$1,057,579,194
2031	\$1,514,216,750	0.0%	\$58,315,047	\$1,572,531,797	\$1,021,574,371	\$4,196,303,424	0.0%	\$54,189,505	\$4,250,492,929	\$1,111,768,699
2032	\$1,572,531,797	0.0%	\$58,315,047	\$1,630,846,844	\$1,079,889,418	\$4,250,492,929	0.0%	\$54,189,505	\$4,304,682,433	\$1,165,958,204
2033	\$1,630,846,844	0.0%	\$58,315,047	\$1,689,161,891	\$1,138,204,464	\$4,304,682,433	0.0%	\$54,189,505	\$4,358,871,938	\$1,220,147,708
2034	\$1,689,161,891	0.0%	\$58,315,047	\$1,747,476,938	\$1,196,519,511	\$4,358,871,938	0.0%	\$54,189,505	\$4,413,061,442	\$1,274,337,213
2035	\$1,747,476,938	0.0%	\$58,315,047	\$1,805,791,985	\$1,254,834,558	\$4,413,061,442	0.0%	\$54,189,505	\$4,467,250,947	\$1,328,526,717

Notes:

(A) Based on assessed value of parcels located within 1/4 mile of proposed streetcar route, adjusted to account for anticipated revaluation in 2010.

The starting value for 2010 is the "baseline valuation" used for calculating incremental valuation.

(B) Annual appreciation includes the following factors, shown in the Key Assumptions table:

-The TOD Premium, which is assumed to apply to the land value of each segment in the starting year. Because the TOD premium applies to land only, the percent increase shown above (which applies to total valuation) is less than the percent increase in land value shown in the Key Assumptions table.

-The Neighborhood Reinvestment Factor, which is attributable to renovation and upgrades of existing improvements and is realized each year.

(C) Based on market value of projected new development net of average existing value of development assumed to be replaced.

(D) Equals Column (A) times Column (B) plus Column (C).

(E) Equals Column (D) minus Column (A).

Table D-7: Calculation of Incremental Value, No Streetcar / Low Appreciation / Baseline Growth Scenario (continued)

(Figures in constant 2008 dollars)

Total							
Year	Total Ending Assessed Value (F)	Total Incremental Valuation (G)	MSD Tax Rate (H)	TIF Tax Rate (I)	Tax Revenues		
					Annual MSD Revenues (J)	Annual TIF Revenues (K)	Total MSD and TIF Revenues (L)
2010	\$3,737,089,137	\$47,407,481	0.02%	0.46%	\$747,418	\$217,411	\$964,829
2011	\$3,784,496,617	\$94,814,961	0.02%	0.46%	\$756,899	\$434,821	\$1,191,721
2012	\$3,831,904,098	\$142,222,442	0.02%	0.46%	\$766,381	\$652,232	\$1,418,613
2013	\$3,879,311,579	\$189,629,923	0.02%	0.46%	\$775,862	\$869,643	\$1,645,505
2014	\$3,926,719,059	\$237,037,403	0.02%	0.46%	\$785,344	\$1,087,054	\$1,872,397
2015	\$3,974,126,540	\$284,444,884	0.02%	0.46%	\$794,825	\$1,304,464	\$2,099,290
2016	\$4,093,944,965	\$404,263,309	0.02%	0.46%	\$818,789	\$1,853,952	\$2,672,741
2017	\$4,213,763,390	\$524,081,734	0.02%	0.46%	\$842,753	\$2,403,439	\$3,246,192
2018	\$4,333,581,815	\$643,900,159	0.02%	0.46%	\$866,716	\$2,952,926	\$3,819,642
2019	\$4,453,400,240	\$763,718,584	0.02%	0.46%	\$890,680	\$3,502,413	\$4,393,093
2020	\$4,573,218,665	\$883,537,009	0.02%	0.46%	\$914,644	\$4,051,901	\$4,966,544
2021	\$4,687,765,268	\$998,083,612	0.02%	0.46%	\$937,553	\$4,577,211	\$5,514,764
2022	\$4,802,311,870	\$1,112,630,214	0.02%	0.46%	\$960,462	\$5,102,522	\$6,062,985
2023	\$4,916,858,473	\$1,227,176,817	0.02%	0.46%	\$983,372	\$5,627,833	\$6,611,205
2024	\$5,031,405,075	\$1,341,723,419	0.02%	0.46%	\$1,006,281	\$6,153,144	\$7,159,425
2025	\$5,145,951,677	\$1,456,270,021	0.02%	0.46%	\$1,029,190	\$6,678,454	\$7,707,645
2026	\$5,258,865,377	\$1,569,183,721	0.02%	0.46%	\$1,051,773	\$7,196,277	\$8,248,050
2027	\$5,371,779,076	\$1,682,097,420	0.02%	0.46%	\$1,074,356	\$7,714,099	\$8,788,455
2028	\$5,484,692,776	\$1,795,011,119	0.02%	0.46%	\$1,096,939	\$8,231,921	\$9,328,860
2029	\$5,597,606,475	\$1,907,924,819	0.02%	0.46%	\$1,119,521	\$8,749,743	\$9,869,265
2030	\$5,710,520,174	\$2,020,838,518	0.02%	0.46%	\$1,142,104	\$9,267,565	\$10,409,669
2031	\$5,823,024,726	\$2,133,343,070	0.02%	0.46%	\$1,164,605	\$9,783,511	\$10,948,116
2032	\$5,935,529,277	\$2,245,847,621	0.02%	0.46%	\$1,187,106	\$10,299,457	\$11,486,563
2033	\$6,048,033,829	\$2,358,352,172	0.02%	0.46%	\$1,209,607	\$10,815,403	\$12,025,010
2034	\$6,160,538,380	\$2,470,856,724	0.02%	0.46%	\$1,232,108	\$11,331,349	\$12,563,457
2035	\$6,273,042,931	\$2,583,361,275	0.02%	0.46%	\$1,254,609	\$11,847,295	\$13,101,903

Notes:

- (F) Equals Residential Column (D) plus Commercial Column (D).
- (G) Equals Residential Column (E) plus Commercial Column (E).
- (H) Shows a possible MSD tax rate. Actual rate could go as high as approximately 0.2% per State law.
- (I) City of Charlotte Tax Rate, as shown on Key Assumptions table.
- (J) Equals Column (F) times Column (H)
- (K) Equals Column (G) times Column (I)
- (L) Equals Column (J) plus Column (K).

Sources: Mecklenburg County Office of the Tax Collector, 2008, BAE, 2008.

Table D-8: Calculation of Incremental Value, Streetcar / Low Appreciation / Baseline Growth Scenario

(Figures in constant 2008 dollars)

Total										
Year	RESIDENTIAL PROPERTIES					COMMERCIAL PROPERTIES				
	Starting Assessed Value (A)	Annual Appreciation Factor (B)	Net Value of New Development (C)	Ending Assessed Value (D)	Incremental Valuation (E)	Starting Assessed Value (A)	Annual Appreciation Factor (B)	Net Value of New Development (C)	Ending Assessed Value (D)	Incremental Valuation (E)
2010	\$550,957,426	0.0%	\$38,016,156	\$588,973,583	\$38,016,156	\$3,138,724,230	0.0%	\$24,040,853	\$3,162,765,083	\$24,040,853
2011	\$588,973,583	0.0%	\$38,016,156	\$626,989,739	\$76,032,313	\$3,162,765,083	0.0%	\$24,040,853	\$3,186,805,936	\$48,081,706
2012	\$626,989,739	0.0%	\$38,016,156	\$665,005,896	\$114,048,469	\$3,186,805,936	0.0%	\$24,040,853	\$3,210,846,789	\$72,122,559
2013	\$665,005,896	0.0%	\$38,016,156	\$703,022,052	\$152,064,626	\$3,210,846,789	0.0%	\$24,040,853	\$3,234,887,642	\$96,163,412
2014	\$703,022,052	0.0%	\$38,016,156	\$741,038,209	\$190,080,782	\$3,234,887,642	0.0%	\$24,040,853	\$3,258,928,495	\$120,204,265
2015	\$741,038,209	0.0%	\$38,016,156	\$779,054,365	\$228,096,939	\$3,258,928,495	0.0%	\$24,040,853	\$3,282,969,348	\$144,245,118
2016	\$779,054,365	0.0%	\$75,743,054	\$854,797,419	\$303,839,993	\$3,282,969,348	0.0%	\$72,897,068	\$3,355,866,416	\$217,142,186
2017	\$854,797,419	0.0%	\$75,743,054	\$930,540,473	\$379,583,046	\$3,355,866,416	0.0%	\$72,897,068	\$3,428,763,484	\$290,039,255
2018	\$930,540,473	0.0%	\$75,743,054	\$1,006,283,527	\$455,326,100	\$3,428,763,484	0.0%	\$72,897,068	\$3,501,660,552	\$362,936,323
2019	\$1,006,283,527	0.0%	\$75,743,054	\$1,082,026,580	\$531,069,154	\$3,501,660,552	0.0%	\$72,897,068	\$3,574,557,620	\$435,833,391
2020	\$1,082,026,580	0.0%	\$75,743,054	\$1,157,769,634	\$606,812,208	\$3,574,557,620	0.0%	\$72,897,068	\$3,647,454,689	\$508,730,459
2021	\$1,157,769,634	0.0%	\$77,796,782	\$1,235,566,416	\$684,608,989	\$3,647,454,689	0.0%	\$67,230,752	\$3,714,685,440	\$575,961,211
2022	\$1,235,566,416	0.0%	\$77,796,782	\$1,313,363,198	\$762,405,771	\$3,714,685,440	0.0%	\$67,230,752	\$3,781,916,192	\$643,191,962
2023	\$1,313,363,198	0.0%	\$77,796,782	\$1,391,159,979	\$840,202,553	\$3,781,916,192	0.0%	\$67,230,752	\$3,849,146,943	\$710,422,714
2024	\$1,391,159,979	0.0%	\$77,796,782	\$1,468,956,761	\$917,999,335	\$3,849,146,943	0.0%	\$67,230,752	\$3,916,377,695	\$777,653,465
2025	\$1,468,956,761	0.0%	\$77,796,782	\$1,546,753,543	\$995,796,116	\$3,916,377,695	0.0%	\$67,230,752	\$3,983,608,446	\$844,884,217
2026	\$1,546,753,543	0.0%	\$87,409,556	\$1,634,163,098	\$1,083,205,672	\$3,983,608,446	0.0%	\$60,696,942	\$4,044,305,388	\$905,581,158
2027	\$1,634,163,098	0.0%	\$87,409,556	\$1,721,572,654	\$1,170,615,227	\$4,044,305,388	0.0%	\$60,696,942	\$4,105,002,330	\$966,278,100
2028	\$1,721,572,654	0.0%	\$87,409,556	\$1,808,982,209	\$1,258,024,783	\$4,105,002,330	0.0%	\$60,696,942	\$4,165,699,271	\$1,026,975,042
2029	\$1,808,982,209	0.0%	\$87,409,556	\$1,896,391,765	\$1,345,434,339	\$4,165,699,271	0.0%	\$60,696,942	\$4,226,396,213	\$1,087,671,983
2030	\$1,896,391,765	0.0%	\$87,409,556	\$1,983,801,321	\$1,432,843,894	\$4,226,396,213	0.0%	\$60,696,942	\$4,287,093,154	\$1,148,368,925
2031	\$1,983,801,321	0.0%	\$88,434,779	\$2,072,236,100	\$1,521,278,673	\$4,287,093,154	0.0%	\$59,880,697	\$4,346,973,851	\$1,208,249,622
2032	\$2,072,236,100	0.0%	\$88,434,779	\$2,160,670,879	\$1,609,713,453	\$4,346,973,851	0.0%	\$59,880,697	\$4,406,854,549	\$1,268,130,319
2033	\$2,160,670,879	0.0%	\$88,434,779	\$2,249,105,659	\$1,698,148,232	\$4,406,854,549	0.0%	\$59,880,697	\$4,466,735,246	\$1,328,011,016
2034	\$2,249,105,659	0.0%	\$88,434,779	\$2,337,540,438	\$1,786,583,012	\$4,466,735,246	0.0%	\$59,880,697	\$4,526,615,943	\$1,387,891,713
2035	\$2,337,540,438	0.0%	\$88,434,779	\$2,425,975,218	\$1,875,017,791	\$4,526,615,943	0.0%	\$59,880,697	\$4,586,496,640	\$1,447,772,410

Notes:

(A) Based on assessed value of parcels located within 1/4 mile of proposed streetcar route, adjusted to account for anticipated revaluation in 2010.

The starting value for 2010 is the "baseline valuation" used for calculating incremental valuation.

(B) Annual appreciation includes the following factors, shown in the Key Assumptions table:

-The TOD Premium, which is assumed to apply to the land value of each segment in the starting year. Because the TOD premium applies to land only, the percent increase shown above (which applies to total valuation) is less than the percent increase in land value shown in the Key Assumptions table.

-The Neighborhood Reinvestment Factor, which is attributable to renovation and upgrades of existing improvements and is realized each year.

(C) Based on market value of projected new development net of average existing value of development assumed to be replaced.

(D) Equals Column (A) times Column (B) plus Column (C).

(E) Equals Column (D) minus Column (A).

Table D-8: Calculation of Incremental Value, Streetcar / Low Appreciation / Baseline Growth Scenario (continued)
(Figures in constant 2008 dollars)

Total								
Year	Total Ending Assessed Value (F)	Total Incremental Valuation (G)	MSD Tax Rate (H)	TIF Tax Rate (I)	Tax Revenues			
					Annual MSD Revenues (J)	Annual TIF Revenues (K)	Total MSD and TIF Revenues (L)	
2010	\$3,751,738,666	\$62,057,010	0.02%	0.46%	\$750,348	\$284,593	\$1,034,941	
2011	\$3,813,795,675	\$124,114,019	0.02%	0.46%	\$762,759	\$569,187	\$1,331,946	
2012	\$3,875,852,685	\$186,171,029	0.02%	0.46%	\$775,171	\$853,780	\$1,628,951	
2013	\$3,937,909,694	\$248,228,038	0.02%	0.46%	\$787,582	\$1,138,374	\$1,925,956	
2014	\$3,999,966,704	\$310,285,048	0.02%	0.46%	\$799,993	\$1,422,967	\$2,222,961	
2015	\$4,062,023,713	\$372,342,057	0.02%	0.46%	\$812,405	\$1,707,561	\$2,519,965	
2016	\$4,210,663,835	\$520,982,179	0.02%	0.46%	\$842,133	\$2,389,224	\$3,231,357	
2017	\$4,359,303,957	\$669,622,301	0.02%	0.46%	\$871,861	\$3,070,888	\$3,942,749	
2018	\$4,507,944,079	\$818,262,423	0.02%	0.46%	\$901,589	\$3,752,551	\$4,654,140	
2019	\$4,656,584,201	\$966,902,545	0.02%	0.46%	\$931,317	\$4,434,215	\$5,365,532	
2020	\$4,805,224,323	\$1,115,542,667	0.02%	0.46%	\$961,045	\$5,115,879	\$6,076,924	
2021	\$4,950,251,856	\$1,260,570,200	0.02%	0.46%	\$990,050	\$5,780,975	\$6,771,025	
2022	\$5,095,279,389	\$1,405,597,733	0.02%	0.46%	\$1,019,056	\$6,446,071	\$7,465,127	
2023	\$5,240,306,923	\$1,550,625,267	0.02%	0.46%	\$1,048,061	\$7,111,167	\$8,159,229	
2024	\$5,385,334,456	\$1,695,652,800	0.02%	0.46%	\$1,077,067	\$7,776,264	\$8,853,331	
2025	\$5,530,361,989	\$1,840,680,333	0.02%	0.46%	\$1,106,072	\$8,441,360	\$9,547,432	
2026	\$5,678,468,486	\$1,988,786,830	0.02%	0.46%	\$1,135,694	\$9,120,576	\$10,256,270	
2027	\$5,826,574,983	\$2,136,893,327	0.02%	0.46%	\$1,165,315	\$9,799,793	\$10,965,108	
2028	\$5,974,681,481	\$2,284,999,825	0.02%	0.46%	\$1,194,936	\$10,479,009	\$11,673,945	
2029	\$6,122,787,978	\$2,433,106,322	0.02%	0.46%	\$1,224,558	\$11,158,226	\$12,382,783	
2030	\$6,270,894,475	\$2,581,212,819	0.02%	0.46%	\$1,254,179	\$11,837,442	\$13,091,621	
2031	\$6,419,209,951	\$2,729,528,295	0.02%	0.46%	\$1,283,842	\$12,517,617	\$13,801,459	
2032	\$6,567,525,428	\$2,877,843,772	0.02%	0.46%	\$1,313,505	\$13,197,792	\$14,511,297	
2033	\$6,715,840,904	\$3,026,159,248	0.02%	0.46%	\$1,343,168	\$13,877,966	\$15,221,134	
2034	\$6,864,156,381	\$3,174,474,725	0.02%	0.46%	\$1,372,831	\$14,558,141	\$15,930,972	
2035	\$7,012,471,858	\$3,322,790,201	0.02%	0.46%	\$1,402,494	\$15,238,316	\$16,640,810	

Notes:

- (F) Equals Residential Column (D) plus Commercial Column (D).
- (G) Equals Residential Column (E) plus Commercial Column (E).
- (H) Shows a possible MSD tax rate. Actual rate could go as high as approximately 0.2% per State law.
- (I) City of Charlotte Tax Rate, as shown on Key Assumptions table.
- (J) Equals Column (F) times Column (H)
- (K) Equals Column (G) times Column (I)
- (L) Equals Column (J) plus Column (K).

Sources: Mecklenburg County Office of the Tax Collector, 2008, BAE, 2008.

Table D-9: Calculation of Incremental Value, Streetcar / Moderate Appreciation / Baseline Growth Scenario

(Figures in constant 2008 dollars)

Total										
Year	RESIDENTIAL PROPERTIES					COMMERCIAL PROPERTIES				
	Starting Assessed Value (A)	Annual Appreciation Factor (B)	Net Value of New Development (C)	Ending Assessed Value (D)	Incremental Valuation (E)	Starting Assessed Value (A)	Annual Appreciation Factor (B)	Net Value of New Development (C)	Ending Assessed Value (D)	Incremental Valuation (E)
2010	\$550,957,426	1.2%	\$38,016,156	\$599,937,445	\$48,980,019	\$3,138,724,230	1.3%	\$24,040,853	\$3,205,076,255	\$66,352,025
2011	\$599,937,445	0.3%	\$38,016,156	\$639,753,414	\$88,795,988	\$3,205,076,255	0.0%	\$24,040,853	\$3,229,117,108	\$90,392,878
2012	\$639,753,414	0.3%	\$38,016,156	\$679,688,831	\$128,731,405	\$3,229,117,108	0.0%	\$24,040,853	\$3,253,157,961	\$114,433,731
2013	\$679,688,831	0.3%	\$38,016,156	\$719,744,054	\$168,786,628	\$3,253,157,961	0.0%	\$24,040,853	\$3,277,198,814	\$138,474,584
2014	\$719,744,054	0.3%	\$38,016,156	\$759,919,443	\$208,962,016	\$3,277,198,814	0.0%	\$24,040,853	\$3,301,239,667	\$162,515,437
2015	\$759,919,443	0.3%	\$38,016,156	\$800,215,357	\$249,257,931	\$3,301,239,667	0.0%	\$24,040,853	\$3,325,280,520	\$186,556,290
2016	\$800,215,357	0.3%	\$75,743,054	\$878,359,057	\$327,401,631	\$3,325,280,520	0.0%	\$72,897,068	\$3,398,177,588	\$259,453,359
2017	\$878,359,057	0.3%	\$75,743,054	\$956,737,188	\$405,779,762	\$3,398,177,588	0.0%	\$72,897,068	\$3,471,074,656	\$332,350,427
2018	\$956,737,188	0.3%	\$75,743,054	\$1,035,350,453	\$484,393,027	\$3,471,074,656	0.0%	\$72,897,068	\$3,543,971,724	\$405,247,495
2019	\$1,035,350,453	0.3%	\$75,743,054	\$1,114,199,559	\$563,242,132	\$3,543,971,724	0.0%	\$72,897,068	\$3,616,868,793	\$478,144,563
2020	\$1,114,199,559	0.3%	\$75,743,054	\$1,193,285,211	\$642,327,785	\$3,616,868,793	0.0%	\$72,897,068	\$3,689,765,861	\$551,041,631
2021	\$1,193,285,211	0.3%	\$77,796,782	\$1,274,661,848	\$723,704,422	\$3,689,765,861	0.0%	\$67,230,752	\$3,756,996,612	\$618,272,383
2022	\$1,274,661,848	0.3%	\$77,796,782	\$1,356,282,616	\$805,325,189	\$3,756,996,612	0.0%	\$67,230,752	\$3,824,227,364	\$685,503,134
2023	\$1,356,282,616	0.3%	\$77,796,782	\$1,438,148,245	\$887,190,819	\$3,824,227,364	0.0%	\$67,230,752	\$3,891,458,115	\$752,733,886
2024	\$1,438,148,245	0.3%	\$77,796,782	\$1,520,259,472	\$969,302,045	\$3,891,458,115	0.0%	\$67,230,752	\$3,958,688,867	\$819,964,637
2025	\$1,520,259,472	0.3%	\$77,796,782	\$1,602,617,032	\$1,051,659,605	\$3,958,688,867	0.0%	\$67,230,752	\$4,025,919,619	\$887,195,389
2026	\$1,602,617,032	0.3%	\$87,409,556	\$1,694,834,438	\$1,143,877,012	\$4,025,919,619	0.0%	\$60,696,942	\$4,086,616,560	\$947,892,331
2027	\$1,694,834,438	0.3%	\$87,409,556	\$1,787,328,497	\$1,236,371,071	\$4,086,616,560	0.0%	\$60,696,942	\$4,147,313,502	\$1,008,589,272
2028	\$1,787,328,497	0.3%	\$87,409,556	\$1,880,100,038	\$1,329,142,612	\$4,147,313,502	0.0%	\$60,696,942	\$4,208,010,443	\$1,069,286,214
2029	\$1,880,100,038	0.3%	\$87,409,556	\$1,973,149,894	\$1,422,192,468	\$4,208,010,443	0.0%	\$60,696,942	\$4,268,707,385	\$1,129,983,155
2030	\$1,973,149,894	0.3%	\$87,409,556	\$2,066,478,899	\$1,515,521,473	\$4,268,707,385	0.0%	\$60,696,942	\$4,329,404,326	\$1,190,680,097
2031	\$2,066,478,899	0.3%	\$88,434,779	\$2,161,113,115	\$1,610,155,689	\$4,329,404,326	0.0%	\$59,880,697	\$4,389,285,024	\$1,250,560,794
2032	\$2,161,113,115	0.3%	\$88,434,779	\$2,256,031,234	\$1,705,073,808	\$4,389,285,024	0.0%	\$59,880,697	\$4,449,165,721	\$1,310,441,491
2033	\$2,256,031,234	0.3%	\$88,434,779	\$2,351,234,107	\$1,800,276,681	\$4,449,165,721	0.0%	\$59,880,697	\$4,509,046,418	\$1,370,322,188
2034	\$2,351,234,107	0.3%	\$88,434,779	\$2,446,722,589	\$1,895,765,162	\$4,509,046,418	0.0%	\$59,880,697	\$4,568,927,115	\$1,430,202,885
2035	\$2,446,722,589	0.3%	\$88,434,779	\$2,542,497,536	\$1,991,540,110	\$4,568,927,115	0.0%	\$59,880,697	\$4,628,807,812	\$1,490,083,583

Notes:

(A) Based on assessed value of parcels located within 1/4 mile of proposed streetcar route, adjusted to account for anticipated revaluation in 2010.

The starting value for 2010 is the "baseline valuation" used for calculating incremental valuation.

(B) Annual appreciation includes the following factors, shown in the Key Assumptions table:

-The TOD Premium, which is assumed to apply to the land value of each segment in the starting year. Because the TOD premium applies to land only, the percent increase shown above (which applies to total valuation) is less than the percent increase in land value shown in the Key Assumptions table.

-The Neighborhood Reinvestment Factor, which is attributable to renovation and upgrades of existing improvements and is realized each year.

(C) Based on market value of projected new development net of average existing value of development assumed to be replaced.

(D) Equals Column (A) times Column (B) plus Column (C).

(E) Equals Column (D) minus Column (A).

Table D-9: Calculation of Incremental Value, Streetcar / Moderate Appreciation / Baseline Growth Scenario (continued)
(Figures in constant 2008 dollars)

Total							
Year	Total Ending Assessed Value (F)	Total Incremental Valuation (G)	MSD Tax Rate (H)	TIF Tax Rate (I)	Tax Revenues		
					Annual MSD Revenues (J)	Annual TIF Revenues (K)	Total MSD and TIF Revenues (L)
2010	\$3,805,013,700	\$115,332,044	0.04%	0.46%	\$1,522,005	\$528,913	\$2,050,918
2011	\$3,868,870,522	\$179,188,866	0.04%	0.46%	\$1,547,548	\$821,760	\$2,369,308
2012	\$3,932,846,792	\$243,165,136	0.04%	0.46%	\$1,573,139	\$1,115,155	\$2,688,294
2013	\$3,996,942,868	\$307,261,212	0.04%	0.46%	\$1,598,777	\$1,409,100	\$3,007,877
2014	\$4,061,159,110	\$371,477,453	0.04%	0.46%	\$1,624,464	\$1,703,596	\$3,328,059
2015	\$4,125,495,877	\$435,814,221	0.04%	0.46%	\$1,650,198	\$1,998,644	\$3,648,842
2016	\$4,276,536,645	\$586,854,989	0.04%	0.46%	\$1,710,615	\$2,691,317	\$4,401,932
2017	\$4,427,811,844	\$738,130,188	0.04%	0.46%	\$1,771,125	\$3,385,065	\$5,156,190
2018	\$4,579,322,178	\$889,640,522	0.04%	0.46%	\$1,831,729	\$4,079,891	\$5,911,620
2019	\$4,731,068,351	\$1,041,386,695	0.04%	0.46%	\$1,892,427	\$4,775,799	\$6,668,227
2020	\$4,883,051,072	\$1,193,369,416	0.04%	0.46%	\$1,953,220	\$5,472,792	\$7,426,013
2021	\$5,031,658,461	\$1,341,976,805	0.04%	0.46%	\$2,012,663	\$6,154,306	\$8,166,969
2022	\$5,180,509,979	\$1,490,828,323	0.04%	0.46%	\$2,072,204	\$6,836,939	\$8,909,143
2023	\$5,329,606,361	\$1,639,924,705	0.04%	0.46%	\$2,131,843	\$7,520,695	\$9,652,537
2024	\$5,478,948,339	\$1,789,266,683	0.04%	0.46%	\$2,191,579	\$8,205,577	\$10,397,156
2025	\$5,628,536,650	\$1,938,854,994	0.04%	0.46%	\$2,251,415	\$8,891,589	\$11,143,004
2026	\$5,781,450,999	\$2,091,769,343	0.04%	0.46%	\$2,312,580	\$9,592,854	\$11,905,435
2027	\$5,934,641,999	\$2,244,960,343	0.04%	0.46%	\$2,373,857	\$10,295,388	\$12,669,245
2028	\$6,088,110,482	\$2,398,428,826	0.04%	0.46%	\$2,435,244	\$10,999,195	\$13,434,439
2029	\$6,241,857,279	\$2,552,175,623	0.04%	0.46%	\$2,496,743	\$11,704,277	\$14,201,020
2030	\$6,395,883,226	\$2,706,201,570	0.04%	0.46%	\$2,558,353	\$12,410,640	\$14,968,994
2031	\$6,550,398,139	\$2,860,716,483	0.04%	0.46%	\$2,620,159	\$13,119,246	\$15,739,405
2032	\$6,705,196,955	\$3,015,515,299	0.04%	0.46%	\$2,682,079	\$13,829,153	\$16,511,232
2033	\$6,860,280,525	\$3,170,598,869	0.04%	0.46%	\$2,744,112	\$14,540,366	\$17,284,479
2034	\$7,015,649,704	\$3,325,968,048	0.04%	0.46%	\$2,806,260	\$15,252,889	\$18,059,149
2035	\$7,171,305,348	\$3,481,623,692	0.04%	0.46%	\$2,868,522	\$15,966,726	\$18,835,248

(F) Equals Residential Column (D) plus Commercial Column (D).

(G) Equals Residential Column (E) plus Commercial Column (E).

(H) Shows a possible MSD tax rate. Actual rate could go as high as approximately 0.2% per State law.

(I) City of Charlotte Tax Rate, as shown on Key Assumptions table.

(J) Equals Column (F) times Column (H)

(K) Equals Column (G) times Column (I)

(L) Equals Column (J) plus Column (K).

Sources: Mecklenburg County Office of the Tax Collector, 2008, BAE, 2008.

Table D-10: Calculation of Incremental Value, Streetcar / High Appreciation / Accelerated Growth Scenario

(Figures in constant 2008 dollars)

Total										
Year	RESIDENTIAL PROPERTIES					COMMERCIAL PROPERTIES				
	Starting Assessed Value (A)	Annual Appreciation Factor (B)	Net Value of New Development (C)	Ending Assessed Value (D)	Incremental Valuation (E)	Starting Assessed Value (A)	Annual Appreciation Factor (B)	Net Value of New Development (C)	Ending Assessed Value (D)	Incremental Valuation (E)
2010	\$550,957,426	2.1%	\$38,016,156	\$609,248,436	\$58,291,009	\$3,138,724,230	2.7%	\$24,040,853	\$3,247,387,427	\$108,663,197
2011	\$609,248,436	0.3%	\$38,016,156	\$649,092,337	\$98,134,911	\$3,247,387,427	0.0%	\$24,040,853	\$3,271,428,280	\$132,704,050
2012	\$649,092,337	0.3%	\$38,016,156	\$689,055,771	\$138,098,344	\$3,271,428,280	0.0%	\$24,040,853	\$3,295,469,133	\$156,744,903
2013	\$689,055,771	0.3%	\$38,016,156	\$729,139,095	\$178,181,668	\$3,295,469,133	0.0%	\$24,040,853	\$3,319,509,986	\$180,785,756
2014	\$729,139,095	0.3%	\$38,016,156	\$769,342,668	\$218,385,242	\$3,319,509,986	0.0%	\$24,040,853	\$3,343,550,839	\$204,826,609
2015	\$769,342,668	0.3%	\$38,016,156	\$809,666,853	\$258,709,427	\$3,343,550,839	0.0%	\$24,040,853	\$3,367,591,692	\$228,867,462
2016	\$809,666,853	0.3%	\$98,077,747	\$910,173,601	\$359,216,175	\$3,367,591,692	0.0%	\$74,347,145	\$3,441,938,837	\$303,214,607
2017	\$910,173,601	0.3%	\$98,077,747	\$1,010,981,869	\$460,024,443	\$3,441,938,837	0.0%	\$74,347,145	\$3,516,285,982	\$377,561,752
2018	\$1,010,981,869	0.3%	\$98,077,747	\$1,112,092,562	\$561,135,136	\$3,516,285,982	0.0%	\$74,347,145	\$3,590,633,127	\$451,908,897
2019	\$1,112,092,562	0.3%	\$98,077,747	\$1,213,506,587	\$662,549,161	\$3,590,633,127	0.0%	\$74,347,145	\$3,664,980,272	\$526,256,042
2020	\$1,213,506,587	0.3%	\$98,077,747	\$1,315,224,855	\$764,267,428	\$3,664,980,272	0.0%	\$74,347,145	\$3,739,327,417	\$600,603,187
2021	\$1,315,224,855	0.3%	\$93,387,535	\$1,412,558,064	\$861,600,638	\$3,739,327,417	0.0%	\$69,617,832	\$3,808,945,248	\$670,221,019
2022	\$1,412,558,064	0.3%	\$93,387,535	\$1,510,183,273	\$959,225,847	\$3,808,945,248	0.0%	\$69,617,832	\$3,878,563,080	\$739,838,851
2023	\$1,510,183,273	0.3%	\$93,387,535	\$1,608,101,358	\$1,057,143,931	\$3,878,563,080	0.0%	\$69,617,832	\$3,948,180,912	\$809,456,682
2024	\$1,608,101,358	0.3%	\$93,387,535	\$1,706,313,197	\$1,155,355,770	\$3,948,180,912	0.0%	\$69,617,832	\$4,017,798,744	\$879,074,514
2025	\$1,706,313,197	0.3%	\$93,387,535	\$1,804,819,671	\$1,253,862,245	\$4,017,798,744	0.0%	\$69,617,832	\$4,087,416,575	\$948,692,346
2026	\$1,804,819,671	0.3%	\$97,910,676	\$1,908,144,806	\$1,357,187,380	\$4,087,416,575	0.0%	\$63,910,841	\$4,151,327,416	\$1,012,603,186
2027	\$1,908,144,806	0.3%	\$97,910,676	\$2,011,779,916	\$1,460,822,490	\$4,151,327,416	0.0%	\$63,910,841	\$4,215,238,256	\$1,076,514,027
2028	\$2,011,779,916	0.3%	\$97,910,676	\$2,115,725,931	\$1,564,768,505	\$4,215,238,256	0.0%	\$63,910,841	\$4,279,149,097	\$1,140,424,867
2029	\$2,115,725,931	0.3%	\$97,910,676	\$2,219,983,785	\$1,669,026,358	\$4,279,149,097	0.0%	\$63,910,841	\$4,343,059,937	\$1,204,335,708
2030	\$2,219,983,785	0.3%	\$97,910,676	\$2,324,554,412	\$1,773,596,985	\$4,343,059,937	0.0%	\$63,910,841	\$4,406,970,778	\$1,268,246,548
2031	\$2,324,554,412	0.3%	\$101,568,113	\$2,433,096,188	\$1,882,138,761	\$4,406,970,778	0.0%	\$61,105,833	\$4,468,076,611	\$1,329,352,382
2032	\$2,433,096,188	0.3%	\$101,568,113	\$2,541,963,589	\$1,991,006,162	\$4,468,076,611	0.0%	\$61,105,833	\$4,529,182,445	\$1,390,458,215
2033	\$2,541,963,589	0.3%	\$101,568,113	\$2,651,157,593	\$2,100,200,166	\$4,529,182,445	0.0%	\$61,105,833	\$4,590,288,278	\$1,451,564,048
2034	\$2,651,157,593	0.3%	\$101,568,113	\$2,760,679,178	\$2,209,721,752	\$4,590,288,278	0.0%	\$61,105,833	\$4,651,394,111	\$1,512,669,882
2035	\$2,760,679,178	0.3%	\$101,568,113	\$2,870,529,328	\$2,319,571,902	\$4,651,394,111	0.0%	\$61,105,833	\$4,712,499,945	\$1,573,775,715

Notes:

(A) Based on assessed value of parcels located within 1/4 mile of proposed streetcar route, adjusted to account for anticipated revaluation in 2010.

The starting value for 2010 is the "baseline valuation" used for calculating incremental valuation.

(B) Annual appreciation includes the following factors, shown in the Key Assumptions table:

-The TOD Premium, which is assumed to apply to the land value of each segment in the starting year. Because the TOD premium applies to land only, the percent increase shown above (which applies to total valuation) is less than the percent increase in land value shown in the Key Assumptions table.

-The Neighborhood Reinvestment Factor, which is attributable to renovation and upgrades of existing improvements and is realized each year.

(C) Based on market value of projected new development net of average existing value of development assumed to be replaced.

(D) Equals Column (A) times Column (B) plus Column (C).

(E) Equals Column (D) minus Column (A).

Table D-10: Calculation of Incremental Value, Streetcar / High Appreciation / Accelerated Growth Scenario (continued)
(Figures in constant 2008 dollars)

Total							
Year	Total Ending Assessed Value (F)	Total Incremental Valuation (G)	MSD Tax Rate (H)	TIF Tax Rate (I)	Tax Revenues		
					Annual MSD Revenues (J)	Annual TIF Revenues (K)	Total MSD and TIF Revenues (L)
2010	\$3,856,635,862	\$166,954,206	0.06%	0.46%	\$2,313,982	\$765,652	\$3,079,634
2011	\$3,920,520,617	\$230,838,961	0.06%	0.46%	\$2,352,312	\$1,058,627	\$3,410,940
2012	\$3,984,524,904	\$294,843,248	0.06%	0.46%	\$2,390,715	\$1,352,151	\$3,742,866
2013	\$4,048,649,081	\$358,967,425	0.06%	0.46%	\$2,429,189	\$1,646,225	\$4,075,414
2014	\$4,112,893,508	\$423,211,851	0.06%	0.46%	\$2,467,736	\$1,940,850	\$4,408,586
2015	\$4,177,258,545	\$487,576,889	0.06%	0.46%	\$2,506,355	\$2,236,028	\$4,742,383
2016	\$4,352,112,438	\$662,430,782	0.06%	0.46%	\$2,611,267	\$3,037,908	\$5,649,175
2017	\$4,527,267,851	\$837,586,195	0.06%	0.46%	\$2,716,361	\$3,841,170	\$6,557,531
2018	\$4,702,725,689	\$1,013,044,033	0.06%	0.46%	\$2,821,635	\$4,645,820	\$7,467,455
2019	\$4,878,486,859	\$1,188,805,203	0.06%	0.46%	\$2,927,092	\$5,451,861	\$8,378,953
2020	\$5,054,552,271	\$1,364,870,615	0.06%	0.46%	\$3,032,731	\$6,259,297	\$9,292,028
2021	\$5,221,503,312	\$1,531,821,656	0.06%	0.46%	\$3,132,902	\$7,024,934	\$10,157,836
2022	\$5,388,746,353	\$1,699,064,697	0.06%	0.46%	\$3,233,248	\$7,791,911	\$11,025,159
2023	\$5,556,282,270	\$1,866,600,614	0.06%	0.46%	\$3,333,769	\$8,560,230	\$11,894,000
2024	\$5,724,111,941	\$2,034,430,284	0.06%	0.46%	\$3,434,467	\$9,329,897	\$12,764,364
2025	\$5,892,236,247	\$2,202,554,591	0.06%	0.46%	\$3,535,342	\$10,100,915	\$13,636,257
2026	\$6,059,472,222	\$2,369,790,566	0.06%	0.46%	\$3,635,683	\$10,867,860	\$14,503,543
2027	\$6,227,018,172	\$2,537,336,516	0.06%	0.46%	\$3,736,211	\$11,636,225	\$15,372,436
2028	\$6,394,875,028	\$2,705,193,372	0.06%	0.46%	\$3,836,925	\$12,406,017	\$16,242,942
2029	\$6,563,043,722	\$2,873,362,066	0.06%	0.46%	\$3,937,826	\$13,177,238	\$17,115,065
2030	\$6,731,525,190	\$3,041,843,533	0.06%	0.46%	\$4,038,915	\$13,949,894	\$17,988,810
2031	\$6,901,172,799	\$3,211,491,143	0.06%	0.46%	\$4,140,704	\$14,727,898	\$18,868,602
2032	\$7,071,146,034	\$3,381,464,378	0.06%	0.46%	\$4,242,688	\$15,507,396	\$19,750,083
2033	\$7,241,445,870	\$3,551,764,214	0.06%	0.46%	\$4,344,868	\$16,288,391	\$20,633,258
2034	\$7,412,073,289	\$3,722,391,633	0.06%	0.46%	\$4,447,244	\$17,070,888	\$21,518,132
2035	\$7,583,029,273	\$3,893,347,617	0.06%	0.46%	\$4,549,818	\$17,854,892	\$22,404,710

(F) Equals Residential Column (D) plus Commercial Column (D).

(G) Equals Residential Column (E) plus Commercial Column (E).

(H) Shows a possible MSD tax rate. Actual rate could go as high as approximately 0.2% per State law.

(I) City of Charlotte Tax Rate, as shown on Key Assumptions table.

(J) Equals Column (F) times Column (H)

(K) Equals Column (G) times Column (I)

(L) Equals Column (J) plus Column (K).

Sources: Mecklenburg County Office of the Tax Collector, 2008, BAE, 2008.

Appendix E: Interviewees

Tom Barnhardt	Barnhardt Manufacturing Company
Steven Burke	Novant Health (Presbyterian Hospital)
Bobby Drakeford	Developer/Investor
Dr. Kathy Drumm	Central Piedmont Community College
Malcolm Graham	Johnson C. Smith University
Clay Grubb	Grubb Properties
Jeffrey Harris	Post Properties
John Cole Hatcher	Developer/Investor
Terrence Llewellyn	Developer/Investor
Mattie Marshall	Washington Heights Community Association
Cheryl Meyers and Michael Smith	Charlotte Center City Partners
John L. Nichols III	The Nichols Company
Jim Palermo	Johnson & Wales
Rob Pressley	Firmitas Development
Monte Ritchey	Developer/Investor
John Rudolph	Rudolph Moore Properties
Guerdon Stuckey	Northwest Community Development Corporation
Stanley Wade	Wade Financial Services