



Robert W. Hoxworth  
President & CEO

February 24, 2020

Mr. Kent Cagle, City Manager  
City of Killeen  
P.O. Box 1329  
Killeen, TX 76540-1329

RE: City of Killeen Application for Tax Abatement

Dear Mr. Cagle,

Enclosed herewith you will find our formal application package for tax abatement from the City of Killeen for the project that we've therein titled "FNBT HQ Building Project". This package is being provided to you in advance of our presentation scheduled for March 11, 2020, to the Killeen Economic Development Corporation. I anticipate after that KEDC meeting that the request will be favorably forwarded to you for consideration by the full Killeen City Council. Accordingly, we have also sent an abatement application package to Bell County in care of Judge David Blackburn.

As you may recall from our earlier discussion, this project proposes to construct a new 5-story professional office building containing 47,653 square feet on the northwest corner of I-14 and Trimmier Road in Killeen. The proposed building will serve as the corporate headquarters for First National Bank Texas, a regional community bank with over \$2 billion in assets and branches in Texas, Arizona, New Mexico and Arkansas. Construction of our new headquarters building on this site, will lead to 130 professional banking jobs with a current average base salary of \$66,983 being retained in the City of Killeen.

Please do not hesitate to call me if you have any questions or need further information regarding our request.

Sincerely,

A handwritten signature in blue ink that reads "Rob Hoxworth". The signature is fluid and cursive, written over a white background.

Robert W. Hoxworth



A division of First National Bank Texas



*Serving Those Who Serve*

February 28, 2020

# **First National Bank Texas**

## **City of Killeen – Application for Tax Abatement**

**FNBT HQ Building Project**  
**2201 Trimmier Road**  
**Killeen, Texas 76541**

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# **FIRST NATIONAL BANK TEXAS**

## **History, Project Summary, Jobs Retained, Footprint, Community Impact**

### **Prepared February 28, 2020**

The new FNBT HQ Building Project proposes to consolidate two (2) existing FNBT facilities into one new building. (130) employees from both the Downtown Gray Street HQ and Trimmier Branch will consolidate into one five-story (47,653 Sq Ft) facility at the corner of Trimmier Road & I-14. The new build will house a full service Bank on the first floor, and various Executive level and professional support departments on floors 2-5. A total of (130) full-time jobs will be located within the building and the average base pay for these employees currently is \$66,983. Once the new HQ facility is complete, the Bank intends to invest the downtown Gray St. facility into the appropriate project that will ensure that Downtown continues towards revitalization. Talks are already underway with several potential targets for this investment.

Chartered in 1901, First National Bank Texas is the oldest and longest continually operating Bell County Bank and has been rooted in Killeen since its founding, initially operating out of a hardware store owned and operated by the Rancier family (Brothers Will & Sam Rancier). In 1960, the Gray Street Bank building was built to serve the Greater Killeen and Fort Hood Area, and still serves as the Bank's Headquarters today. Chartered In 1965, Fort Hood National Bank was established in an effort to better serve our nation's military and their families and has been the sole Bank on Fort Hood since that time. On September 29, 1976, controlling interest of both banks was bought by Houston businessman Jerold B. Katz, and the banks are still owned by the Katz Family today. Throughout their rich history, the Bank(s) have been pillars of the community, serving the citizens of the city, as well as the military and their families through wartime and peace.

The Bank's Bell County footprint currently consists of twenty-three (23) banking centers, three (3) backroom support facilities, and three (3) First Community Mortgage offices, with plans to open two (2) additional banking centers in Temple and Copperas Cove in 2020. The total number of jobs just in the local Killeen-Temple MSA now totals (834).

As a result of First National Bank Texas' diversification into other markets, the Bank currently operates a total of (333) banking centers throughout Texas, New Mexico, Arizona and Arkansas and employs (3,229) banking professionals.

As a community bank and longstanding member of the Killeen community, the Bank is heavily involved in key initiatives and projects that promote the Killeen, Fort Hood and surrounding areas. Some of the projects include:

- A) Lemonade Day – is an annual, free entrepreneurial program brought to our community and spearheaded by First National Bank Texas and Fort Hood National Bank, offering children the opportunity to learn how to start, operate and own their own business thru a Lemonade Stand. The program spans from Copperas Cove to Belton, including Fort Hood;
- B) Shred Day – is a free event for the community to drop off paper and electronic hardware storage in need of shred or destruction. This event is held each October by First National Bank Texas in partnership with the Better Business Bureau at our Trimmier location;

- C) National Mounted Warfare Foundation – The Jerold B. Katz Foundation and First Community Foundation, Inc., the foundation of First Community Bancshares, Inc. (the parent company of First National Bank Texas and Fort Hood National Bank) have pledged a combined \$1 million to the National Mounted Warrior Museum Foundation to build a state of the art museum near the Fort Hood Main Gate;
- D) 14 Forward – is a 2018-2022 Economic Development Initiative of the Greater Killeen Chamber of Commerce funded by private investors who believe in the economic potential of the Greater Killeen area. First Community Foundation, Inc., the foundation of First Community Bancshares, Inc. (the parent company of First National Bank Texas and Fort Hood National Bank) has made a \$200,000 commitment to this economic development initiative over 5 years.

Since their founding, First National Bank Texas and Fort Hood National Bank have been committed to the growth, sustainability and development of the Killeen, Fort Hood and surrounding areas and remain devoted to the community through these and many other initiatives and projects.

As we continue to grow and look to the future, our mission continues to be to serve the community, one customer at a time, by providing the best products, service and banking experience possible. Our goal remains to be the community bank of choice in Bell County and continue our longstanding presence in the Greater Killeen, Fort Hood and surrounding areas for decades to come. We believe our proposed new FNBT HQ Building if located at Trimmier and I-14 will add the type of facility and retain the jobs that will help to further Killeen's future for decades to come. The Bank is seeking abatement of all improvements above the \$1.5M base value amount over a ten (10) year period, at the proposed Trimmier site today.



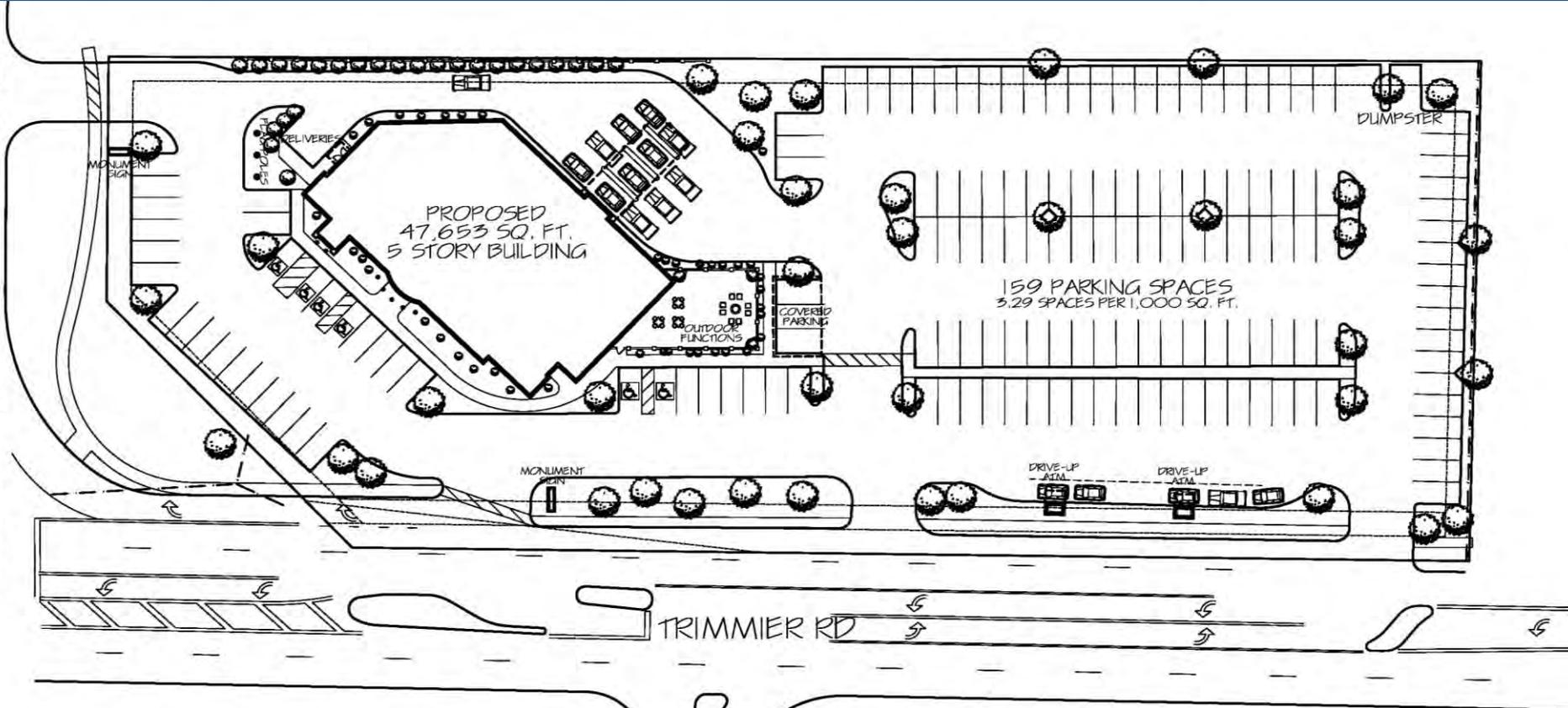
Trimmier Rd. at I-14  
Facility/Site Study

# PROPOSED HOME OFFICE

- **5 STORY, 47,653 SQ. FT**
- **159 PARKING SPACES**
- **4-LANE DRIVE-THRU**
- **2 DRIVE-UP ATMs**
- **GROUND LEVEL PATIO**
- **8'0 HIGH SECURITY FENCE**
- **DELIVERY AREA**
- **FLAGPOLES WITH GROUND LIGHTS**

# Proposed Site Plan

CENTRAL TEXAS EXPRESSWAY - INTERSTATE 14



First National Bank Texas  
Killeen Home Office

01 SITE PLAN  
REVISED: January 27, 2020  
SCALE: 1" = 30'-0"

SU

# Proposed East Elevation



1

FIRST NATIONAL BANK TEXAS



# Proposed North Elevation



# Proposed West Elevation



Proposed South Elevation



FIRST NATIONAL BANK TEXAS

1

FIRST NATIONAL BANK TEXAS

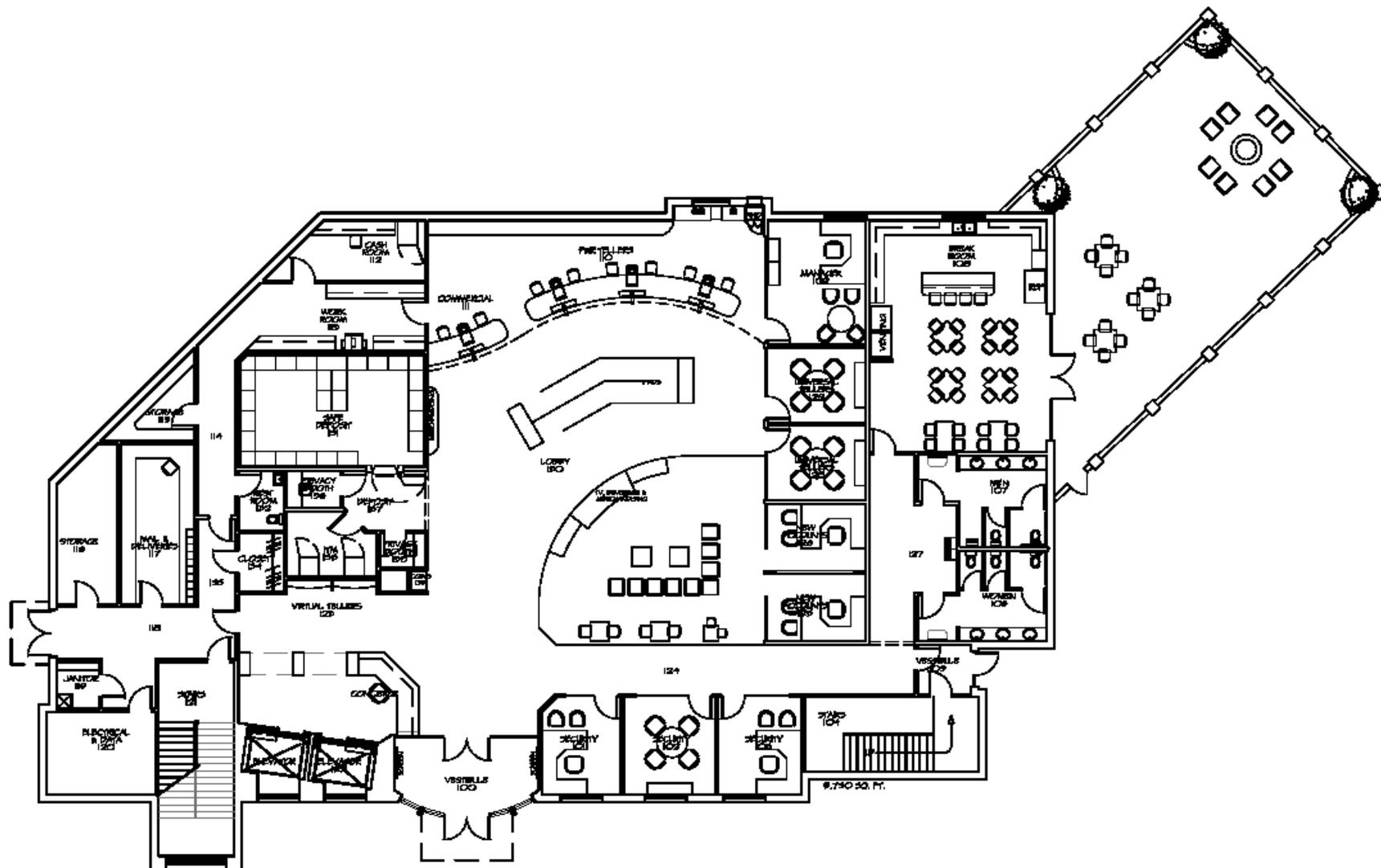


## Two Drive-up ATMs fronting Trimmier



# PROPOSED FIRST FLOOR

**Greeter, Virtual Tellers, Bank Lobby, Safe Deposit, Security, Multi-function Breakroom/Patio, Deliveries and Mail**

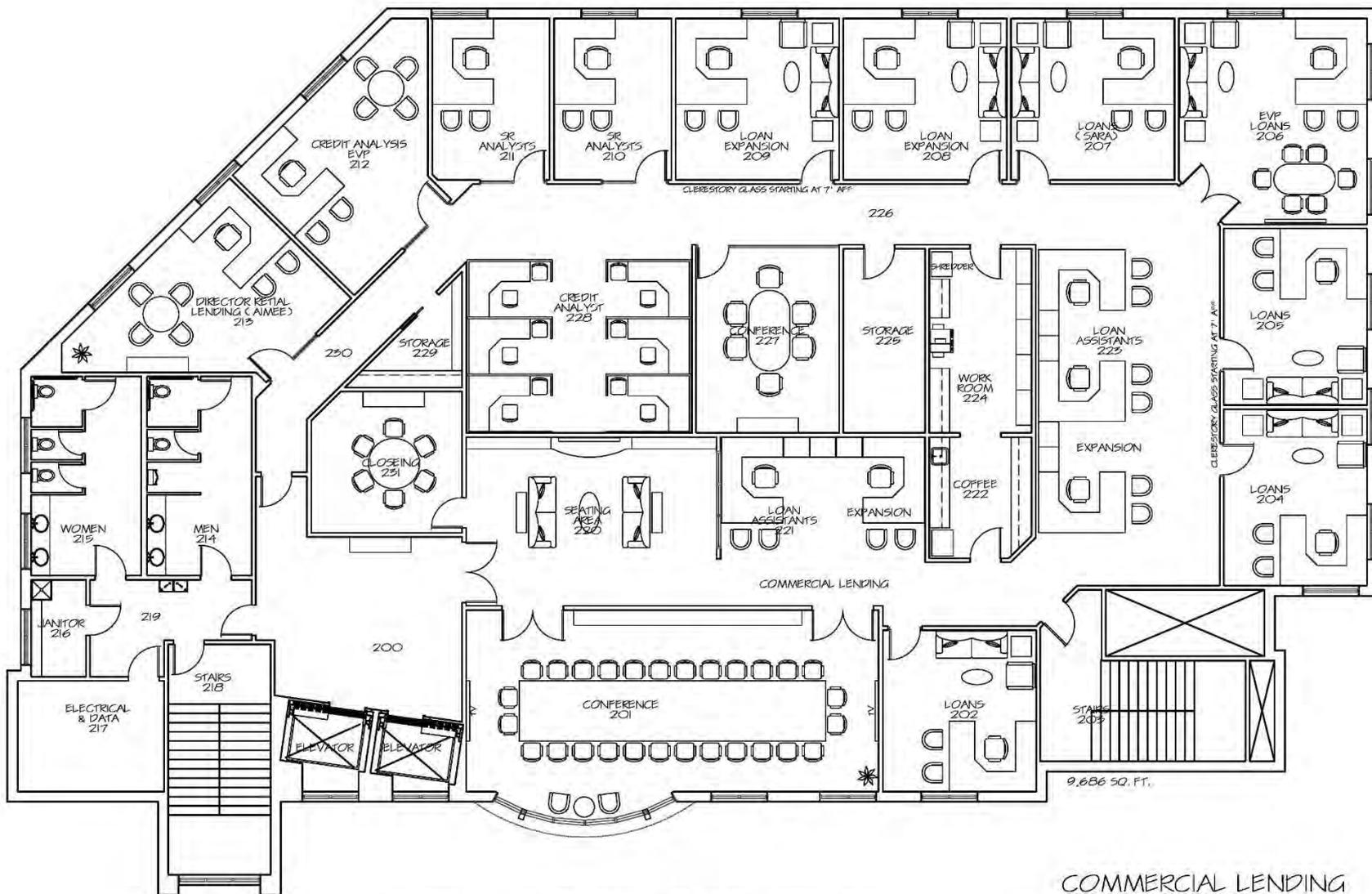


**FIRST NATIONAL BANK TEXAS**  
Killeen, Texas

**BANKING, SECURITY & MAIL**  
**FIRST FLOOR**  
REVISED: January 9, 2020

# PROPOSED SECOND FLOOR

## Commercial Lending and Credit Analysis



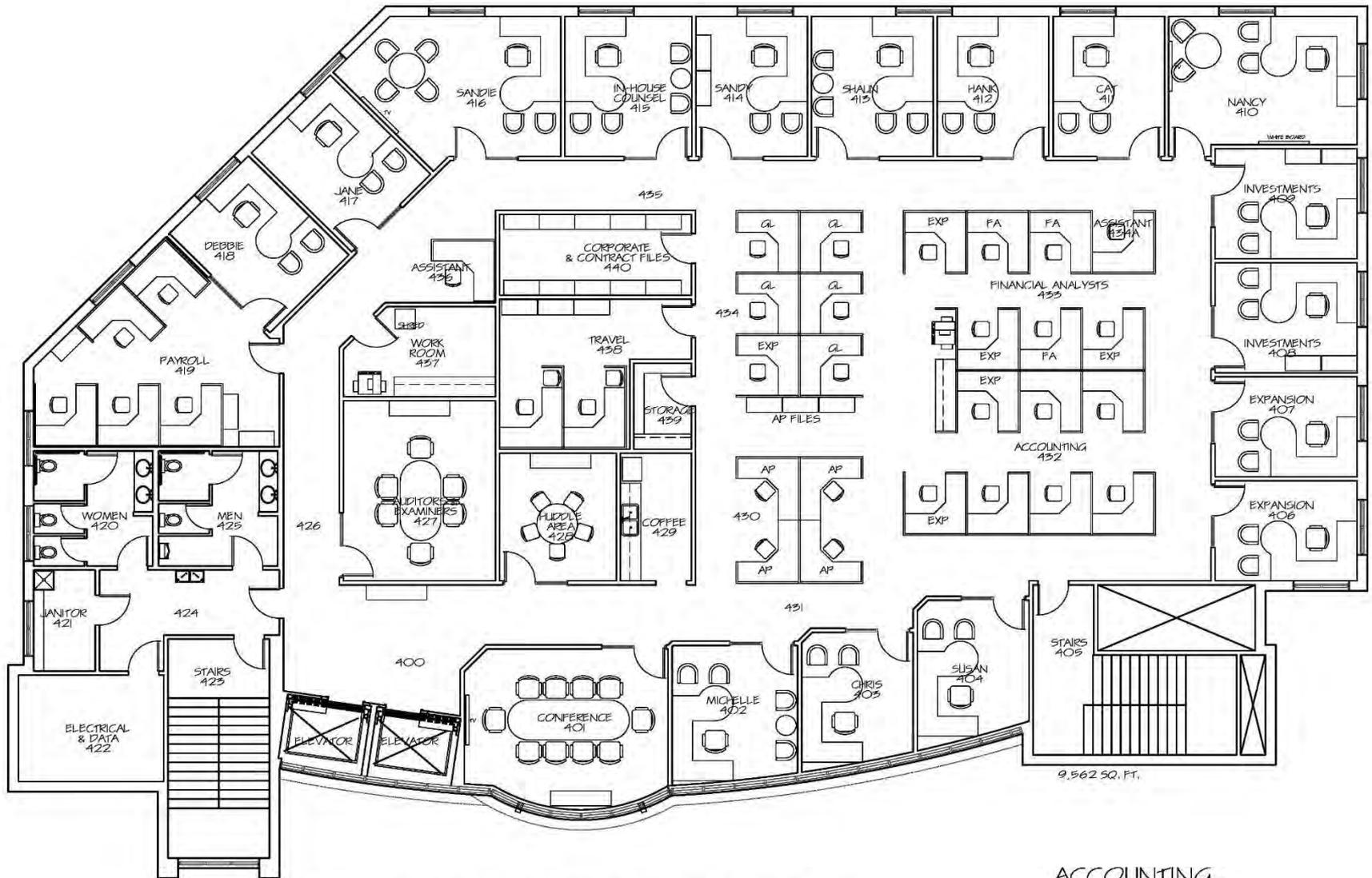
FIRST NATIONAL BANK TEXAS  
Killeen, Texas

COMMERCIAL LENDING  
CREDIT ANALYSIS  
SECOND FLOOR  
REVISED: January 27, 2020



# PROPOSED FOURTH FLOOR

## Accounting, Finance, Payroll, In-House Counsel, Travel



9,562 SQ. FT.



FIRST NATIONAL BANK TEXAS  
Killeen, Texas

ACCOUNTING & FINANCE  
FOURTH FLOOR  
REVISED: January 27, 2020





... an integrated design/build firm

**FIRST NATIONAL BANK TEXAS KILLEEN  
2201 TRIMMIER RD  
KILLEEN, TEXAS 76541  
PRELIMINARY COST ESTIMATE HOME OFFICE  
Revised 1-28-2020**

**BUILDING COST**

Sitework	715,385
Net addition to remove 7'0 replace with 7'0 select fill	145,160
Site Lighting	42,056
Construction	10,853,396
Trimmier Banking Center removed after new facility is complete	110,000
Landscape and irrigation	60,500
Builders Risk	16,500
<b>Subtotal</b>	<b>11,942,997</b>
Sales Tax	330,015
<b>TOTAL BUILDING COSTS</b>	<b>12,273,012</b>

**FURNISHINGS, FIXTURES AND EQUIPMENT**

Specialties	1,837
Signage	260,739
Fixed Bank Equipment	33,488
Bank Equip. By Owner	205,040
AV-Other Equipment	104,100
Appliances	38,656
Window Treatment	171,600
Furniture/Fixtures	604,097
Merchandising	613
Accessories	57,200
Security / Surveillance	82,500
Fire Alarm	90,017
Telephone System	
Data Cabling	52,457
<b>Subtotal</b>	<b>1,702,344</b>
Sales Tax	140,443
<b>TOTAL F F &amp; E COSTS</b>	<b>1,842,787</b>

**ARCHITECTURE & ENGINEERING**

Architecture	429,169
Engineer	143,143
E.A.B.	1,650
Miscellaneous Expenses	5,500
<b>TOTAL A &amp; E COST</b>	<b>579,462</b>

**TOTAL COSTS** **\$ 14,695,261**

# Project Timeline

**Architecture and Engineering** **15 Weeks**

**Bidding and Qualifications** **4 weeks**

**Owner Approval** **2 weeks**

**Mobilization** **2 weeks**

**Construction and Interior Finish-out** **52 weeks**

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**Occupancy** **75 weeks**

# **First National Bank Texas**

## **City of Killeen – Tax Abatement Application**

### **Applicant Standards and Evaluation**

#### **G. STANDARDS FOR TAX ABATEMENT:**

##### **1. Minimum Standards – Objective Criteria:**

a. The project involves a minimum increase in property value of 300% for construction of a new facility, or 50% for expansion of an existing facility, for an overall new investment of at least \$250,000 in taxable assets. **The FNBT HQ Building Project is estimated to total \$12,852,474 in Building Costs, \$1,842,787 in FF&E for a Total Project Cost of \$14,695,261, in comparison to current day facility valued at \$1,399,883.**

b. The project will create or retain a minimum of 10 jobs, which would not otherwise be created or retained. **Jobs retained at the FNBT HQ Building Project will total (130) with an average salary of \$66,983.**

##### **2. Additional Standards for Evaluating Applicants – Subjective Criteria:**

a. Whether the project makes a substantial contribution to redevelopment efforts, special area plans, or strategic economic development programs by enhancing either functional or visual characteristics, e.g. historical structures, traffic circulation, parking facades, materials, signs, etc. **Please see attached Economic Impact Analysis.**

b. Whether the project has high visibility, image impact, or is of a significantly higher level of development quality. **The FNBT HQ Building Project is proposed to be at the corner of Trimmier Road & I-14 (high visibility) and will be of significantly higher development quality of any structure in the vicinity.**

c. Whether the project is in an area which might not otherwise be developed because of constraints of topography, ownership patterns, site configuration, etc. **The FNBT HQ Building Project is being proposed in a highly sought after area of development within a high traffic area at the corner of Trimmier Road & I-14.**

d. Whether the project can serve as a prototype and catalyst for other development of a higher standard. **The FNBT HQ Building Project, a new 5-story facility, will raise the level of development for all future planned construction projects in the Killeen and Fort Hood areas.**

e. Whether the project stimulates desired concentrations of employment or commercial activity. **The FNBT HQ Building Project will retain (130) banking professional positions at the proposed site of Trimmier Road & I-14.**

f. Whether the project generates greater employment than would otherwise be achieved, commercial/industrial versus residential or manufacturing versus warehousing; **The FNBT HQ Building Project will retain (130) banking professional positions at the proposed site.**

g. Value of land and existing improvements, if any; **Current Land Value - \$973,732. Current existing improvements - \$426,151**

h. Type and value of proposed improvements; **The FNBT HQ Building Project is estimated to total \$12,852,474 in Building Costs, \$1,842,787 in FF&E for a Total Project Cost of \$14,695,261.**

i. Productive life of proposed improvements; **The product life of the FNBT HQ Building Project is projected at 30+ years.**

j. Amount of local payroll to be created; **(130) retained jobs with an average salary of \$66,983.**

k. Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdictions: **The (130) retained jobs will be mostly filled with persons residing in Bell County.**

l. Amount of local sales taxes to be generated directly; **Please refer to Economic Impact Analysis.**

m. Amount that the property tax base valuation will be increased after the term of Abatement; **At the conclusion of the requested 10-Year abatement term, the property tax valuation will increase to the then value of the improvements.**

n. The costs to be incurred by the City of Killeen to provide facilities or services directly resulting from the new improvements; **None. We anticipate closing one curb cut on Trimmier Road and the City of Killeen may want to consider reconfiguration/improvements to the turn lane on Trimmier.**

o. The amount of ad valorem taxes to be paid by the City of Killeen during the Abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the Abatement period. and (d) the projected property value after expiration of the Abatement period; **The amount of Ad Valorem Taxes to be paid by the City of Killeen during the Abatement period totals \$1,549,978. Calculation based on property tax valuation increase of \$13,240,887 of proposed FNBT HQ Building Project over 10 years.**

p. The population growth of the City of Killeen that occurs directly as a result of new improvements; **We are continuing to grow as a Bank and accordingly our HQ staff will grow as well as staffing for additional branches that we are opening in the Killeen-Temple MSA in 2020 and beyond.**

- q. The types of value of public improvements, if any, to be constructed and paid for by the applicant seeking Abatement; **Public Improvements, if any, TBD by the City of Killeen once proposed project is complete.**
- r. The extent to which the proposed improvements compete with existing businesses; **The proposed improvements would only compete with similar businesses in the area (i.e. Banks), but alternatively, provide increased commerce to restaurants, grocery stores, retail shopping, gas stations, etc and other various businesses in the area.**
- s. The impact, whether positive or negative, on the business opportunities of existing businesses; **Please see answer ' r '.**
- t. The attraction of other new business in the area; **The FNBT HQ Building Project could potentially be a catalyst for other professional office space and employers business to the area via restaurants, grocery stores, retail shopping, gas stations, etc.**
- u. The overall compatibility with the City of Killeen's zoning and subdivision regulations, and over-all comprehensive plan; **The FNBT HQ Building Project adheres to all City of Killeen Zoning and subdivision regulations and overall comprehensive plan.**
- v. Whether the project is environmentally compatible, with no appreciable negative impact on quality-of-life perceptions. **The FNBT HQ Building Project if applicable, would have the same environmental impact pursuant to similar construction projects in size and scope for the proposed site.**

# Property Tax Abatement Economic Impact Analysis

First National Bank Texas  
2201 Trimmier Road, Killeen, TX 76541



**Notes on Assumptions Used  
In Economic Impact Analysis of  
New First National Bank HQ**

- 1) Current Appraised Value & Taxes Paid @ 2201 Trimmier Street Facility –  
Bellcad ID # 35,750

	<b>Land</b>	<b>Building</b>	<b>Total</b>
<b>Appraisal Value*</b>	\$973,732	\$426,151	\$1,399,833
<b>City of Killeen Taxes</b> (0.749800/\$100)			\$10,496.32
<b>Bell County Taxes</b> (0.420800/\$100)			\$5,890.71

*\*The Appraised Value per Bellcad includes Land and Building. It does not include Furniture, Fixtures and Equipment (FF&E).*

- 2) Total new investment is \$ 14,695,261.
- 3) Investment in the new building (eligible for abatement) is \$12,852,474.
- 4) Investment in Furniture, Fixtures & Equipment (not eligible for abatement) is \$1,842,787.
- 5) Adjusted new investment  
 \$14,695,261 total new investment.  
\$ 1,399,833 minus current appraised value at location  
 \$13,295,428 = new incremental tax revenues  
\$ 1,842,787 minus new FF&E  
 \$11,452,641
- 6) Calculation of new incremental tax revenues on which the rate of return calculation is based.  
 City of Killeen: \$13,295,428/\$100 x \$0.7498 = \$ 99,689.12/year x 10 years = \$996,891.19  
 Bell County: \$13,295,428/\$100 x \$0.4208 = \$ 55,947.16/year x 10 years = \$ 559,471.61  
 Total City & County Tax Revenues: \$1,556,362.80
- 7) Calculation of Incentives (abated taxes).  
 City of Killeen: \$11,452,641/\$100 x \$0.7498 = \$ 85,871.90/year x 10 years = \$858,719.02  
 Bell County: \$11,452,641/\$100 x \$0.4208 = \$48,192.71 /year x 10 years = \$481,927.13  
 Total Incentive (abated taxes): \$1,340,646.15

## Abatement Amount

- Page #1: Shows the abatement amount/incentive for the City of Killeen based on a 10-year, 100% tax abatement on Real Property of \$858,719
- Page #2: Shows the abatement amount/incentive for Bell County based on a 10-year, 100% tax abatement on Real Property of \$481,927





IMPACT REPORT  
**FIRST NATIONAL BANK TEXAS**  
 S3 - Client Data - Less Appraised Value of Trimmier Bldg

**City of Killeen**



**JOBS**  
 0 Total  
 0 Direct  
 0 Spin-off

**SALARIES**  
 \$0 Avg  
 \$0 Direct  
 \$0 Spin-off

**CAPITAL INVEST.**  
 \$13,295,428  
 Buildings + FF&E

**RESIDENTIAL DEV.**  
 0 Homes  
 0 Relocations

**NET BENEFITS** **\$145,281**  
 Present Value \$128,477

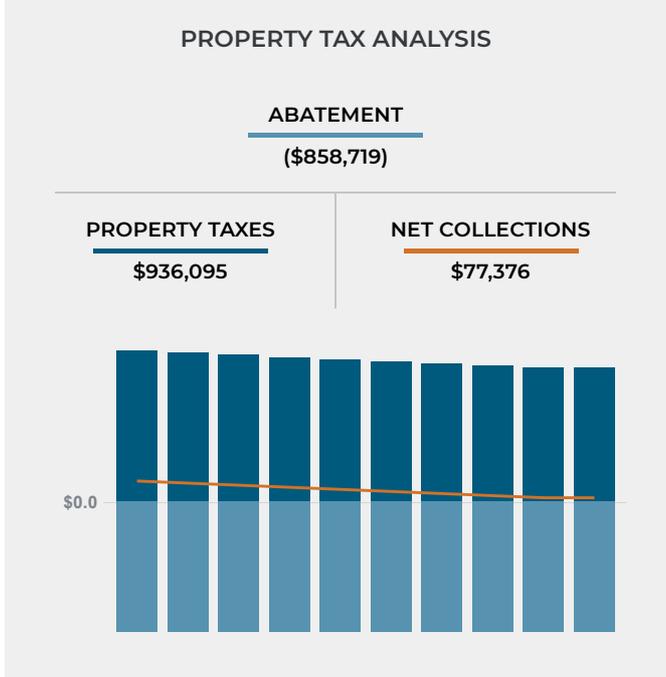
**BENEFITS**

Sales Taxes	\$54,004
Real Property Taxes*	\$0
FF&E Property Taxes	\$77,376
Inventory Property Taxes	\$0
New Residential Property Taxes	\$0
Building Permits and Fees	\$13,900
Utility Revenue	\$0
Utility Franchise Fees	\$0
Miscellaneous Taxes and User Fees	\$0
<b>Benefits Subtotal</b>	<b>\$145,281</b>

**COSTS**

Cost of Government Services	\$0
Cost of Utility Services	\$0
<b>Costs Subtotal</b>	<b>\$0</b>

\*Above values exclude  
 Property Tax Abatement \$858,719



**NET BENEFITS OVER 10 YEARS**

CITY	\$145,281
COUNTY	\$67,564
SCHOOL DISTRICT	\$150,757
OTHER	\$237,669





IMPACT REPORT  
**FIRST NATIONAL BANK TEXAS**  
 S3 - Client Data - Less Appraised Value of Trimmier Bldg

**Bell County**



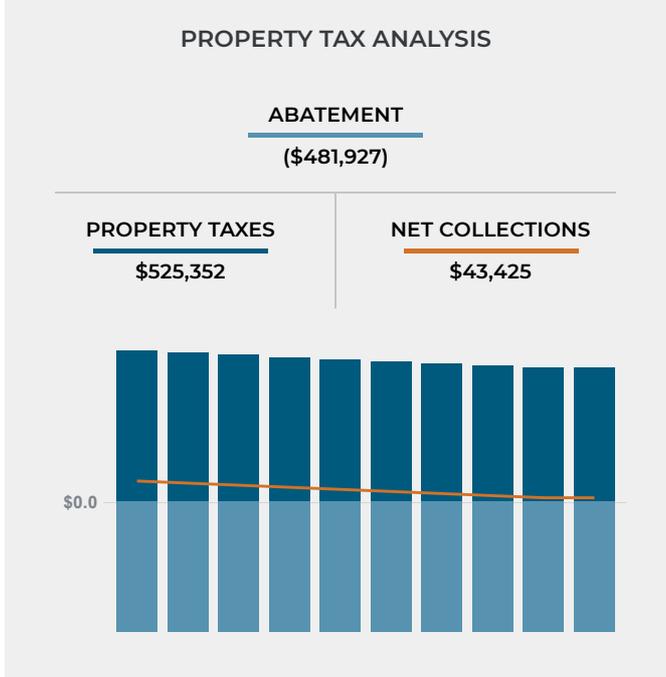
**JOBS**  
 0 Total  
 0 Direct  
 0 Spin-off

**SALARIES**  
 \$0 Avg  
 \$0 Direct  
 \$0 Spin-off

**CAPITAL INVEST.**  
 \$13,295,428  
 Buildings + FF&E

**RESIDENTIAL DEV.**  
 0 Homes  
 0 Relocations

<b>NET BENEFITS</b>	<b>\$67,564</b>
Present Value	\$58,799
<b>BENEFITS</b>	
Sales Taxes	\$24,139
Real Property Taxes*	\$0
FF&E Property Taxes	\$43,425
Inventory Property Taxes	\$0
New Residential Property Taxes	\$0
Miscellaneous Taxes and User Fees	\$0
<b>Benefits Subtotal</b>	<b>\$67,564</b>
<b>COSTS</b>	
Cost of Government Services	\$0
<b>Costs Subtotal</b>	<b>\$0</b>
*Above values exclude Property Tax Abatement	\$481,927



**NET BENEFITS OVER 10 YEARS**

CITY	\$145,281
COUNTY	\$67,564
SCHOOL DISTRICT	\$150,757
OTHER	\$237,669



## Payback Period & Rate of Return

- Page #1: Shows the Payback Period and Rate of Return for the City of Killeen
- Page #2: Shows the Payback Period and Rate of Return for Bell County





IMPACT REPORT  
**FIRST NATIONAL BANK TEXAS**  
 S3 - ROI - Less Appraised Value of Trimmier Bldg

**City of Killeen**



**JOBS**

**0 Total**  
 0 Direct  
 0 Spin-off

**SALARIES**

**\$0 Avg**  
 \$0 Direct  
 \$0 Spin-off

**CAPITAL INVEST.**

**\$13,295,428**  
 Buildings + FF&E

**RESIDENTIAL DEV.**

0 Homes  
 0 Relocations

**NET BENEFITS** **\$1,004,000**  
 Present Value \$791,557

**BENEFITS**

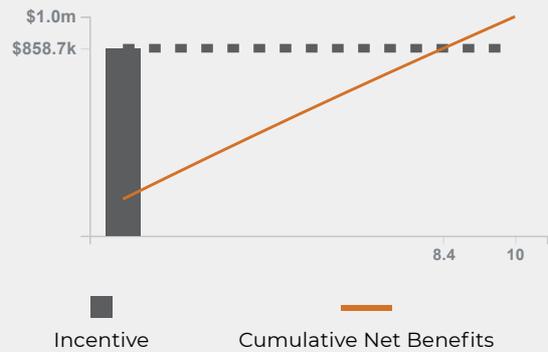
Sales Taxes	\$54,004
Real Property Taxes	\$858,719
FF&E Property Taxes	\$77,376
Inventory Property Taxes	\$0
New Residential Property Taxes	\$0
Building Permits and Fees	\$13,900
Utility Revenue	\$0
Utility Franchise Fees	\$0
Miscellaneous Taxes and User Fees	\$0
<b>Benefits Subtotal</b>	<b>\$1,004,000</b>

**COSTS**

Cost of Government Services	\$0
Cost of Utility Services	\$0
<b>Costs Subtotal</b>	<b>\$0</b>

**INCENTIVE ANALYSIS**

<b>\$858,719</b> Total Incentive	<b>\$0</b> Per Job
<b>11.7%</b> Rate of Return	<b>8.4 Yrs</b> Payback Period



**NET BENEFITS OVER 10 YEARS**

<b>CITY</b>	<b>\$1,004,000</b>
<b>COUNTY</b>	<b>\$549,491</b>
<b>SCHOOL DISTRICT</b>	<b>\$150,757</b>
<b>OTHER</b>	<b>\$237,669</b>





**IMPACT REPORT**  
**FIRST NATIONAL BANK TEXAS**  
 S3 - ROI - Less Appraised Value of Trimmier Bldg

**Bell County**



**JOBS**  
 0 Total  
 0 Direct  
 0 Spin-off

**SALARIES**  
 \$0 Avg  
 \$0 Direct  
 \$0 Spin-off

**CAPITAL INVEST.**  
 \$13,295,428  
 Buildings + FF&E

**RESIDENTIAL DEV.**  
 0 Homes  
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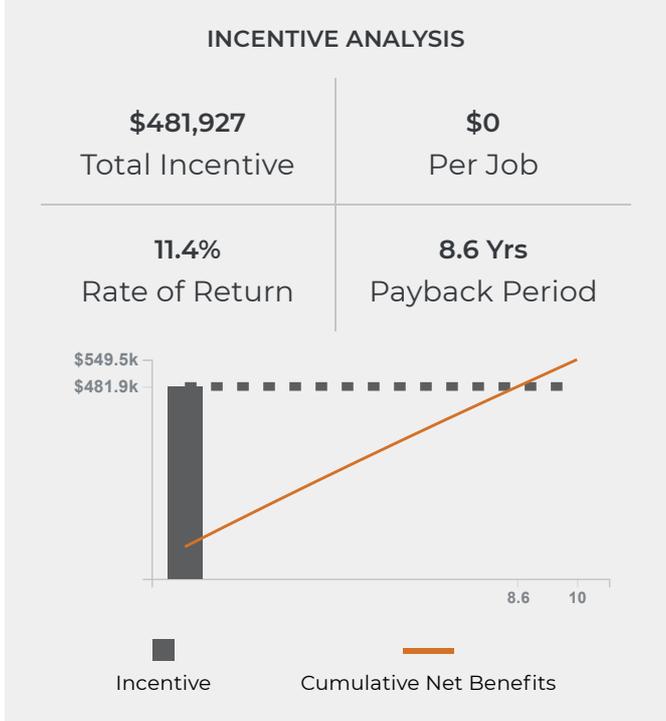
**NET BENEFITS** **\$549,491**  
 Present Value \$430,930

**BENEFITS**

Sales Taxes	\$24,139
Real Property Taxes	\$481,927
FF&E Property Taxes	\$43,425
Inventory Property Taxes	\$0
New Residential Property Taxes	\$0
Miscellaneous Taxes and User Fees	\$0
<b>Benefits Subtotal</b>	<b>\$549,491</b>

**COSTS**

Cost of Government Services	\$0
<b>Costs Subtotal</b>	<b>\$0</b>



**NET BENEFITS OVER 10 YEARS**

<b>CITY</b>	<b>\$1,004,000</b>
<b>COUNTY</b>	<b>\$549,491</b>
<b>SCHOOL DISTRICT</b>	<b>\$150,757</b>
<b>OTHER</b>	<b>\$237,669</b>



## Community Report

This is a condensed report of the Abatement Amount/Incentive and the Payback Period for all political subdivisions



IMPACT REPORT



**FIRST NATIONAL BANK TEXAS**  
S3 - ROI - Less Appraised Value of Trimmier Bldg

**JOBS**

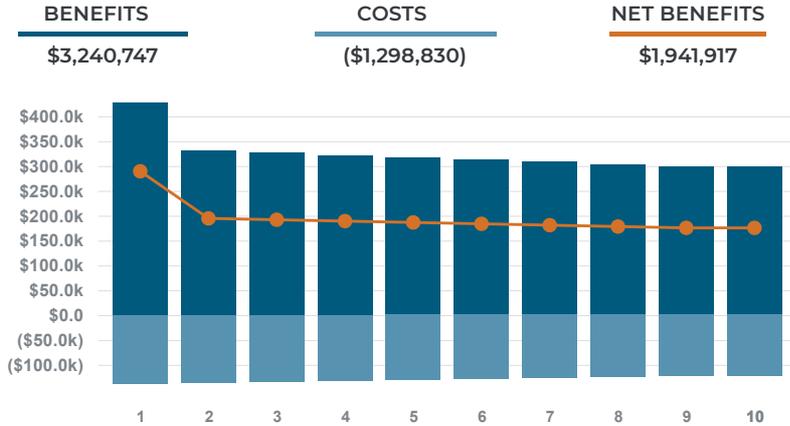
**0 Total**  
0 Direct  
0 Spin-off

**SALARIES**

**\$0 Avg**  
\$0 Direct  
\$0 Spin-off

**CAPITAL INVEST.**

**\$13,295,428**  
Buildings + FF&E



	City of Killeen	Bell County	Killeen ISD	Other Districts	Total
<b>NET BENEFITS</b>	<b>\$1,004,000</b>	<b>\$549,491</b>	<b>\$150,757</b>	<b>\$237,669</b>	<b>\$1,941,917</b>
Present Value	\$791,557	\$430,930	\$117,064	\$184,552	\$1,524,104
<b>BENEFITS</b>					
Sales Taxes	\$54,004	\$24,139	\$0	\$0	\$78,143
Real Property Taxes	\$858,719	\$481,927	\$1,329,766	\$218,024	\$2,888,436
FF&E Property Taxes	\$77,376	\$43,425	\$119,821	\$19,645	\$260,268
Other Benefits	\$13,900	\$0	\$0	\$0	\$13,900
<b>Benefits Subtotal</b>	<b>\$1,004,000</b>	<b>\$549,491</b>	<b>\$1,449,587</b>	<b>\$237,669</b>	<b>\$3,240,747</b>
<b>COSTS</b>					
Cost of Government Services	\$0	\$0	\$0	\$0	\$0
Other Costs	\$0	\$0	(\$1,298,830)	\$0	(\$1,298,830)
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,298,830)</b>	<b>\$0</b>	<b>(\$1,298,830)</b>
<b>NON-TAX INCENTIVES</b>					
Non-Tax Incentive	\$858,719	\$481,927	\$0	\$0	\$1,340,646
Payback Period	8.4 Years	8.6 Years			6.6 Years

# Economic Impact Analysis Detailed Report





# First National Bank Texas - Impact Report

## S3 - Client Data - Less Appraised Value of Trimmier Bldg

Prepared By: Greater Killeen Chamber of Commerce

### Purpose & Limitations

This report presents the results of an economic and fiscal analysis undertaken by Greater Killeen Chamber of Commerce using Impact Dashboard, a customized web application developed by Impact DataSource, LLC.

Impact Dashboard utilizes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in a custom user guide prepared for Greater Killeen Chamber of Commerce.

This report, generated by the Impact Dashboard application, has been prepared by Greater Killeen Chamber of Commerce to assist economic development stakeholders in making an evaluation of the economic and fiscal impact of business activity in the community. This report does not purport to contain all of the information that may be needed to conclude such an evaluation. This report is based on a variety of assumptions and contains forward-looking statements concerning the results of operations of the subject firm. Greater Killeen Chamber of Commerce made reasonable efforts to ensure that the project-specific data entered into Impact Dashboard reflects realistic estimates of future activity. Estimates of future activity involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in this report.

Greater Killeen Chamber of Commerce and Impact DataSource make no representation or warranty as to the accuracy or completeness of the information contained herein, and expressly disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

### Introduction

This report presents the results of an economic impact analysis performed using Impact Dashboard, a model developed by Impact DataSource. The report estimates the impact that a potential project will have on the local economy and estimates the costs and benefits for local taxing districts over a 10-year period.

### Description of the Project

First National Bank Texas has engaged a design/build firm to develop plans on a 48,000 Square Foot headquarter building at the corner of I-14 & Trimmier Road, at the Bank's existing Trimmier Road Banking Center location. The plan includes consolidating both the Main Bank on Gray Street and Trimmier Road Bank into one facility, to include a full service Bank as well as office space.

There are 130 employees from both the Downtown Gray Street HQ and Trimmier Branch that will consolidate into one five-story (47,653 Sq Ft) facility at the corner of Trimmier Road & I-14. The new build will house a full service Bank on the first floor, and various Executive level and professional support departments on floors 2-5. The average annual base pay for these employees currently is \$66,983. Once the new HQ facility is complete, the Bank intends to invest the downtown Gray St. facility into the appropriate project that will ensure that Downtown continues towards revitalization. Talks are already underway with several potential targets for this investment.

The total capital investment is \$14,695,261. This report reflects the 2019 appraised value of the existing facility and land on Trimmier at \$1,399,883. The investment in Real Property eligible for abatement is \$12,852,474.

The Real Property Taxes paid in 2019 by First National Bank Texas to the City of Killeen was \$10,496.32 and Bell County was \$5,890.71 for a total of \$16,387.03.

### Economic Impact Overview

The table below summarizes the economic impact of the project over the first 10 years in terms of job creation, salaries paid to workers, and taxable sales.

SUMMARY OF ECONOMIC IMPACT OVER 10 YEARS IN CITY OF KILLEEN			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Permanent jobs created	0	0	<b>0</b>
Salaries or wages paid to workers	\$0	\$0	<b>\$0</b>
Taxable sales and purchases expected in City of Killeen	\$3,600,275	\$0	<b>\$3,600,275</b>

Totals may not sum due to rounding

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

SUMMARY OF POPULATION IMPACT OVER 10 YEARS IN CITY OF KILLEEN			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Workers who will move to City of Killeen	0	0	<b>0</b>
New residents in City of Killeen	0	0	<b>0</b>
New residential properties constructed in City of Killeen	0	0	<b>0</b>
New students to attend local school district	0	0	<b>0</b>

Totals may not sum due to rounding

The new taxable property to be supported by the Project over the next 10 years is summarized in the following table.

SUMMARY OF TAXABLE PROPERTY OVER THE FIRST 10 YEARS IN CITY OF KILLEEN							
YR.	NEW RESIDENTIAL PROPERTY	LAND	BUILDINGS...	FF&E	INVENTORIES	NON-RESIDENTIAL PROPERTY	TOTAL PROPERTY
1	\$0	\$0	\$11,452,641	\$1,842,787	\$0	\$13,295,428	<b>\$13,295,428</b>
2	\$0	\$0	\$11,452,641	\$1,658,508	\$0	\$13,111,149	<b>\$13,111,149</b>
3	\$0	\$0	\$11,452,641	\$1,474,230	\$0	\$12,926,871	<b>\$12,926,871</b>
4	\$0	\$0	\$11,452,641	\$1,289,951	\$0	\$12,742,592	<b>\$12,742,592</b>
5	\$0	\$0	\$11,452,641	\$1,105,672	\$0	\$12,558,313	<b>\$12,558,313</b>
6	\$0	\$0	\$11,452,641	\$921,394	\$0	\$12,374,035	<b>\$12,374,035</b>
7	\$0	\$0	\$11,452,641	\$737,115	\$0	\$12,189,756	<b>\$12,189,756</b>
8	\$0	\$0	\$11,452,641	\$552,836	\$0	\$12,005,477	<b>\$12,005,477</b>
9	\$0	\$0	\$11,452,641	\$368,557	\$0	\$11,821,198	<b>\$11,821,198</b>
10	\$0	\$0	\$11,452,641	\$368,557	\$0	\$11,821,198	<b>\$11,821,198</b>

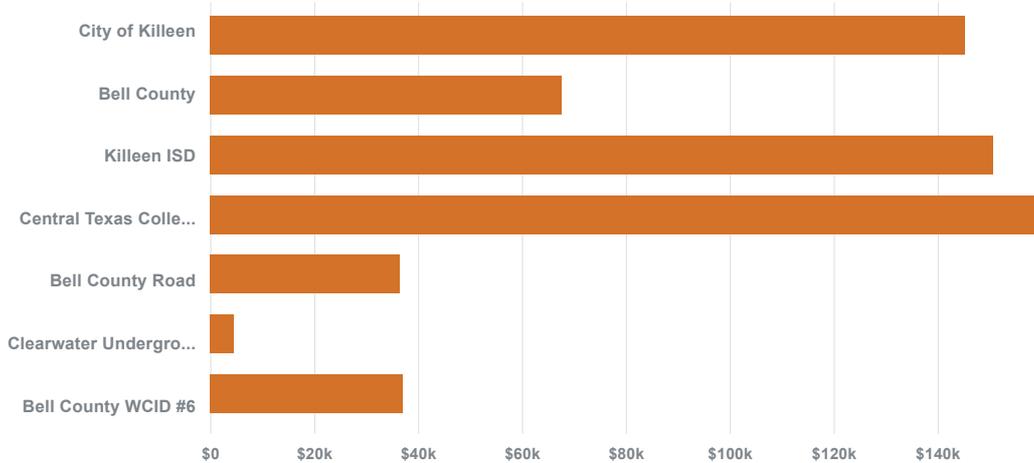
### Fiscal Impact Overview

The Project will generate additional benefits and costs, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages.

FISCAL NET BENEFITS OVER THE NEXT 10 YEARS				
	BENEFITS	COSTS	NET BENEFITS	PRESENT VALUE*
City of Killeen	\$145,281	\$0	\$145,281	\$128,477
Bell County	\$67,564	\$0	\$67,564	\$58,799
Killeen ISD	\$1,449,587	(\$1,298,830)	\$150,757	\$117,064
Central Texas College	\$159,678	\$0	\$159,678	\$123,992
Bell County Road	\$36,455	\$0	\$36,455	\$28,308
Clearwater Underground Water	\$4,457	\$0	\$4,457	\$3,461
Bell County WCID #6	\$37,079	\$0	\$37,079	\$28,792
<b>Total</b>	<b>\$1,900,101</b>	<b>(\$1,298,830)</b>	<b>\$601,271</b>	<b>\$488,893</b>

\*The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5.0% to make the dollars comparable.

Net Benefits Over the Next 10 Years



### Public Support Overview

A summary of the total Public Support modeled in this analysis is shown below.

VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION		
	PROPERTY TAX INCENTIVE	TOTAL
City of Killeen	\$858,719	\$858,719
Bell County	\$481,927	\$481,927
Killeen ISD	\$0	\$0
Central Texas College	\$0	\$0
Bell County Road	\$0	\$0
Clearwater Underground Water	\$0	\$0
Bell County WCID #6	\$0	\$0
<b>Total</b>	<b>\$1,340,646</b>	<b>\$1,340,646</b>

### City of Killeen Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by City of Killeen over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: CITY OF KILLEEN			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$54,004	\$0	\$54,004
Real Property Taxes*	\$0	\$0	\$0
FF&E Property Taxes	\$77,376	\$0	\$77,376
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
Building Permits and Fees	\$13,900	\$0	\$13,900
Utility Revenue	\$0	\$0	\$0
Utility Franchise Fees	\$0	\$0	\$0
Miscellaneous Taxes and User Fees	\$0	\$0	\$0
<b>Benefits Subtotal</b>	<b>\$145,281</b>	<b>\$0</b>	<b>\$145,281</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Utility Services	\$0	\$0	\$0
Cost of Government Services	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$145,281</b>	<b>\$0</b>	<b>\$145,281</b>

\*Excludes Property Tax Abatement valued at \$858,719

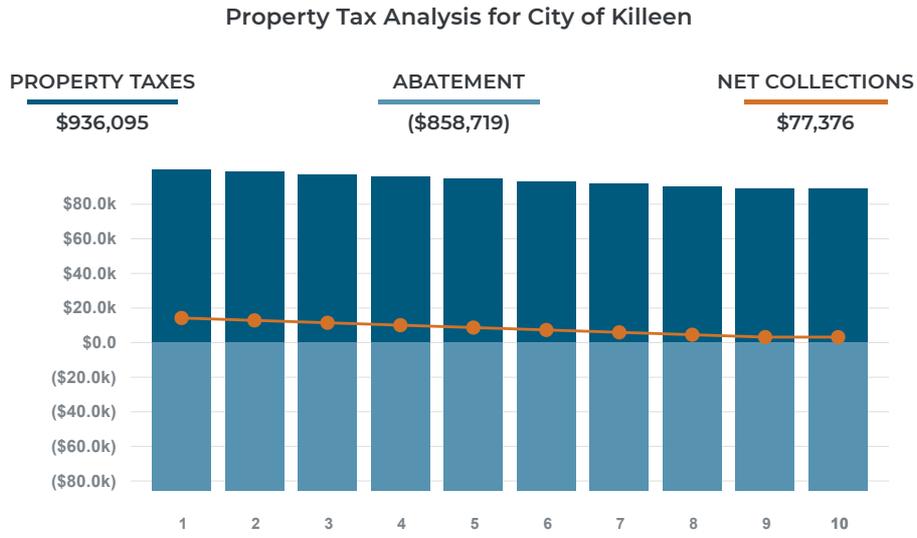
Annual Fiscal Net Benefits for City of Killeen



## City of Killeen Public Support

### Tax Incentives

The following property tax incentive is modeled for City of Killeen in this analysis.



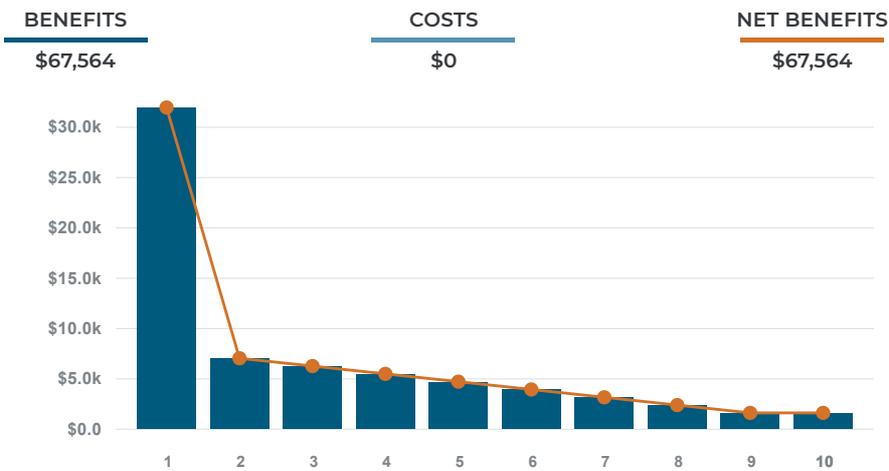
## Bell County Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Bell County over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: BELL COUNTY			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$24,139	\$0	\$24,139
Real Property Taxes*	\$0	\$0	\$0
FF&E Property Taxes	\$43,425	\$0	\$43,425
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
Miscellaneous Taxes and User Fees	\$0	\$0	\$0
<b>Benefits Subtotal</b>	<b>\$67,564</b>	<b>\$0</b>	<b>\$67,564</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$67,564</b>	<b>\$0</b>	<b>\$67,564</b>

\*Excludes Property Tax Abatement valued at \$481,927

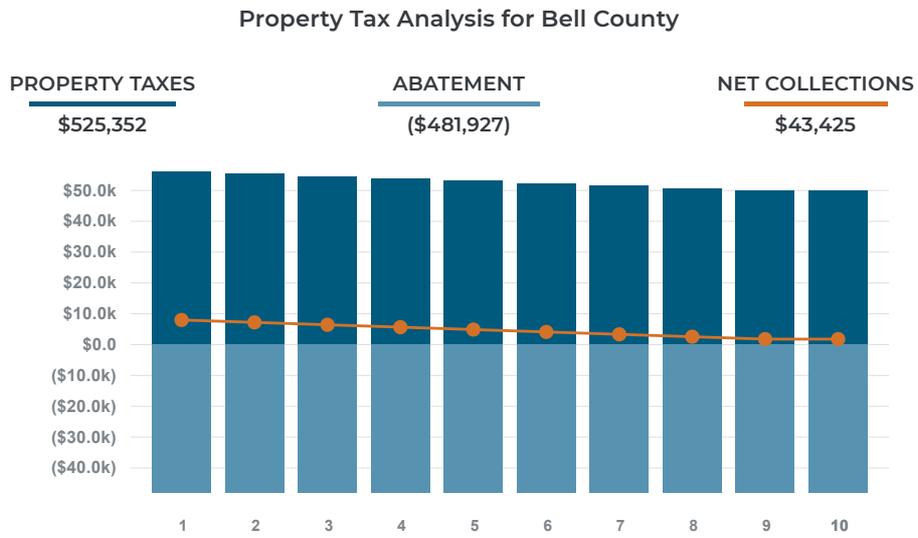
Annual Fiscal Net Benefits for Bell County



## Bell County Public Support

### Tax Incentives

The following property tax incentive is modeled for Bell County in this analysis.

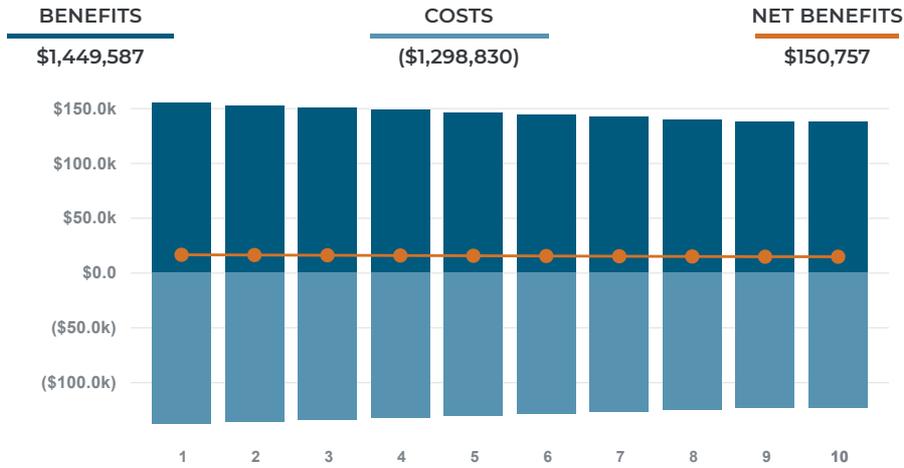


## Killeen ISD Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Killeen ISD over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: KILLEEN ISD			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$1,329,766	\$0	\$1,329,766
FF&E Property Taxes	\$119,821	\$0	\$119,821
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
Addtl. State & Federal School Funding	\$0	\$0	\$0
<b>Benefits Subtotal</b>	<b>\$1,449,587</b>	<b>\$0</b>	<b>\$1,449,587</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost to Educate New Students	\$0	\$0	\$0
Reduction in State School Funding	(\$1,298,830)	\$0	(\$1,298,830)
<b>Costs Subtotal</b>	<b>(\$1,298,830)</b>	<b>\$0</b>	<b>(\$1,298,830)</b>
<b>Net Benefits</b>	<b>\$150,757</b>	<b>\$0</b>	<b>\$150,757</b>

Annual Fiscal Net Benefits for Killeen ISD



## Central Texas College Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Central Texas College over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: CENTRAL TEXAS COLLEGE			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$146,479	\$0	\$146,479
FF&E Property Taxes	\$13,199	\$0	\$13,199
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
<b>Benefits Subtotal</b>	<b>\$159,678</b>	<b>\$0</b>	<b>\$159,678</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$159,678</b>	<b>\$0</b>	<b>\$159,678</b>

Annual Fiscal Net Benefits for Central Texas College



## Bell County Road Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Bell County Road over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: BELL COUNTY ROAD			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$33,442	\$0	\$33,442
FF&E Property Taxes	\$3,013	\$0	\$3,013
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
<b>Benefits Subtotal</b>	<b>\$36,455</b>	<b>\$0</b>	<b>\$36,455</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$36,455</b>	<b>\$0</b>	<b>\$36,455</b>

Annual Fiscal Net Benefits for Bell County Road



### Clearwater Underground Water Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Clearwater Underground Water over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: CLEARWATER UNDERGROUND WATER			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$4,089	\$0	\$4,089
FF&E Property Taxes	\$368	\$0	\$368
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
<b>Benefits Subtotal</b>	<b>\$4,457</b>	<b>\$0</b>	<b>\$4,457</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$4,457</b>	<b>\$0</b>	<b>\$4,457</b>

Annual Fiscal Net Benefits for Clearwater Underground Water



## Bell County WCID #6 Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Bell County WCID #6 over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: BELL COUNTY WCID #6			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$34,014	\$0	\$34,014
FF&E Property Taxes	\$3,065	\$0	\$3,065
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
<b>Benefits Subtotal</b>	<b>\$37,079</b>	<b>\$0</b>	<b>\$37,079</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$37,079</b>	<b>\$0</b>	<b>\$37,079</b>

Annual Fiscal Net Benefits for Bell County WCID #6



## Methodology

### Overview of Methodology

The Impact Dashboard model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 10-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the spin-off or indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes adjusted county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

522110 COMMERCIAL BANKING		CITY OF KILLEEN
Employment Multiplier	(Type II Direct Effect)	1.6231
Earnings Multiplier	(Type II Direct Effect)	1.3845

Most of the revenues estimated in this study result from calculations relying on (1) attributes of the Project, (2) assumptions to derive the value of associated taxable property or sales, and (3) local tax rates. In some cases, revenues are estimated on a per new household, per new worker, or per new school student basis.

The company or Project developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers, the company does not know the propensity of its workers to speed. Therefore, some revenues are calculated using an average revenue approach.

This approach uses relies on two assumptions:

1. The taxing entity has two general revenue sources: revenues from residents and revenues from businesses.
2. The taxing entity will collect (a) about the same amount of miscellaneous taxes and user fees from each new household that results from the Project as it currently collects from existing households on average, and (b) the same amount of miscellaneous taxes and user fees from the new business (on a per worker basis) will be collected as it collects from existing businesses.

In the case of the school district, some additional state and federal revenues are estimated on a per new school student basis consistent with historical funding levels.

Additionally, this analysis sought to estimate the additional expenditures faced by local jurisdictions to provide services to new households and new businesses. A marginal cost approach was used to calculate these additional costs.

This approach relies on two assumptions:

1. The taxing entity spends money on services for two general groups: revenues from residents and revenues from businesses.
2. The taxing entity will spend slightly less than its current average cost to provide local government services (police, fire, EMS, etc.) to (a) new residents and (b) businesses on a per worker basis.

In the case of the school district, the marginal cost to educate new students was estimated based on a portion of the school's current expenditures per student and applied to the headcount of new school students resulting from the Project.

Additionally, this analysis seeks to calculate the impact on the school district's finances from the Project by generally, and at a summary level, mimicking the district's school funding formula.

According to the Texas Education Agency, any property added to local tax rolls, and the local taxes that this generates, reduces the amount of state funding equivalent to local taxes collected for maintenance and operations. The school district retains local taxes received for debt services and the corresponding state funding is not reduced. However, according to the Texas Education Agency, the school district will receive state aid for each new child that moves to the District. The additional revenues for the school district are calculated in this analysis.

## About Impact DataSource

Established in 1993, Impact DataSource is an Austin, Texas-based economic consulting firm. Impact DataSource provides high-quality economic research, specializing in economic and fiscal impact analyses. The company is highly focused on supporting economic development professionals and organizations through its consulting services and software. Impact DataSource has conducted thousands of economic impact analyses of new businesses, retention and expansion projects, developments, and activities in all industry groups throughout the U.S.

For more information on Impact DataSource, LLC and our product Impact DashBoard, please visit our website [www.impactdatasource.com](http://www.impactdatasource.com)

Appendix

CITY OF KILLEEN PROPERTY TAX ABATEMENT					
YR.	LAND	BUILDINGS...	FF&E	INVENTORIES	TOTAL
1	\$0	\$85,872	\$0	\$0	<b>\$85,872</b>
2	\$0	\$85,872	\$0	\$0	<b>\$85,872</b>
3	\$0	\$85,872	\$0	\$0	<b>\$85,872</b>
4	\$0	\$85,872	\$0	\$0	<b>\$85,872</b>
5	\$0	\$85,872	\$0	\$0	<b>\$85,872</b>
6	\$0	\$85,872	\$0	\$0	<b>\$85,872</b>
7	\$0	\$85,872	\$0	\$0	<b>\$85,872</b>
8	\$0	\$85,872	\$0	\$0	<b>\$85,872</b>
9	\$0	\$85,872	\$0	\$0	<b>\$85,872</b>
10	\$0	\$85,872	\$0	\$0	<b>\$85,872</b>
<b>Total</b>	<b>\$0</b>	<b>\$858,719</b>	<b>\$0</b>	<b>\$0</b>	<b>\$858,719</b>

CITY OF KILLEEN PROPERTY TAX ABATEMENT SCHEDULE				
YR.	LAND	BUILDINGS...	FF&E	INVENTORIES
1	0.0%	100.0%	0.0%	0.0%
2	0.0%	100.0%	0.0%	0.0%
3	0.0%	100.0%	0.0%	0.0%
4	0.0%	100.0%	0.0%	0.0%
5	0.0%	100.0%	0.0%	0.0%
6	0.0%	100.0%	0.0%	0.0%
7	0.0%	100.0%	0.0%	0.0%
8	0.0%	100.0%	0.0%	0.0%
9	0.0%	100.0%	0.0%	0.0%
10	0.0%	100.0%	0.0%	0.0%

BELL COUNTY PROPERTY TAX ABATEMENT					
YR.	LAND	BUILDINGS...	FF&E	INVENTORIES	TOTAL
1	\$0	\$48,193	\$0	\$0	\$48,193
2	\$0	\$48,193	\$0	\$0	\$48,193
3	\$0	\$48,193	\$0	\$0	\$48,193
4	\$0	\$48,193	\$0	\$0	\$48,193
5	\$0	\$48,193	\$0	\$0	\$48,193
6	\$0	\$48,193	\$0	\$0	\$48,193
7	\$0	\$48,193	\$0	\$0	\$48,193
8	\$0	\$48,193	\$0	\$0	\$48,193
9	\$0	\$48,193	\$0	\$0	\$48,193
10	\$0	\$48,193	\$0	\$0	\$48,193
<b>Total</b>	<b>\$0</b>	<b>\$481,927</b>	<b>\$0</b>	<b>\$0</b>	<b>\$481,927</b>

BELL COUNTY PROPERTY TAX ABATEMENT SCHEDULE				
YR.	LAND	BUILDINGS...	FF&E	INVENTORIES
1	0.0%	100.0%	0.0%	0.0%
2	0.0%	100.0%	0.0%	0.0%
3	0.0%	100.0%	0.0%	0.0%
4	0.0%	100.0%	0.0%	0.0%
5	0.0%	100.0%	0.0%	0.0%
6	0.0%	100.0%	0.0%	0.0%
7	0.0%	100.0%	0.0%	0.0%
8	0.0%	100.0%	0.0%	0.0%
9	0.0%	100.0%	0.0%	0.0%
10	0.0%	100.0%	0.0%	0.0%



S3 - Client Data - Less Appraised Value of Trimmier Bldg

## **Payback Period & Rate of Return Detailed Report**

Based on a property tax abatement from the  
City of Killeen & Bell County





# First National Bank Texas - Impact Report

## S3 - ROI - Less Appraised Value of Trimmier Bldg

Prepared By: Greater Killeen Chamber of Commerce

### Purpose & Limitations

This report presents the results of an economic and fiscal analysis undertaken by Greater Killeen Chamber of Commerce using Impact Dashboard, a customized web application developed by Impact DataSource, LLC.

Impact Dashboard utilizes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in a custom user guide prepared for Greater Killeen Chamber of Commerce.

This report, generated by the Impact Dashboard application, has been prepared by Greater Killeen Chamber of Commerce to assist economic development stakeholders in making an evaluation of the economic and fiscal impact of business activity in the community. This report does not purport to contain all of the information that may be needed to conclude such an evaluation. This report is based on a variety of assumptions and contains forward-looking statements concerning the results of operations of the subject firm. Greater Killeen Chamber of Commerce made reasonable efforts to ensure that the project-specific data entered into Impact Dashboard reflects realistic estimates of future activity. Estimates of future activity involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in this report.

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### Introduction

This report presents the results of an economic impact analysis performed using Impact Dashboard, a model developed by Impact DataSource. The report estimates the impact that a potential project will have on the local economy and estimates the costs and benefits for local taxing districts over a 10-year period.

### Description of the Project

First National Bank Texas has engaged a design/build firm to develop plans on a 48,000 Square Foot headquarter building at the corner of I-14 & Trimmier Road, at the Bank's existing Trimmier Road Banking Center location. The plan includes consolidating both the Main Bank on Gray Street and Trimmier Road Bank into one facility, to include a full service Bank as well as office space.

There are 130 employees from both the Downtown Gray Street HQ and Trimmier Branch that will consolidate into one five-story (47,653 Sq Ft) facility at the corner of Trimmier Road & I-14. The new build will house a full service Bank on the first floor, and various Executive level and professional support departments on floors 2-5. The average annual base pay for these employees currently is \$66,983. Once the new HQ facility is complete, the Bank intends to invest the downtown Gray St. facility into the appropriate project that will ensure that Downtown continues towards revitalization. Talks are already underway with several potential targets for this investment.

The total capital investment is \$14,695,261. This report reflects the 2019 appraised value of the existing facility and land on Trimmier at \$1,399,883. The investment in Real Property eligible for abatement is \$12,852,474.

The Real Property Taxes paid in 2019 by First National Bank Texas to the City of Killeen was \$10,496.32 and Bell County was \$5,890.71 for a total of \$16,387.03.

### Economic Impact Overview

The table below summarizes the economic impact of the project over the first 10 years in terms of job creation, salaries paid to workers, and taxable sales.

SUMMARY OF ECONOMIC IMPACT OVER 10 YEARS IN CITY OF KILLEEN			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Permanent jobs created	0	0	<b>0</b>
Salaries or wages paid to workers	\$0	\$0	<b>\$0</b>
Taxable sales and purchases expected in City of Killeen	\$3,600,275	\$0	<b>\$3,600,275</b>

Totals may not sum due to rounding

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

SUMMARY OF POPULATION IMPACT OVER 10 YEARS IN CITY OF KILLEEN			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Workers who will move to City of Killeen	0	0	<b>0</b>
New residents in City of Killeen	0	0	<b>0</b>
New residential properties constructed in City of Killeen	0	0	<b>0</b>
New students to attend local school district	0	0	<b>0</b>

Totals may not sum due to rounding

The new taxable property to be supported by the Project over the next 10 years is summarized in the following table.

SUMMARY OF TAXABLE PROPERTY OVER THE FIRST 10 YEARS IN CITY OF KILLEEN							
YR.	NEW RESIDENTIAL PROPERTY	LAND	BUILDINGS...	FF&E	INVENTORIES	NON-RESIDENTIAL PROPERTY	TOTAL PROPERTY
1	\$0	\$0	\$11,452,641	\$1,842,787	\$0	\$13,295,428	<b>\$13,295,428</b>
2	\$0	\$0	\$11,452,641	\$1,658,508	\$0	\$13,111,149	<b>\$13,111,149</b>
3	\$0	\$0	\$11,452,641	\$1,474,230	\$0	\$12,926,871	<b>\$12,926,871</b>
4	\$0	\$0	\$11,452,641	\$1,289,951	\$0	\$12,742,592	<b>\$12,742,592</b>
5	\$0	\$0	\$11,452,641	\$1,105,672	\$0	\$12,558,313	<b>\$12,558,313</b>
6	\$0	\$0	\$11,452,641	\$921,394	\$0	\$12,374,035	<b>\$12,374,035</b>
7	\$0	\$0	\$11,452,641	\$737,115	\$0	\$12,189,756	<b>\$12,189,756</b>
8	\$0	\$0	\$11,452,641	\$552,836	\$0	\$12,005,477	<b>\$12,005,477</b>
9	\$0	\$0	\$11,452,641	\$368,557	\$0	\$11,821,198	<b>\$11,821,198</b>
10	\$0	\$0	\$11,452,641	\$368,557	\$0	\$11,821,198	<b>\$11,821,198</b>

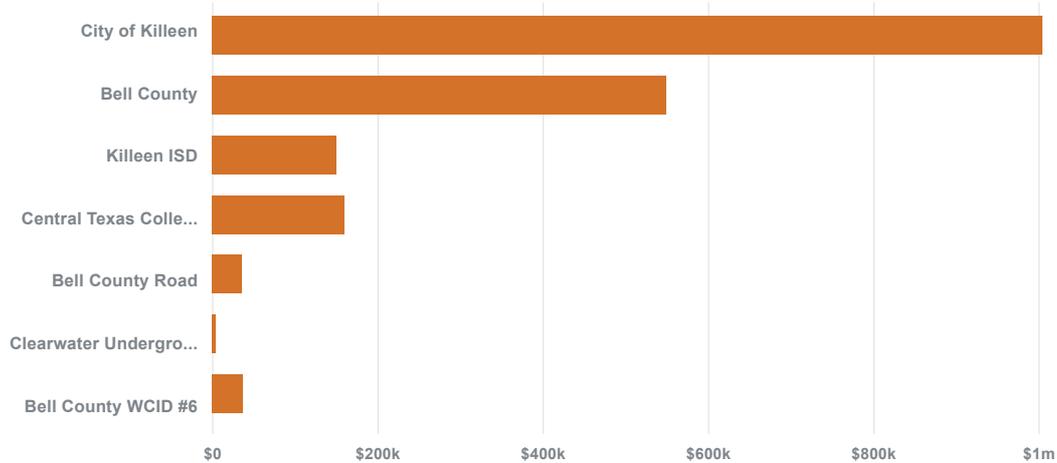
### Fiscal Impact Overview

The Project will generate additional benefits and costs, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages.

FISCAL NET BENEFITS OVER THE NEXT 10 YEARS				
	BENEFITS	COSTS	NET BENEFITS	PRESENT VALUE*
City of Killeen	\$1,004,000	\$0	\$1,004,000	\$791,557
Bell County	\$549,491	\$0	\$549,491	\$430,930
Killeen ISD	\$1,449,587	(\$1,298,830)	\$150,757	\$117,064
Central Texas College	\$159,678	\$0	\$159,678	\$123,992
Bell County Road	\$36,455	\$0	\$36,455	\$28,308
Clearwater Underground Water	\$4,457	\$0	\$4,457	\$3,461
Bell County WCID #6	\$37,079	\$0	\$37,079	\$28,792
<b>Total</b>	<b>\$3,240,747</b>	<b>(\$1,298,830)</b>	<b>\$1,941,917</b>	<b>\$1,524,104</b>

\*The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5.0% to make the dollars comparable.

Net Benefits Over the Next 10 Years



### Public Support Overview

A summary of the total Public Support modeled in this analysis is shown below.

VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION		
	NON-TAX INCENTIVE	TOTAL
City of Killeen	\$858,719	\$858,719
Bell County	\$481,927	\$481,927
Killeen ISD	\$0	\$0
Central Texas College	\$0	\$0
Bell County Road	\$0	\$0
Clearwater Underground Water	\$0	\$0
Bell County WCID #6	\$0	\$0
<b>Total</b>	<b>\$1,340,646</b>	<b>\$1,340,646</b>

### City of Killeen Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by City of Killeen over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: CITY OF KILLEEN			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$54,004	\$0	\$54,004
Real Property Taxes	\$858,719	\$0	\$858,719
FF&E Property Taxes	\$77,376	\$0	\$77,376
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
Building Permits and Fees	\$13,900	\$0	\$13,900
Utility Revenue	\$0	\$0	\$0
Utility Franchise Fees	\$0	\$0	\$0
Miscellaneous Taxes and User Fees	\$0	\$0	\$0
<b>Benefits Subtotal</b>	<b>\$1,004,000</b>	<b>\$0</b>	<b>\$1,004,000</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Utility Services	\$0	\$0	\$0
Cost of Government Services	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$1,004,000</b>	<b>\$0</b>	<b>\$1,004,000</b>

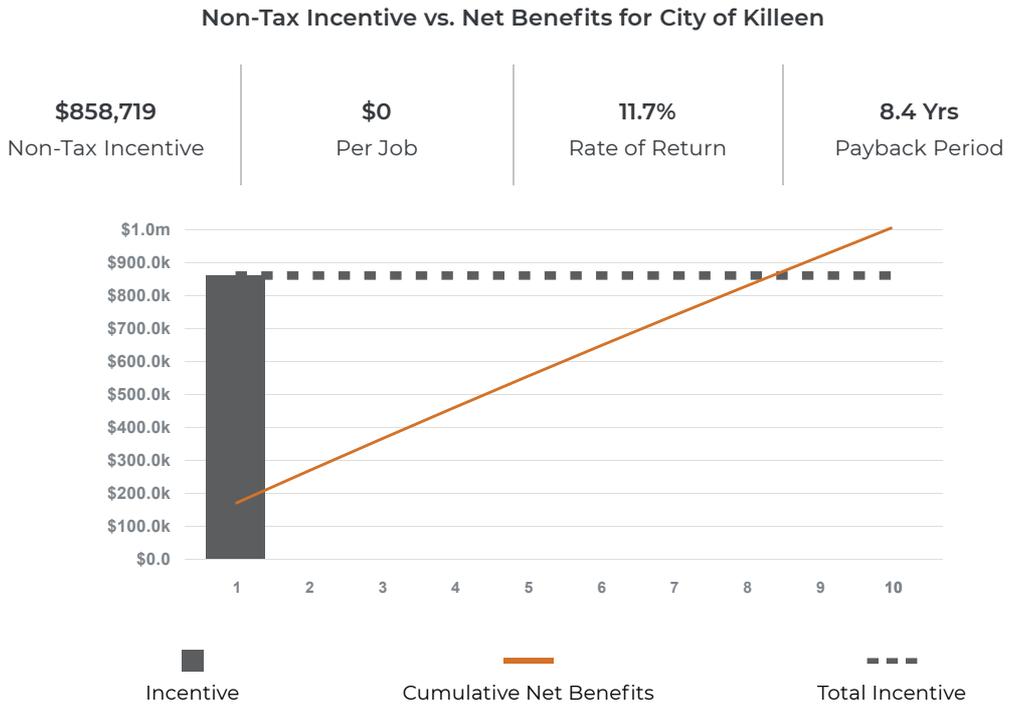
Annual Fiscal Net Benefits for City of Killeen



## City of Killeen Public Support

### Non-Tax Incentives

The graph below depicts the non-tax incentives modeled in this analysis versus the cumulative net benefits to City of Killeen. The intersection indicates the length of time until the incentives are paid back.



## Bell County Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Bell County over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: BELL COUNTY			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$24,139	\$0	\$24,139
Real Property Taxes	\$481,927	\$0	\$481,927
FF&E Property Taxes	\$43,425	\$0	\$43,425
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
Miscellaneous Taxes and User Fees	\$0	\$0	\$0
<b>Benefits Subtotal</b>	<b>\$549,491</b>	<b>\$0</b>	<b>\$549,491</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$549,491</b>	<b>\$0</b>	<b>\$549,491</b>

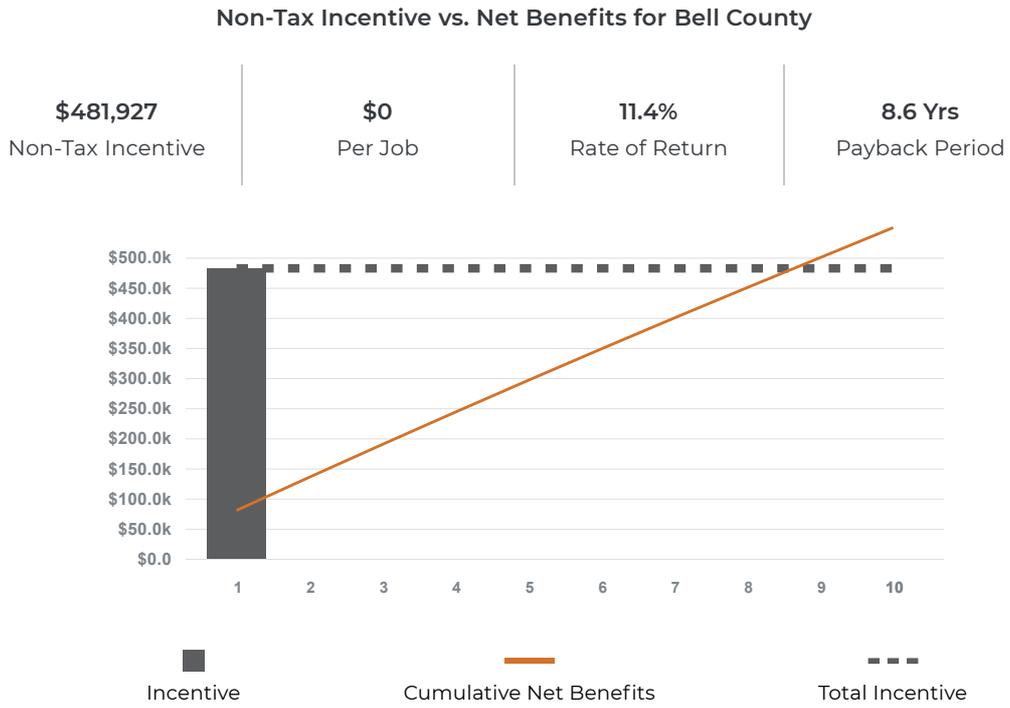
Annual Fiscal Net Benefits for Bell County



## Bell County Public Support

### Non-Tax Incentives

The graph below depicts the non-tax incentives modeled in this analysis versus the cumulative net benefits to Bell County. The intersection indicates the length of time until the incentives are paid back.

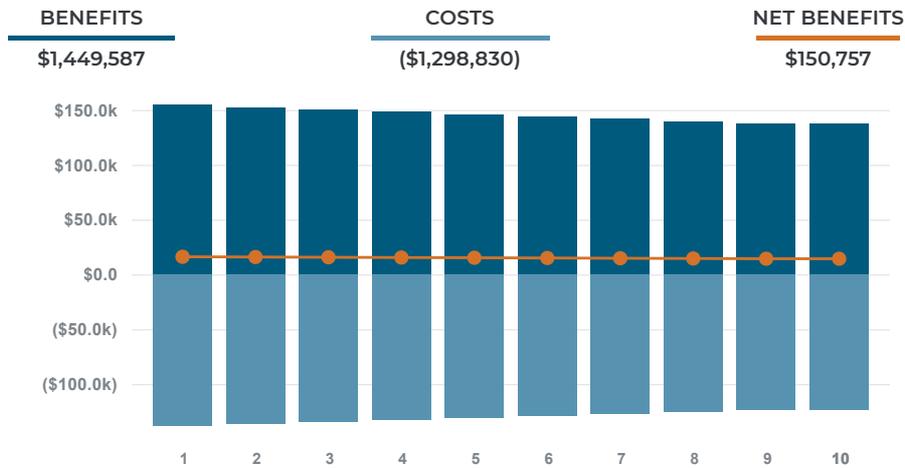


### Killeen ISD Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Killeen ISD over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: KILLEEN ISD			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$1,329,766	\$0	\$1,329,766
FF&E Property Taxes	\$119,821	\$0	\$119,821
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
Addtl. State & Federal School Funding	\$0	\$0	\$0
<b>Benefits Subtotal</b>	<b>\$1,449,587</b>	<b>\$0</b>	<b>\$1,449,587</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost to Educate New Students	\$0	\$0	\$0
Reduction in State School Funding	(\$1,298,830)	\$0	(\$1,298,830)
<b>Costs Subtotal</b>	<b>(\$1,298,830)</b>	<b>\$0</b>	<b>(\$1,298,830)</b>
<b>Net Benefits</b>	<b>\$150,757</b>	<b>\$0</b>	<b>\$150,757</b>

Annual Fiscal Net Benefits for Killeen ISD



## Central Texas College Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Central Texas College over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: CENTRAL TEXAS COLLEGE			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$146,479	\$0	\$146,479
FF&E Property Taxes	\$13,199	\$0	\$13,199
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
<b>Benefits Subtotal</b>	<b>\$159,678</b>	<b>\$0</b>	<b>\$159,678</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$159,678</b>	<b>\$0</b>	<b>\$159,678</b>

Annual Fiscal Net Benefits for Central Texas College



## Bell County Road Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Bell County Road over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: BELL COUNTY ROAD			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$33,442	\$0	\$33,442
FF&E Property Taxes	\$3,013	\$0	\$3,013
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
<b>Benefits Subtotal</b>	<b>\$36,455</b>	<b>\$0</b>	<b>\$36,455</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$36,455</b>	<b>\$0</b>	<b>\$36,455</b>

Annual Fiscal Net Benefits for Bell County Road



### Clearwater Underground Water Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Clearwater Underground Water over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: CLEARWATER UNDERGROUND WATER			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$4,089	\$0	\$4,089
FF&E Property Taxes	\$368	\$0	\$368
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
<b>Benefits Subtotal</b>	<b>\$4,457</b>	<b>\$0</b>	<b>\$4,457</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$4,457</b>	<b>\$0</b>	<b>\$4,457</b>

Annual Fiscal Net Benefits for Clearwater Underground Water



## Bell County WCID #6 Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Bell County WCID #6 over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: BELL COUNTY WCID #6			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$34,014	\$0	\$34,014
FF&E Property Taxes	\$3,065	\$0	\$3,065
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
<b>Benefits Subtotal</b>	<b>\$37,079</b>	<b>\$0</b>	<b>\$37,079</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$37,079</b>	<b>\$0</b>	<b>\$37,079</b>

Annual Fiscal Net Benefits for Bell County WCID #6



## Methodology

### Overview of Methodology

The Impact Dashboard model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 10-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the spin-off or indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes adjusted county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

522110 COMMERCIAL BANKING		CITY OF KILLEEN
Employment Multiplier	(Type II Direct Effect)	1.6231
Earnings Multiplier	(Type II Direct Effect)	1.3845

Most of the revenues estimated in this study result from calculations relying on (1) attributes of the Project, (2) assumptions to derive the value of associated taxable property or sales, and (3) local tax rates. In some cases, revenues are estimated on a per new household, per new worker, or per new school student basis.

The company or Project developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers, the company does not know the propensity of its workers to speed. Therefore, some revenues are calculated using an average revenue approach.

This approach uses relies on two assumptions:

1. The taxing entity has two general revenue sources: revenues from residents and revenues from businesses.
2. The taxing entity will collect (a) about the same amount of miscellaneous taxes and user fees from each new household that results from the Project as it currently collects from existing households on average, and (b) the same amount of miscellaneous taxes and user fees from the new business (on a per worker basis) will be collected as it collects from existing businesses.

In the case of the school district, some additional state and federal revenues are estimated on a per new school student basis consistent with historical funding levels.

Additionally, this analysis sought to estimate the additional expenditures faced by local jurisdictions to provide services to new households and new businesses. A marginal cost approach was used to calculate these additional costs.

This approach relies on two assumptions:

1. The taxing entity spends money on services for two general groups: revenues from residents and revenues from businesses.
2. The taxing entity will spend slightly less than its current average cost to provide local government services (police, fire, EMS, etc.) to (a) new residents and (b) businesses on a per worker basis.

In the case of the school district, the marginal cost to educate new students was estimated based on a portion of the school's current expenditures per student and applied to the headcount of new school students resulting from the Project.

Additionally, this analysis seeks to calculate the impact on the school district's finances from the Project by generally, and at a summary level, mimicking the district's school funding formula.

According to the Texas Education Agency, any property added to local tax rolls, and the local taxes that this generates, reduces the amount of state funding equivalent to local taxes collected for maintenance and operations. The school district retains local taxes received for debt services and the corresponding state funding is not reduced. However, according to the Texas Education Agency, the school district will receive state aid for each new child that moves to the District. The additional revenues for the school district are calculated in this analysis.

## About Impact DataSource

Established in 1993, Impact DataSource is an Austin, Texas-based economic consulting firm. Impact DataSource provides high-quality economic research, specializing in economic and fiscal impact analyses. The company is highly focused on supporting economic development professionals and organizations through its consulting services and software. Impact DataSource has conducted thousands of economic impact analyses of new businesses, retention and expansion projects, developments, and activities in all industry groups throughout the U.S.

For more information on Impact DataSource, LLC and our product Impact DashBoard, please visit our website [www.impactdatasource.com](http://www.impactdatasource.com)

## Appendix

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S3 - ROI - Less Appraised Value of Trimmier Bldg