

STRONG ECONOMIES, RESILIENT COUNTIES

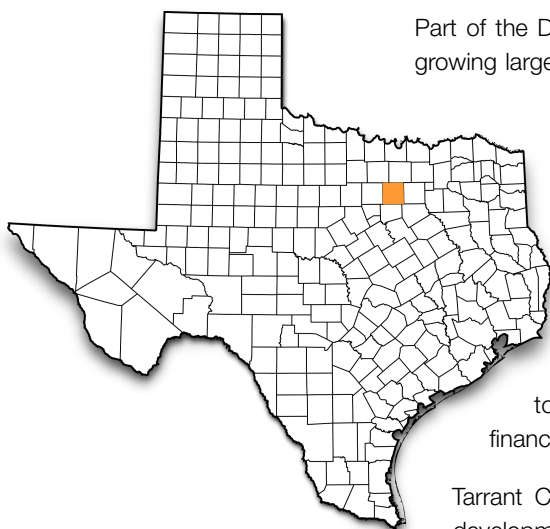
The Role of Counties in Economic Development



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TARRANT COUNTY, TEXAS

Supporting the Economy with Financing Tools



Part of the Dallas-Fort Worth-Arlington metropolitan, Tarrant County is one of the fastest growing large counties in the country. Since 2000, the county added almost half a million residents, a 30 percent growth rate between 2000 and 2013. Tarrant County's economy recovered quickly from the latest economic downturn, adding jobs at a fast pace. The county enjoys a diversified economy with employment spread across a number of sectors including trade, transportation, utilities, health care and manufacturing. In addition to a growing economy, the county also experienced a rapid population growth; the county's 1.9 million residents in 2013 represents an annual population growth rate of 2.1 percent between 2000 and 2013, making Tarrant County in this time period. While the county uses a variety of tools to support economic development, this case study focuses on innovative financing tools to attract new businesses to the county.

Tarrant County collaborates with the cities within the county in pursuing economic development initiatives. For the county, the appointed Economic Development Coordinator is responsible for coordinating economic development initiatives and county's incentive programs with municipalities, businesses and chambers of commerce. The county focuses mainly on supporting its cities' efforts rather than pursuing businesses independently. While an advocate for business growth in Tarrant County, the county does not recruit businesses to specific locations in the county, but the county defers the recruitment efforts to cities. The county may add value to a city's economic development package by participating with tax abatements or financing through a Tax Increment Financing (TIF) district.

TIF Districts

In conjunction with local municipalities, Tarrant County participates in TIF districts to fund infrastructure development for undeveloped land by dedicating future property tax revenues from the development in the TIF district for payment of project costs, notes or bonds issued to finance the infrastructure development. The State of Texas allows political subdivisions to create TIF districts, under Chapter 311 of the Texas Tax Code. The TIF districts are established by a municipality and the county joins that municipality in funding those improvements. Tarrant County does not

- Population, 2013: 1.9 million
- County Board size: 5
- Elected County Judge
- County Administrator

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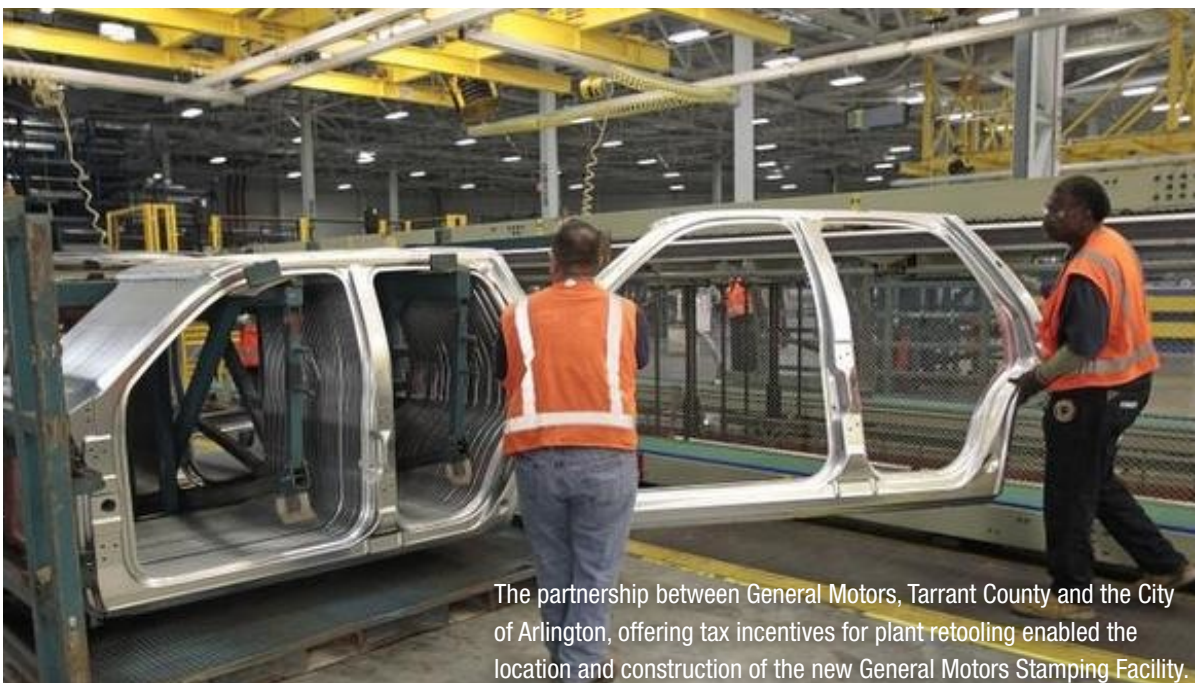
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issue the debt to finance these improvements; the initiating municipalities issue debt or the developer that pays for the public improvements. The debt is reimbursed over time from the incremental taxes generated within the TIF district. TIF financing generally pays for infrastructure projects (including roads, bridges, parking, water/sewer/drainage, right-of-way landscaping and lighting) within the TIF district, but not private facilities in the TIF district. The county participates in TIF districts to more broadly develop large areas for retail, commercial, office and residential uses. As of June 2013, Tarrant County had 29 active TIF districts, such as the Downtown Euless TIF District, the Grapevine Mills TIF District, the Southlake TIF District and the Downtown Fort Worth TIF District.

Foreign Trade Zones (FTZs)

The county is home to three FTZs, which are areas in which the county forgoes tax revenue on imported and exported inventory values in order to stimulate business. These FTZs circulate high volumes of goods coming in or leaving the United States. For example, the FTZ at the Fort Worth's Alliance Airport ranked as the top FTZ in the county by value of goods passing through the zone in four out of the last five years. The FTZ recorded more than \$4 billion worth of foreign goods in FY2010. The world's first 100 percent industrial airport, this FTZ is 9,600 acres within the Alliance Global Logistics Hub and benefits from multi-modal transportation access, including the Fort Worth Airport, rail lines, an intermodal facility and access to the interstate and highways.

Tarrant County plays an active role in supporting local economic development with finance mechanisms such as TIFs and FTZs. As each city within the county has unique needs, the county uses a collaborative policy to support and ensure those needs are met, while creating opportunities that impact residents countywide. By using innovative financial mechanisms and partnering with its municipalities, Tarrant County ensures job growth and economic diversification to support its rapidly growing population.



The partnership between General Motors, Tarrant County and the City of Arlington, offering tax incentives for plant retooling enabled the location and construction of the new General Motors Stamping Facility.