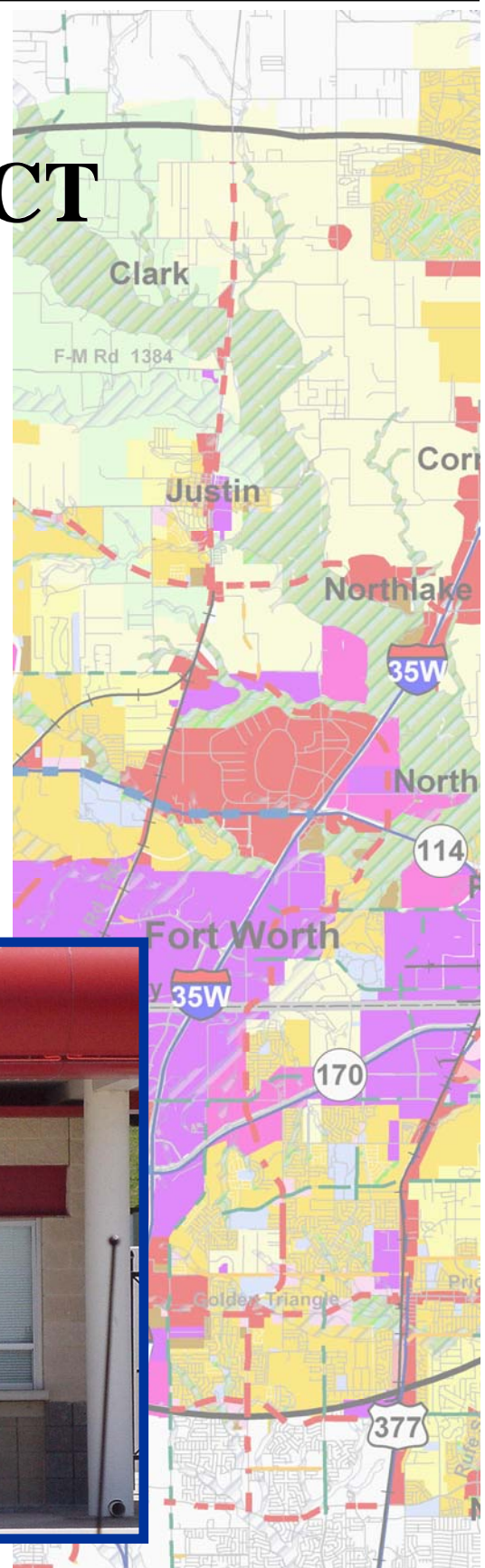


# ECONOMIC IMPACT

4

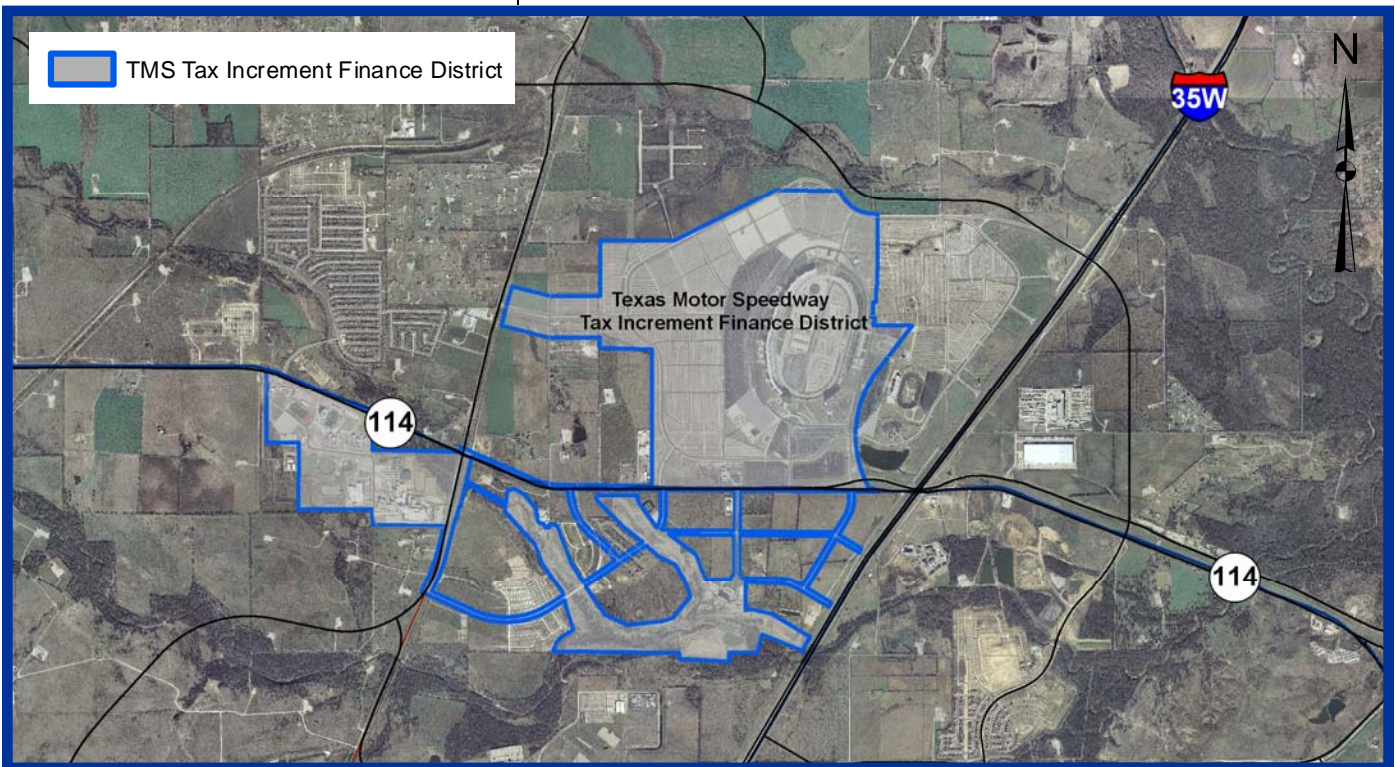


The economic impact of TMS on the metropolitan region is considerable. Due to TMS, Fort Worth hosts the five largest single-day sporting events in the state of Texas each year. According to an Insight Research Corporation report, the economic benefit generated by TMS annually is comparable to hosting a Super Bowl every year. As the area around TMS transitions from a generally rural to a suburban or urban area, it will become critical to strike a balance between protecting the economic impact of TMS and supporting appropriate new commercial and industrial development. Projects such as Champion’s Circle, the Speedway Distribution Center, and new projects in the Alliance Airport Industrial Growth Center will continue to expand the employment and tax base in the study area. Additional racing and entertainment-oriented developments could expand the economic impact of TMS on the region significantly.

**Establishment of the Texas Motor Speedway Tax Increment Financing District**

The City of Fort Worth created the Fort Worth Sports Authority as a nonprofit industrial development corporation to own Texas Motor Speedway. The Sports Authority purchased TMS as a public improvement in 1996 through the creation of tax increment finance district #2. The district is divided into two

Figure 4.1 Tax Increment Finance District #2, Texas Motor Speedway





zones. The original zone (TIF 2A) is the Texas Motor Speedway itself, with the City of Fort Worth and Denton County as the only taxing entities participating. In 1999, the Northwest ISD and the Beechwood Company joined an expanded TIF district (TIF 2B). The primary purpose of the expansion was to provide a mechanism for the development of necessary infrastructure and to fund joint use educational facilities as public improvements. Northwest Independent School District agreed to participate as a taxing entity in TIF 2A. The school district is the only taxing entity in TIF 2B. The TIF devotes \$20 million to the purchase of the speedway annually. The remaining funds are dedicated to infrastructure improvements for the speedway and community educational facilities, including the construction of a natatorium. The TIF district is scheduled to terminate on December 31, 2035, or earlier if all funding obligations associated with the purchase of the speedway are met.

### **Insight Research Corporation Economic Impact Analysis Review**

In 2004, the Sports Authority commissioned an analysis of the historic and future economic impact of Texas Motor Speedway by the Insight Research Corporation. The report provided current findings quantifying economic, employment, and tax revenue impact of the speedway, and how activities at TMS have benefited the City of Fort Worth, Denton County, the Northwest Independent School District, and the State of Texas. Five components of the TMS facility were examined separately:

- Acquisition and construction phase of the Texas Motor Speedway site;
- Year-to-year operations of the Texas Motor Speedway and Speedway Club Tower;
- Benefits of visitor spending related to activities at the Texas Motor Speedway;
- Privately owned condominium portion of the LoneStar Tower; and
- Office portion of the LoneStar Tower, also a privately owned structure.

### **Economic Impact**

- Cumulative economic impact 1995-2003: \$2 billion dollars.
- Forecasted economic impact 1995-2008: \$3.11 billion dollars.



Figure 4.2 Construction of the Speedway Club Tower.



Figure 4.3 Aerial view of TMS during construction.

- Economic impact of 2nd NASCAR race event: \$295.7 million dollars.
- Estimated total economic impact of TMS 1995-2008: \$3.41 billion dollars.

#### **Employment Impact**

- 1995 through 2003: 413 new jobs and 15,163 years of work.
- 1995 through 2008: 20,963 years of work.

#### **Tax Revenue Impact**

- Total direct and indirect tax benefits 1995-2003: \$134.3 million dollars.
- City of Fort Worth total direct and indirect tax benefits 1995-2003: \$21.9 million dollars.

<b>TMS Annual and Cumulative Economic Impact (in millions)</b>		
<b>Year</b>	<b>Annual Impact</b>	<b>Cumulative Impact</b>
1995	\$15.8	\$15.8
1996	\$269.9	\$285.7
1997	\$419.8	\$705.5
1998	\$232.8	\$938.2
1999	\$235.7	\$1,173.9
2000	\$208.9	\$1,382.9
2001	\$200.4	\$1,583.3
2002	\$203.9	\$1,787.2
2003	\$211.3	\$1,998.5
2004	\$214.4	\$2,212.9
2005	\$218.8	\$2,431.7
2006	\$223.2	\$2,654.8
2007	\$227.7	\$2,882.6
2008	\$232.4	\$3,114.9

Table 4.1 TMS Annual and Cumulative Economic Impact.  
(Source: Insight Research Corporation, 2004)

TMS added a second Sprint Cup Series race in 2005 after the release of the economic analysis report. The report estimated the value of adding a second NASCAR event to the schedule would total \$295 million dollars in new economic activity between 2005 and 2008. This increase raises the total economic impact of TMS between 1995 and 2008 to an estimated \$3.41 billion dollars. The 2004 Insight Research Corporation report is attached as Appendix C.

## **Economic Recommendations**

In comparison to similar racetracks across the country, the area around TMS has yet to fully capitalize on the opportunities associated with such a facility. Las Vegas has extensive auto related industries near the track. Charlotte has a large regional shopping center and numerous hotels. Projects at both Daytona and Kansas have widened the appeal of the area as a sports entertainment district. These are just a few of the possible opportunities for the TMS study area. As development activity increases, greater planning efforts will be needed to strengthen the TMS area as a destination for not only the Metroplex, but for the entire country.

- Consider a joint planning effort between Fort Worth, Northlake, and other adjacent communities to capitalize on and promote the TMS area as a sports entertainment district.
- Support an economic analysis of the entire TMS study area, which would assist in future land use, transportation, and economic development decisions.
- Support commercial development in the southwest quadrant of the I-35W and SH 114 interchange. As the furthest northern point along the I-35W corridor in Fort Worth, this is a strategic area to capture regional sales tax revenue.
- Continue to encourage appropriate uses and development forms to locate within the adjacent Alliance Industrial Growth Center.

