

STATE of DOWNTOWN 2020



FOREWORD

Like the rest of the nation, Downtown Fort Worth experienced a challenging year in 2020. As we begin re-opening our economy, the economic factors driving Downtown's success are still present, positioning Downtown for a strong recovery.

The *State of Downtown* is your window into the economic forces shaping our center city. DFWI's Director of Research compiles the data presented in the *State of Downtown* throughout the year. Quarterly and monthly updates for specific market segments are available upon request or at www.dfwfwi.org.



Arrie Mitchell
Director of Research
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Your thoughts on improving this publication are welcome, and we encourage you to share your insights with us.

On behalf of Downtown Fort Worth, Inc. and Fort Worth Improvement Districts #1 and #14, thank you for your interest in Downtown.



Eddie Broussard
Chairman of the Board
Downtown Fort Worth, Inc.



Larry Auth
Chairman
Fort Worth Public
Improvement
District #1 (PID)

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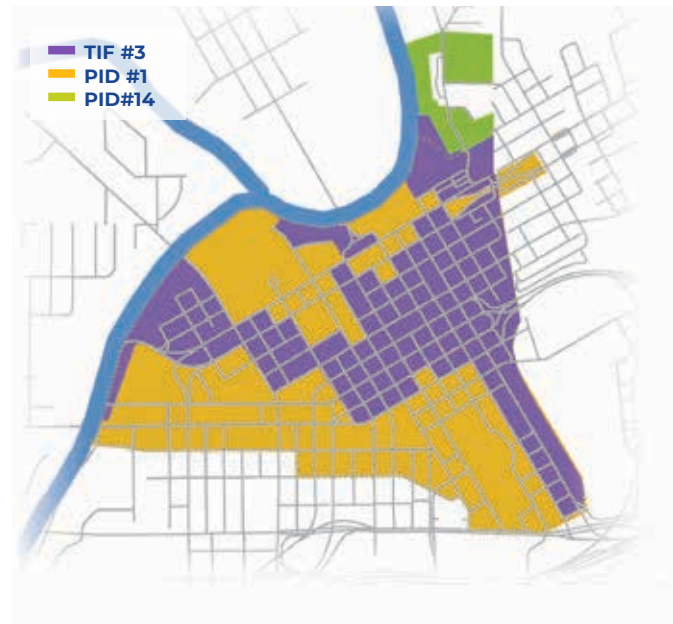
ABOUT US

DFWI's Mission

The mission of Downtown Fort Worth, Inc. (DFWI) is to be the catalyst for transforming Downtown into a vibrant place to live, visit, enjoy and conduct business through aggressive leadership of programs, projects and partnerships.

Who We Are

Formed in 1981, DFWI is Downtown Fort Worth's planning, advocacy, public space, and project management organization. DFWI also builds Downtown Fort Worth's vitality by serving as a liaison, ombudsman and information source for property owners, residents, business owners, lenders, developers, community organizations and policy-makers.



What We Do

DFWI is a 501(c)(6) nonprofit membership organization. In addition to coordinating the Downtown planning process, advocacy, member services, communications, and Downtown leadership, DFWI members founded the first Public Improvement District (PID) in the state of Texas in 1986. DFWI continues to manage PID #1 and also manages PID #14. These PIDs provide enhanced services to property owners, including maintenance and landscaping, public space management, hospitality services, outreach, promotions and marketing, research, transportation, planning, and security enhancements to 564 acres of Downtown.

DFWI also administers the Downtown Tax Increment Finance District (TIF) by contract with the City of Fort Worth. Eligible TIF projects include parking, infrastructure assistance to new developments, historic preservation, affordable housing, transportation, and education.

DFWI staffs the Fort Worth Downtown Neighborhood Alliance (FWDNA), an organization of Downtown residents that promotes, preserves, encourages, and enhances the residential quality of life in Downtown Fort Worth.

Downtown Fort Worth Initiatives, Inc. (DFWII) is a 501(c)(3) nonprofit corporation that provides a pathway for foundation grants, philanthropic donations, and other contributions to help fund charitable, educational, and public-purpose Downtown projects. Each year DFWII helps to bring more than 500,000 people Downtown by producing the MAIN ST. Fort Worth Arts Festival and the GM Financial Parade of Lights. DFWII also developed the JFK Tribute in Fort Worth, redeveloped Burnett Park, and is currently administering the Heritage Park restoration design. DFWII is a partner with Fort Worth Housing Solutions in the 172-unit, mixed income Hillside Apartment community.



FROM OUR PRESIDENT



Andy Taft

President

DFWI

As cities around the world begin to emerge from the economic upheaval created by the Coronavirus pandemic, past assumptions, business models, and projections are being reconsidered. In Fort Worth, our Convention Center expansion plans were temporarily put on hold. Retail space, just a year ago occupied at 97%, has new availability. Restaurants changed their operating models, relying on takeout orders to help boost sales.

Fortunately, the wheels of progress didn't grind to a halt. In an unpredictable and challenging year, the office market saw two significant corporate leases, and the City secured a long needed new City Hall. The Hemphill-Lamar connector was completed. The AC Hotel opened and two historic office buildings began conversion into hotels. New apartment buildings began construction. Heritage Park planning took a \$2M leap forward, and significant funding for the project was secured. The last Butler Place tenants were relocated to much more appealing housing, making the 42-acre Butler site available for disposition.

As Fort Worth emerges from the pandemic, all of the pre-virus economic underpinnings are still in place. Our diversified economy, significant population growth, job growth, excellent transportation infrastructure, anchor business clusters, proximity to DFW International Airport, and a business-friendly regulatory environment poise Downtown for rapid recovery.

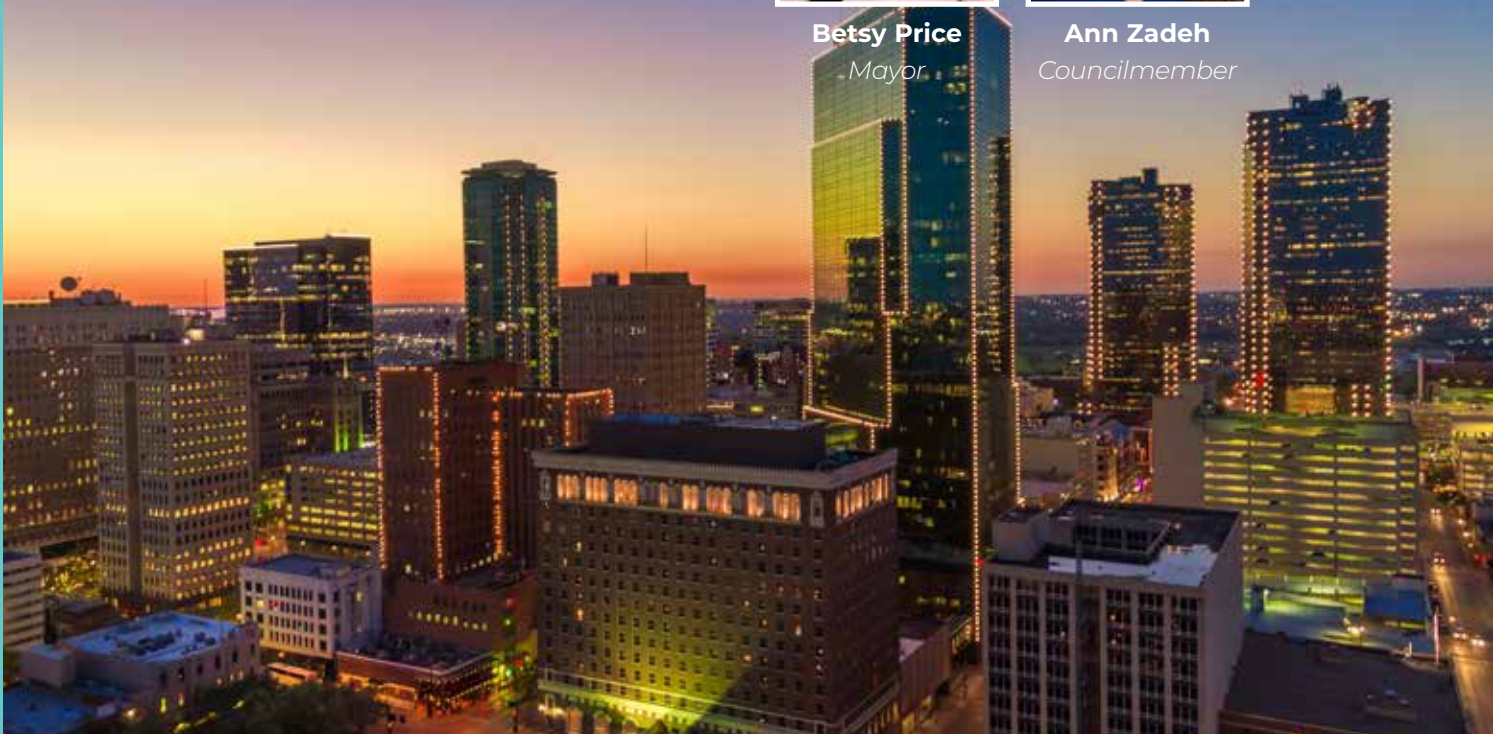
DFWI thanks Mayor Betsy Price and Councilmember Ann Zadeh for their years of leadership, encouragement, persistence, and support. Both have been outstanding partners in the effort to improve Downtown.



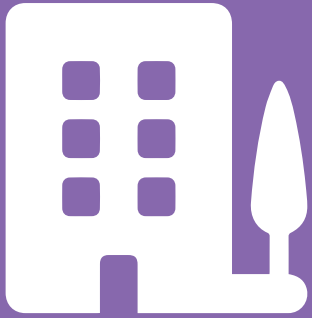
Betsy Price
Mayor



Ann Zadeh
Councilmember



DOWNTOWN BY THE NUMBERS



2,752 acres

4.3 square miles

1,486

Downtown businesses

38,142

private employees

14 MILLION

square feet of office space

3,471

hotel rooms

10,974

Downtown residents

5,619

residential units



45,945

Downtown employees
(all jobs)

\$82,914

average private payroll
per employee

\$3 BILLION

private payroll in 2018

At **\$3,162,522,000**

Downtown generates a
larger payroll than any
other employment center
in the county, contributing

18.5 times
its geographic
weight in
private payroll

Sources: City of Fort Worth, Downtown Fort Worth, Inc., Tarrant County, U.S. Census Bureau, State of Texas

Big Picture: Downtown Fort Worth is a 4.3-square-mile, high-performing North Texas submarket. With over 45,000 employees, Downtown Fort Worth is the largest employment center in Tarrant County. **Private payroll generated in Downtown exceeds \$3 billion per year,** the highest among employment centers in the county.

The Dallas-Fort Worth-Arlington metro area's unemployment rate from December 2020 was 6.7%. The unemployment rate for the City of Fort Worth was 6.5% in December 2020, **lower than the national rate of 6.7%.**

The Dallas-Fort Worth-Arlington metropolitan area's population **grew from 5,161,544 in 2000 to 7,320,663 in 2019.** 15.6% of this regional growth is attributed to Fort Worth.



Downtown is bordered by
I-30, I-35 and the Trinity River.



OFFICE AND EMPLOYMENT



Office: 2020 was a challenging year for all business sectors. However, Oncor's 200,000 square foot move into 777 Main and Freese and Nichols' 72,000 square foot headquarters relocation into Burnett Plaza were bright spots for Downtown Fort Worth. The City of Fort Worth's purchase of the Pier 1 Building in early 2021 for conversion into the new City Hall was another office milestone.

Fourth-quarter 2020 Class A office vacancy was 22.8%. First-quarter 2021 vacancy was 20.4%. While this is a welcome improvement, recent years suggest the need for a more robust push to promote Fort Worth as a competitive North Texas office choice. New City incentives, Chamber, DFWI, and building owner efforts will help as we emerge from the pandemic.

Leasing Activity, Share of Market

SPACE (SF)	2019	2020
<4,000	55%	47%
4,001-10,000	10%	37%
>10,001	35%	16%

Source: CoStar



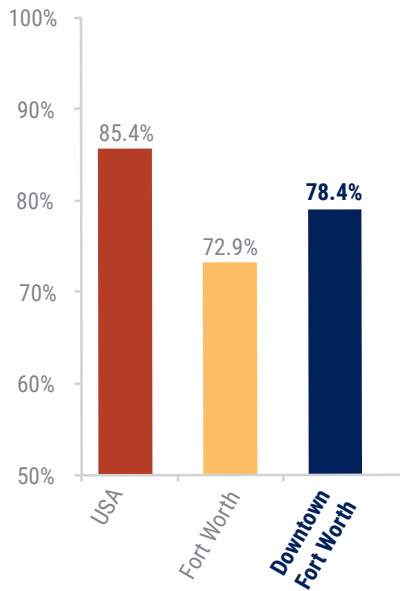
38,142 private jobs

45,945 total jobs

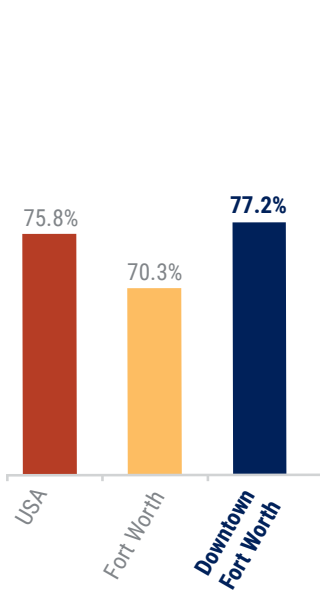
1,486 private business

\$3 BILLION in private payroll

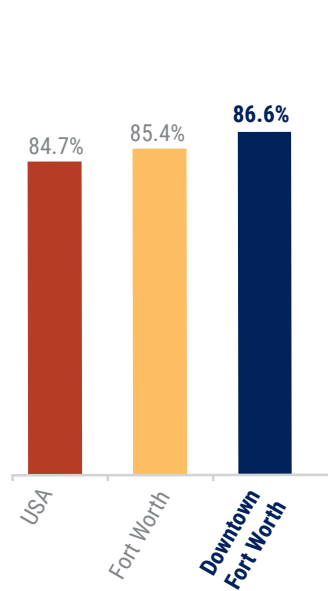
All Office Space Occupancy 4Q 2020



Class A Office Space Occupancy 4Q 2020



Retail Space Occupancy 4Q 2020



Source: CoStar



Downtown Coworking Spaces

City Central – 600 W 6th St.

CommonGrounds Workplace –
702 Houston St.

WeWork – 420 Commerce St.

WeWork – 505 Main St.

Class A Office Buildings

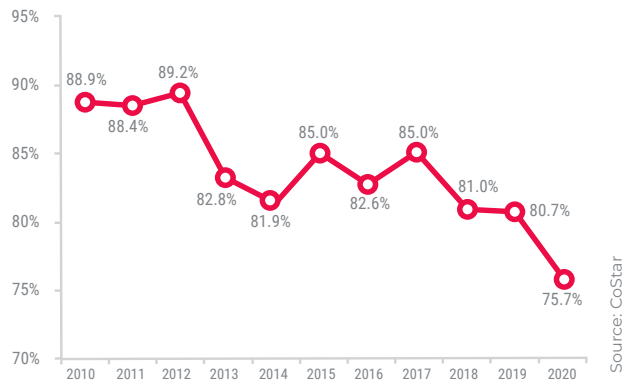
Burnett Plaza	1,024,627
777 Main	954,895
Bank of America Tower	820,509
Wells Fargo Tower	716,533
Pier 1 Imports Building	460,000
Two City Place	330,000
The Carnegie	280,000
Frost Tower Fort Worth	259,000
One City Place	231,365
Chase Bank Building	202,123
Cash America	135,293
Cantey Hanger	86,300
The Westbrook	80,607
The Cassidy	66,940
Commerce Building	66,000
100 Lexington Building	63,113
The Tower	30,000

Source: CoStar

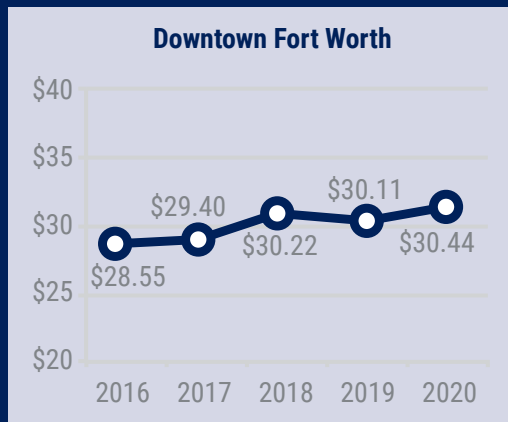
5,807,305
square feet
of Class A office space



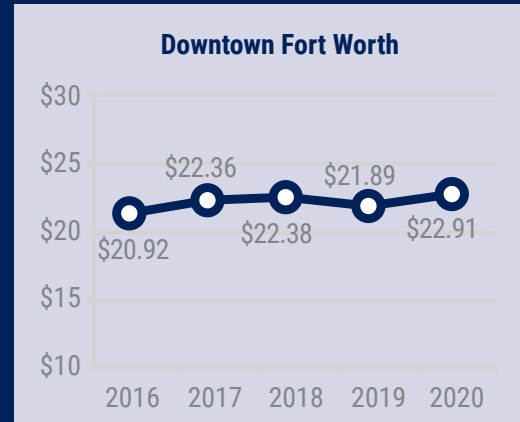
Class A Office Occupancy Rates
Downtown Fort Worth



Metro Area Class A Office Rental Rates (\$/SF)



Metro Area Class B Office Rental Rates (\$/SF)



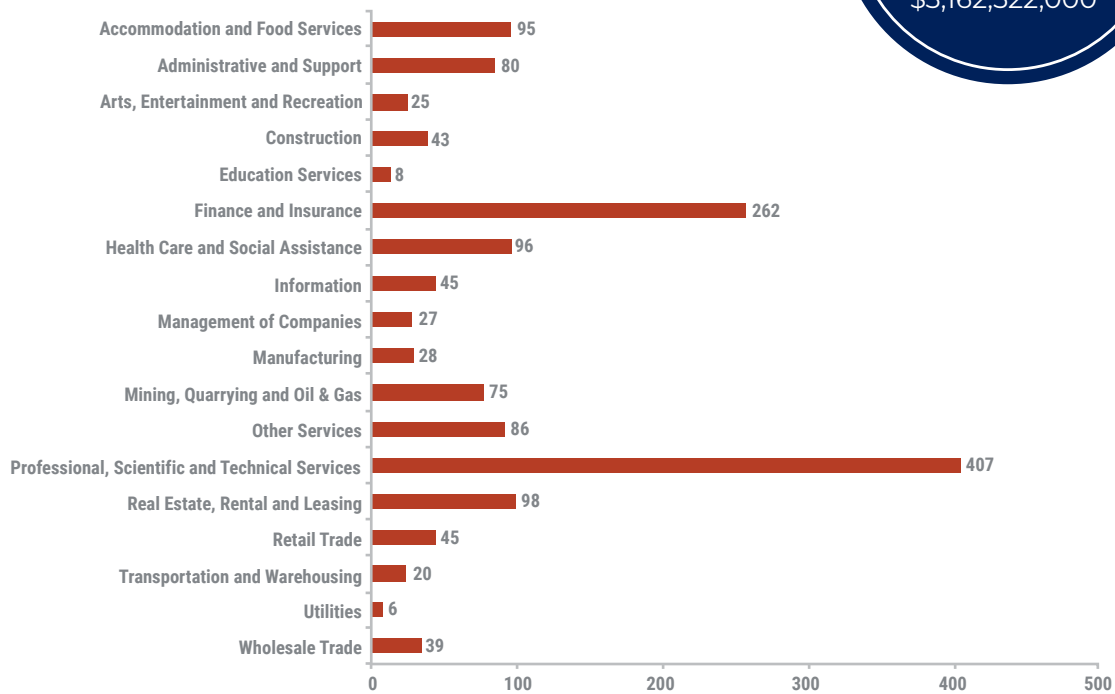
Total private employees: 38,142

Total number of businesses: 1,486

Annual payroll: \$3,162,522,000

Business Profile – Number of Businesses Per Category

Downtown Fort Worth



Source: U.S. Census Bureau 2018





Residential: The residential market was the least affected by the pandemic. While there were fewer condominium sales in 2020 compared with previous years, median and average housing prices remained stable. **In addition, Downtown apartments experienced positive absorption in 2020, increasing occupancy by 1.7% while adding 274 units.**

These units and those added in adjacent Downtown neighborhoods resulted in a predictable dip in prices as the competition to fill them took its natural course.

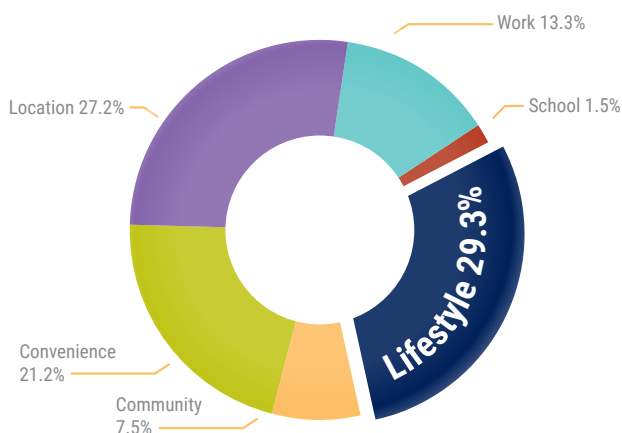
Since 2016, Downtown has added 1,533 new apartment units. The Rocklyn at Samuels Ave, a 274-unit apartment community, was added to the market during the first quarter of 2020. The Jameson at the Bluffs, a 387-unit apartment community, began leasing in January 2021. The 330-unit Burnett Lofts on Lancaster Avenue will begin leasing in 2021. Several other projects are anticipated to break ground in 2021, with seven projects totaling 1,713 units at various planning stages.

Residential Units Planned and Under Construction Downtown Fort Worth

PROJECT	UNITS
Burnett Lofts (UC)	330
Kent Lofts (P)	248
The Huntley Apartments (UC)	296
904 Collier (P)	51
901 Commerce (P)	283
The Grayson on 4th (P)	338
Summit Avenue Senior Living (P)	187
1000 Weatherford (P)	310
Total	2,043

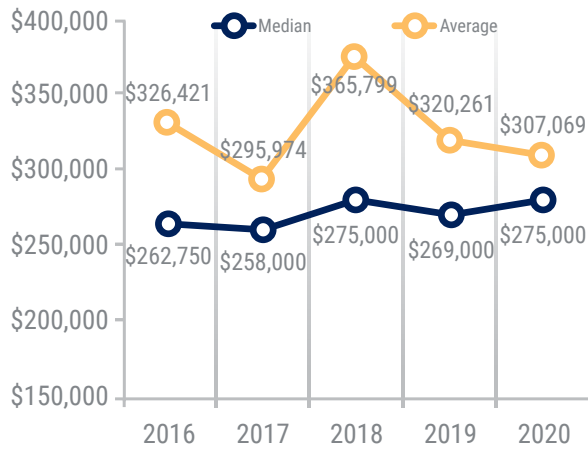
Source: Downtown Fort Worth, Inc.

Reason for Living Downtown



In DFWI's 2020 Resident Survey lifestyle was selected as the primary reason for living Downtown by 44.9% of condo/townhome owners and 28.6% of apartment renters.

Price of Condos and Townhomes Sold by Year



Sources: National Association of Realtors and North Texas Real Estate Information System, Inc.

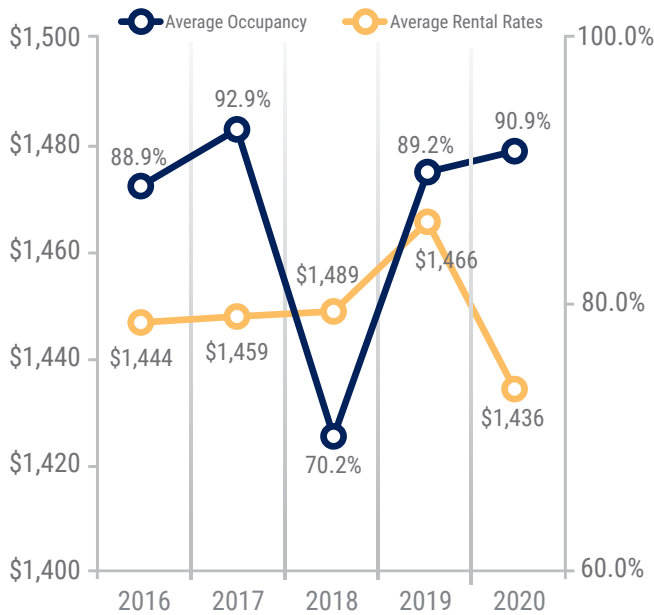


New Apartment Units Added

2016	130
2017	0
2018	1,073
2019	56
2020	274

Source: CoStar

Average Apartment Rental Rates and Average Occupancy Rates

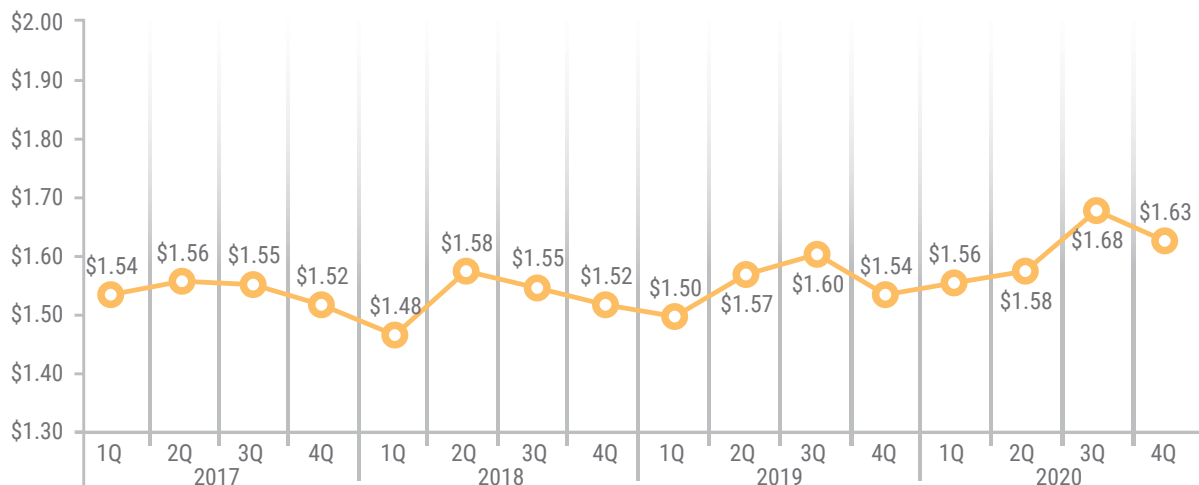


Source: CoStar



Average Apartment Rent Per Square Foot

Downtown Fort Worth



Source: CoStar



HOSPITALITY



Kimpton Harper Hotel



Sandman Hotel

Hospitality: While 2020 was a challenging year for the hospitality industry, hoteliers' investments point to Downtown Fort Worth's hospitality industry's solid underlying economics. In 2020, the 16-story, 246-room AC Hotel opened at 5th and Main Streets. Two hotel projects began repurposing historic Downtown office buildings; the 232-room Kimpton Harper Hotel at 714 Main Street and the 240-room Sandman Signature at 810 Houston Street. Two additional projects totaling 256-units are in the planning phase.

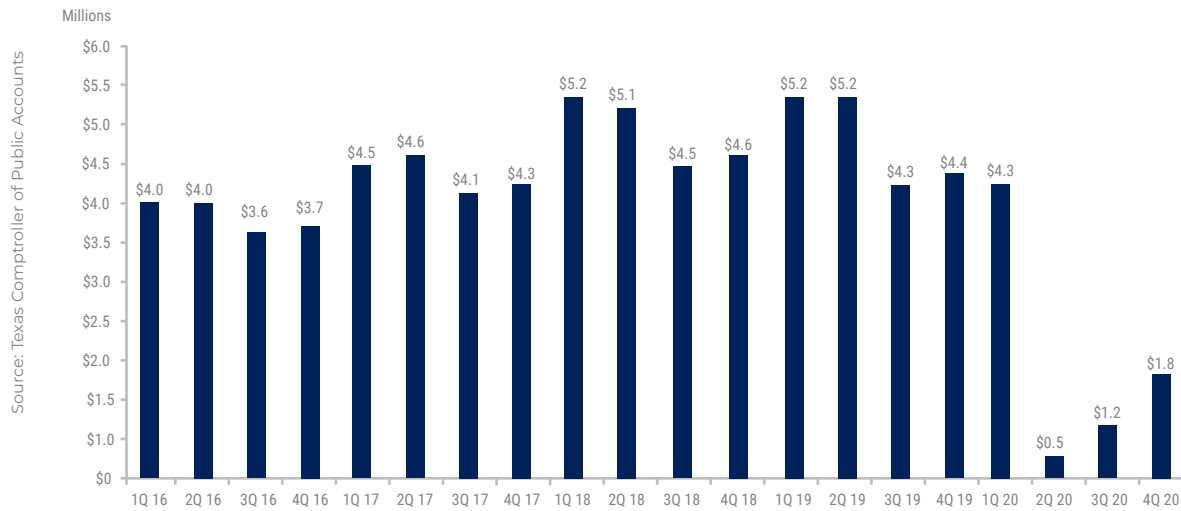


Hotels Planned (P) or Under Construction (UC)

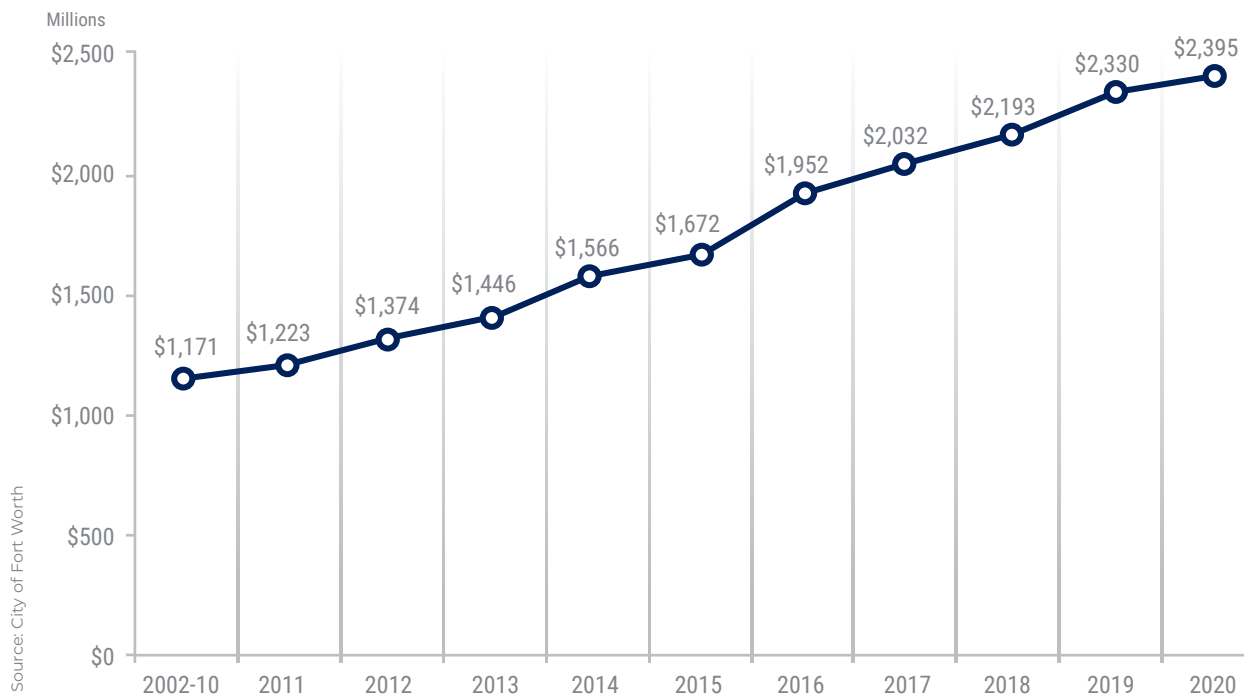
HOTEL	ROOMS
Avid Hotel (UC)	106
Kimpton Harper Hotel (UC)	232
Sandman Signature (P)	240
Le Meridien (P)	230

Source: Downtown Fort Worth, Inc.

Hotel Occupancy Taxes Paid Downtown Fort Worth by Quarter



Cumulative Value of Building Permits Downtown Fort Worth 2002-2020



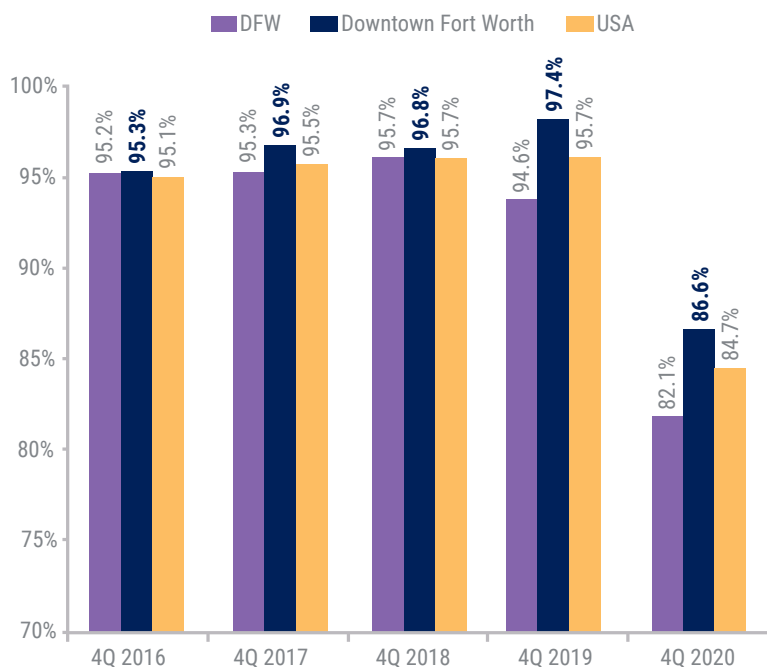


RETAIL



Retail: The pandemic hit restaurants and retailers especially hard across the country in 2020. Downtown Fort Worth was not immune and retail occupancy decreased by 11% in 2020. Downtown's regional draw, strong convention market, large employment base, and growing residential community provide a solid base of customers for new retail and restaurants as the economy reopens.

Retail Occupancy Rate

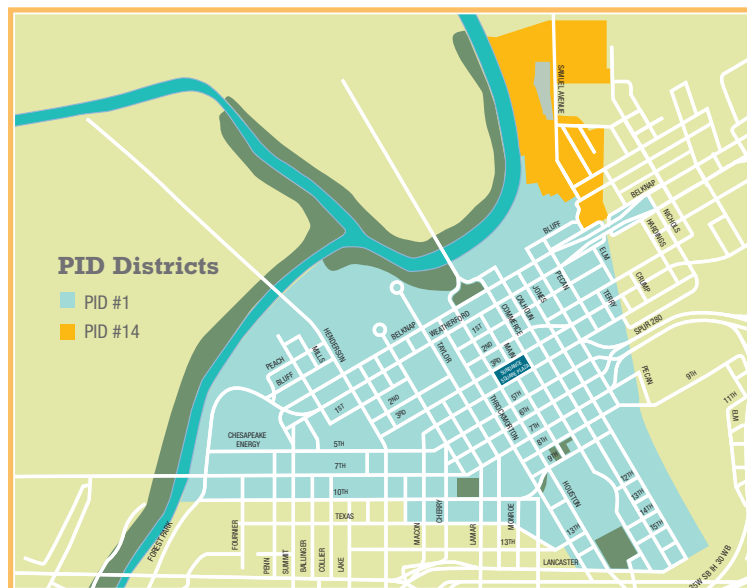


CVS Pharmacy 5th/Houston



PID #1 & #14

Created in 1986, Downtown Fort Worth Improvement District (PID) #1, administered by DFWI, offers a comprehensive program of services including research, marketing, Downtown planning assistance, sidewalk cleaning, street sweeping, security enhancement, litter removal, and bird abatement. In the fall of 2020, a new Outreach Coordinator joined the team to connect those in need with proper social services using strategic case-level management. From 1986 to 2009, the PID services were renewed by petition every five years by an overwhelming majority of property owners. Because of the PID's ongoing success, it was reestablished in 2009 for a 20-year period by the Fort Worth City Council, following the submission of petitions from property owners representing 83% of the property value and 80% of the land area in the District. Downtown Fort Worth Improvement District #14 was established in June 2009. Since then, District contractors provide services along Samuels Avenue daily.



\$3,043,198 in services annually



7,488 miles of curb and gutters cleaned annually/
144 miles weekly

15,660 linear miles of sidewalks cleaned



27 dump trucks of recyclable material collected each year



1,984 cubic yards (53,568 cubic feet) of dirt/debris removed from streets, curbs and gutters annually



17 full-time Clean Team members
13 Ambassadors
1 Outreach Coordinator



1,249 trees serviced within PIDs
218 Downtown trees lighted



13,500 square feet of planters in bloom seasonally
75,000 plants planted annually

Tax Increment Finance District #3

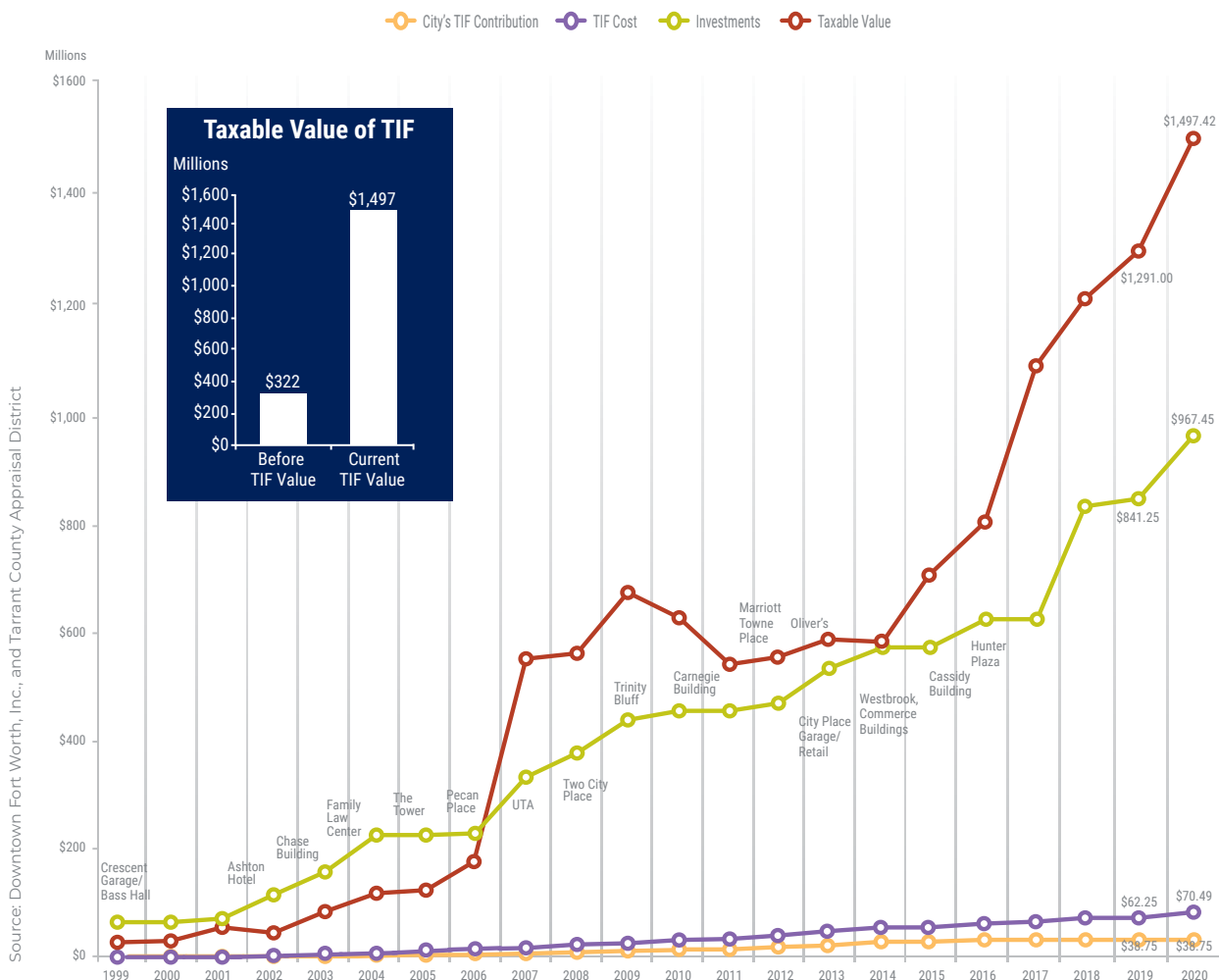
A significant partnership that adds to the success of Downtown is the Downtown Tax Increment Finance District (TIF) and the other Downtown-oriented TIFs. The Downtown TIF makes strategic investments in parking, infrastructure, historic preservation and residential development. The TIF is a collaboration of the City of Fort Worth, Tarrant County, Tarrant County Hospital District, Tarrant County College District and Tarrant Regional Water District.



To date, the TIF has obligated roughly \$97 million, leveraging **\$911 MILLION in private development** and facilitating \$55.05 million in public investment. In Tax Year 2020, the TIF generated \$13.8 million of tax increment to the taxing district partners. The TIF revenue is capped at \$5 million per year; the remainder of the tax increment, \$8.8 million, was returned to the taxing jurisdictions.

DFWI manages the Downtown TIF through a contract with the TIF Board of Directors.

Downtown TIF Costs, Investments and Tax Increment





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Omni Hotel (*Chair*)

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Anthracite Realty Partners

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City Center Fort Worth

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The Cumbie Consultancy

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Ron Investments, Ltd.

Drew Hayden

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Flowers to Go in Sundance Square

Walter Littlejohn

The Fort Worth Club

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XTO Energy

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Red Oak Realty

Henry S. Miller, III

Sundance Square

Don Perfect

Oncor

Joy Webster

MorningStar Capital

John Yeung

Sheraton Hotel Fort Worth

**Downtown Fort Worth, Inc.
Publications**

- *Annual Report*
- *In View*
- *Residential Survey Report*
- *State of Downtown*

Information Sources

City of Fort Worth
CoStar
Downtown Fort Worth, Inc.
ESRI
Federal Housing
Finance Agency
National Association
of Realtors
North Texas Real Estate
Information System, Inc.
Office of Governor, Economic
Development and
Tourism
Smith Travel Research
Tarrant County
Appraisal District
Tarrant County Clerk
Tarrant County College
Texas A&M Real Estate Center
Texas Comptroller
of Public Accounts

Texas Department
of Transportation
Texas Workforce Commission
The North Central Texas
Council of Governments
U.S. Bureau of
Economic Analysis
U.S. Bureau of Labor Statistics
U.S. Census Bureau
U.S. Department
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Visit Fort Worth

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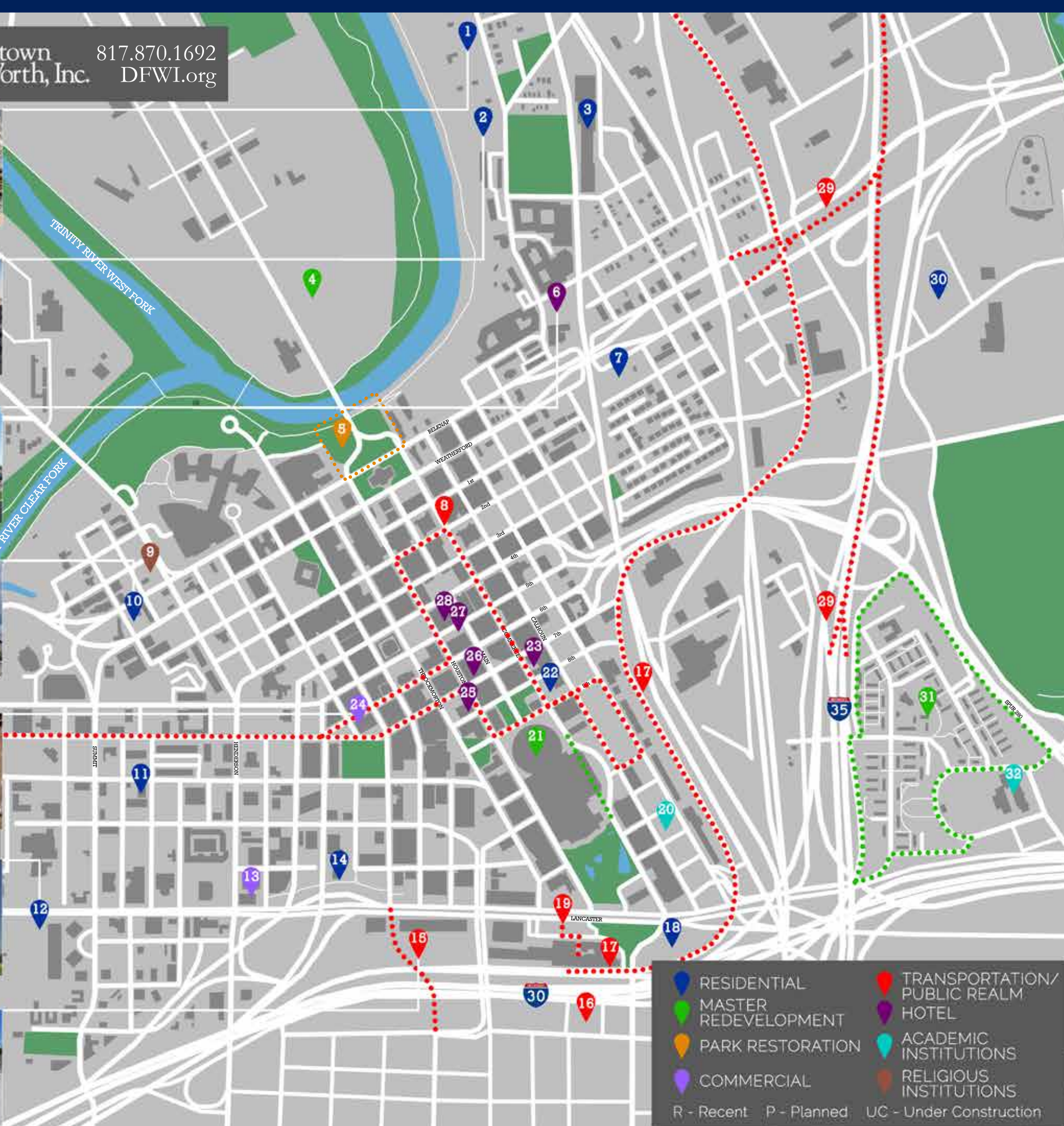


A service of
Downtown Fort Worth, Inc.



Downtown
Fort Worth, Inc.

817.870.1692
DFWI.org



DOWNTOWN FORT WORTH

RECENT, PLANNED and UNDER CONSTRUCTION

- | | |
|--|--|
| 1 KELLEY at SAMUELS AVE
353 Units R | 19 T&P STATION P
Pedestrian Improvements |
| 2 ROCKLYN ON SAMUELS
274 Units R | 20 TEXAS A&M LAW
Future Expansion P |
| 3 JAMESON at THE BLUFFS
387 Units R | 21 CONVENTION CENTER
Arena Demo/OC Expansion
Commerce St Realignment P |
| 4 PANTHER ISLAND
Flood Control Project UC | 22 901 COMMERCE
283 Units P |



- | | |
|--|--|
| 5 HERITAGE PARK P
Restoration/Master Plan | 23 LE MEREDIEN
230 Rooms P |
| 6 AVID HOTEL
106 Rooms P | 24 FIRST ON 7th UC
Retail/Office Renovation |
| 7 THE HUNTLEY
296 Units UC | 25 SANDMAN SIGNATURE
245 Rooms UC |
| 8 THE DASH
E-Bus Circulator R | 26 KIMPTON HOTEL
232 Rooms UC |
| 9 THE PARADOX CHURCH
Religious P | 27 AC HOTEL by MARRIOTT
252 Rooms R |
| 10 1000 WEATHERFORD
310 Units P | |
| 11 904 COLLIER
51 Units P | |
| 12 SUMMIT AVE SR LIVING
187 Units P | |
| 13 QUIKTRIP UC
7,000 sf Convenience Store | |
| 14 BURNETT LOFTS
330 Units UC | |



- | | |
|---|--|
| 15 HEMPHILL/LAMAR
Vehicle/Ped Tunnel R | 28 THE SINCLAIR HOTEL
164 Rooms R |
| 16 KATY STATION LOFTS
Transit-Oriented Dev P | 29 TEXPRESS I-35W R
Managed Express Lanes |
| 17 TEXRail
27 Mile Commuter Rail R | 30 THE GRAYSON ON 4th
338 Units P |
| 18 KENT LOFTS
248 Units P | 31 BUTLER PLACE
Redevelopment P |



- RESIDENTIAL
MASTER REDEVELOPMENT
PARK RESTORATION
COMMERCIAL
TRANSPORTATION/
PUBLIC REALM
HOTEL
ACADEMIC INSTITUTIONS
RELIGIOUS INSTITUTIONS
R - Recent P - Planned UC - Under Construction

Map Date © 2020 DFWI

DFWI - APRIL 2021

CREDITS

Downtown Fort Worth, Inc., is grateful to the following organizations and individuals for their assistance in producing the *State of Downtown* publication:

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