



MINUTES OF JOINT MEETING, AUGUST 27, 2018,
CITY COUNCIL AND PLANNING AND ZONING COMMISSION
IMMEDIATELY FOLLOWING THE CITY COUNCIL SPECIAL MEETING

Councilmembers Present:

Mayor Larry Thompson
Mayor Pro-Tem John McCaw
Councilmember Todd Arvidson
Councilmember Kay Bower
Councilmember Robb Erickson
Councilmember Bryan Lantzy

Councilmembers Absent:

None

Planning and Zoning Commissioners Present:

Dr. Miller, Chair, Planning and Zoning Commission
Mark Hausheer, Vice Chair, Planning and Zoning Commission
Karen Diaz, Planning and Zoning Commission
Kitty Owen, Planning and Zoning Commission
David Ringle, Planning and Zoning Commission

Commissioners Absent:

None

City Staff Present:

Nancy Cain, City Administrator
Ron Eberhardt, Police Chief
Karen Ford, Finance/HR
Shelley Goodwin, City Secretary

City Commissioners in attendance

Ken Kneupper, Wildlife Management Advisory Commission

1. Call to Order

With a quorum of the City Council members and Planning and Zoning Commissioners present, Mayor Thompson called the Joint meeting of the Garden Ridge City Council and Planning and Zoning Commission to order at 7:10 p.m. on Monday, August 27, 2018, in the City Council Chambers of the Garden Ridge City Hall, 9400 Municipal Parkway, Garden Ridge, Texas 78266.

2. Pledge of Allegiance

Mayor Thompson led the Pledge of Allegiance.

3. Citizen's Participation – Limited to (30) minutes

No one wished to speak.

4. Business Items

The following items are for discussion, consideration and action.

a) Economic Feasibility Study prepared by Pegasus Planning and Development

i. Presentation of study

ii. Discussion

Sean Garretson, Pegasus, presented a PowerPoint presentation of the Economic Feasibility Study prepared for Garden Ridge (see attached). Mr. Garretson provided the history of Pegasus and their scope of services. The following items were discussed: Data and assumptions, Wastewater Master Plan and living unit equivalent (LUE), Potential small upscale hotel on sloped lot, Hotel Occupancy Tax (HOT), PUD, Setbacks, Tax Rate, Three different development scenarios, Bond and Bond payments.

Mayor Thompson asked that any questions, recommendations or changes needed to the Study to be submitted to the City Administrator. He stated the plan is to bring the Study to the City Council for approval on September 5, 2018. He also stated with the approval of this Study it will become beneficial to the Planning and Zoning Commission as they go through the Zoning Ordinance rewrite. Mr. Garretson stated he will have the changes made and submit the final Study to the City Administrator.

5. Citizen Comment Period – limited to 20 minutes total

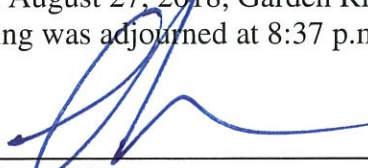
See “Rules for Citizen’s Participation” under Item 6.

Tony Overman, 18955 F.M. 2252, thanked the City Council and Commission for moving forward with this Study and Zoning Ordinance rewrite.

Ken Kneupper, 8891 Schoenthal Road, spoke regarding his support of a hotel and the different reasons why this needs to be built.

6. Adjournment

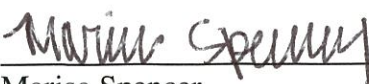
There being no further business, the Monday, August 27, 2018, Garden Ridge City Council and Planning and Zoning Commission joint meeting was adjourned at 8:37 p.m. by Mayor Thompson.



Larry Thompson
Mayor

Minutes prepared by Shelley Goodwin

ATTEST



Marisa Spencer
Interim City Secretary

SIGN IN TO SPEAK AT THE AUGUST 27, 2018 CITY COUNCIL and P&Z JOINT MEETING CITIZEN COMMENT PERIOD

Rules for Citizens' Participation:

The City Council welcomes citizen participation and comments at all City Council Meetings. The City Council offers citizens the opportunity to address them by signing up to speak prior to the meeting. If you speak, you follow these guidelines:

- a) Respect and courtesy:
 - i. Direct your comments to the entire City Council, not to an individual member, nor to the audience.
 - ii. Show the City Council the same respect that you would like to be shown.
 - iii. End your speaking at the time allotted below.
- b) Speaking:
 - i. First citizen comment period
 - 1. You are required to sign up to speak.
 - 2. You are limited to one 3 minute period.
 - ii. Business item period
 - 1. You are required to sign up to speak.
 - 2. You are limited to one 3 minute period.
 - iii. Second citizen comment period
 - 1. You are not required to sign up.
 - 2. You are limited to one 2 minute period.
 - iv. State your name and address before your comments begin.
 - v. You are only allowed to speak once per topic, unless also speaking during a posted Public Hearing.

NOTE: The Texas Open Meetings Act permits a member of the public or a member of the governmental body to raise a subject that has not been included in the notice for the meeting. However, any discussion of the subject **must be limited** to a proposal to place the subject on the agenda for a future meeting and any response to a question posed to the City Council is limited to either a statement of specific factual information or a recitation of existing policy. TEX. GOV'T CODE § 551.042

NAME	ADDRESS	SUBJECT
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

FISCAL IMPACT ANALYSIS OF PROPOSED UTILITY EXTENSION

**FOR
GARDEN RIDGE, TEXAS**

City Council & Planning
and Zoning Workshop

Presented by

PEGASUS

August 27, 2018

PEGASUS PLANNING AND DEVELOPMENT

Market Analysis, Economic Development and Revitalization

Pegasus Planning was established to provide professional services to public and private sector clients. Pegasus has helped hundreds of clients over the last twenty years understand market opportunities, create economic development strategies, revitalize vacant land or underutilized corridors and downtowns, facilitate strategic directions and achieve visions.

Although we focus mostly on economic development planning, over the last few years we have gained valuable experience with land development and workforce/business collaborations. Our clients are cities, counties, universities, community colleges, developers, and economic development organizations.

Specializations:

- Strategic Planning
- Market Analysis
- Workforce Housing Analysis
- Downtown Revitalization
- Economic/Fiscal Impact Analysis
- Private-Public Partnership Consulting
- Economic Development
- Entrepreneurship
- Urban & Regional Planning
- Land Development
- Feasibility Study
- Scenario Modeling / Analysis



PEGASUS

Select Clients include:

Socorro, Texas
Dallas Community College
Edinburg, Texas
Buda, Texas
San Marcos, Texas
Palacios, Texas
Cibolo, Texas
Schertz, Texas
Jarrell, Texas
Rockwall, Texas
Austin, Texas
Meridian, Idaho
Boise, Idaho
State of Mississippi
Gulfport, Mississippi
State of Louisiana
Pensacola, Florida
Emporia, Kansas
State of Vermont
Puyallup, Washington
Stillwell, Oklahoma
Fort Smith, Arkansas
Helena, Arkansas
Arkadelphia, Arkansas

SCOPE OF SERVICES

- Fiscal Impact Analysis of New Utility Extension
- Review current plans and ordinances for Garden Ridge
- Create baseline analysis of all taxing jurisdictions and tax rates
- Apply standards related to jobs per construction type in Garden Ridge, TX to the subject area
- Apply development yield scenarios (low, medium and high density) to be approved by Client/Engineer
- All steps would entail a combination of extensive qualitative (interviews, surveys) with quantitative (BEA Input/Output, Implan multiplier analysis, regional research) methods
- Estimate annual sales and property taxes from potential development (others if applicable) for 5,10 and 20 years

DATA AND ASSUMPTIONS

Property Value Data (CCAD)

State Sales and Hotel Tax Data

Master Land Use Plan

Current city tax rates and impact fees

Stakeholder input

ENVISION TOMORROW

- Envision Tomorrow is software that uses mapping and data to show fiscal and related impacts of different development scenarios. We used Envision Tomorrow to model three scenarios – light development, medium development, and heavy development and estimated revenues based on five different income streams: 1) Property tax; 2) Sales Tax; 3) Franchise Fees, 4) Impact Fees, and 5) Hotel Occupancy Tax.
- We also created a “full build-out” scenario that projected the total development if all the land in the study area were developed in accordance with the city’s comprehensive plan.

STUDY AREA AND GROWTH CONSTRAINTS

- The Study area is roughly 400 undeveloped acres on the eastern edge of Garden Ridge.
- The wastewater master plan projected a capacity of 745 living unit equivalent. A LUE is equivalent to the wastewater used by a house, 3,000 square feet of office space, or 1,660 square feet of retail space. A hotel uses one LUE for every 2 rooms.
- The growth scenarios are informed by the city's master land use plan, which assigns future land uses to the parcels in this area.

DEMAND ASSUMPTIONS

Housing Demand: The mixed use component of the developing area will include smaller residential units such as town homes and garden homes. This type of housing does not exist in Garden Ridge currently, but may become more popular as the population ages and older citizens want to trade a 3,000 sq ft house on an acre lot for a smaller house. We project the average size of these homes to be 1,200 sq ft, with a cost of \$180/sq ft. High school #4, projected to open in 2020, will add to residential demand. The light development scenario assumes 10 new houses/year; the medium development scenario assumes 17 houses/year; the heavy assumes 25/year.

Retail Demand – There is substantial pent-up demand for retail in Garden Ridge. Based on our discussion with developers, they would build retail if wastewater pipes were put on. The light development scenario projects 15,000 sq ft of retail annually; medium projects 20,000 sq ft annually, and heavy projects 25,000 sq ft annually.

Hotel Demand – Garden Ridge does not currently have any hotels, but surrounding cities in Comal County have added over a dozen mid-large hotels since 2010 and Garden Ridge could support one. The light development scenario does not project a hotel; but the medium and heavy scenarios assume 1 new hotel.

REVENUE SOURCES AND HOW THEY WERE ESTIMATED

Property Taxes – Value/sq ft based on comparison properties. Assumes 3% growth in property value, annually. We used the current Garden Ridge property tax rate of \$.3342

Sales Taxes – For each commercial property we estimated sales tax receipts by first estimating sales/sq ft. That figure was based on regional figures. In 2017, San Antonio has 46.1 million sq ft of retail space (Weitzman Group) and tallied \$27.8 Bn in sales (Texas State Comptroller). Therefore, each square foot of retail generated \$586 in sales. In Garden Ridge, the city would collect 1% of that figure, or \$5.86/sq ft. We increased sales tax receipts at an annual rate of 2.5%.

Franchise Fees – Franchise fees are fees collected by the city from the utility. For water and wastewater, the current fee is \$3.50/meter of line. We did not apply an annual inflation rate to the franchise fee, as the fee is set by the city.

Impact Fees – The city charges impact fees to developments connecting to its water and wastewater. For wastewater, the fees are \$5,689 per living unit equivalent (LUE). For water, \$4,872 per LUE. We only calculated impacts from new properties hooking up to water/wastewater, *not properties that are currently developed*. The impact fees are set by ordinance, so we did not apply an inflation adjustment.

Hotel Occupancy Taxes – we created a “standard hotel” based on comparison properties. We assumed a hotel occupancy of 7%, the highest allowed by the state.

MASTER LAND USE PLAN

- 2017: “to preserve the natural environment and unique community character as the City approaches build-out of its current city limits”
- Projected Land Use for land getting wastewater service
- 4 “special planning areas” – retail, retail anchor, mixed use and light industrial



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WASTEWATER MASTER PLAN

- 2016 plan to provide wastewater along both sides of FM 2252 from city limit to city limit
- Wastewater system will enable denser development of currently vacant land
- Can diversify the tax base as city approaches full buildout
- Projects 506 living unit equivalent
- \$5.3 M overall utility cost estimate



City of Garden Ridge 2018 Bond Review Statement of Probable Cost Proposed Water System Improvements

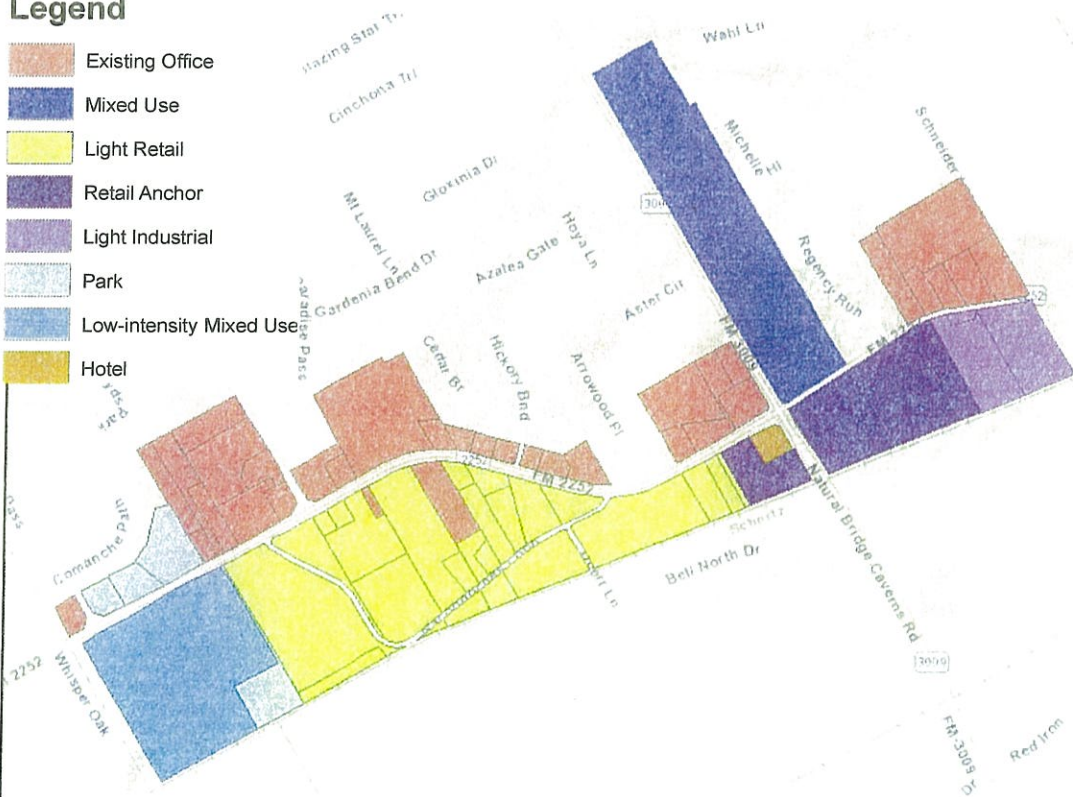
Project:	Description	Cost Estimate
Sanitary Sewer System	Sanitary Pressure Sewer	\$ 2,628,145.00
Naco Loop II	12-inch Waterline	\$ 1,001,650.95
FM 2252 (Naco to Schneider)	12-inch Waterline	\$ 1,012,249.85
FM 2252 (Wisper to Naco)	12-inch Waterline	\$ 667,636.50
Total Cost:		\$ 5,309,682.30

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FULL BUILDOUT

Legend



Land Use Mix (acres)

Existing Office	- 124
Light Retail	- 121
Retail Anchor	- 23
Low Intensity Mixed Use	- 68
Mixed Use	- 62
Light Industrial	- 21.5
Hotel	- 2.5
Park	- 31

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August 27, 2018

FULL BUILDOUT: REVENUE & TOTAL DEVELOPMENT

Table 1

Total new Square Feet of Retail	1,586,712
Total New Homes	960
Total Square Feet of Light Industrial	322,500
Total LUEs	2,712
Total Impact Fees	\$19,088,998.21

Table 1: Total amount of land developed and impact fees collected at full-buildout.

Table 2

Sales Tax	\$ 16,915,186.32
HOT Tax	\$ 166,854.97
Property Tax	\$ 1,510,228.15
Franchise Fees	\$ 53,820.00
Total	\$ 18,519,174.03

Table 2: Total revenue in the final year at full buildout

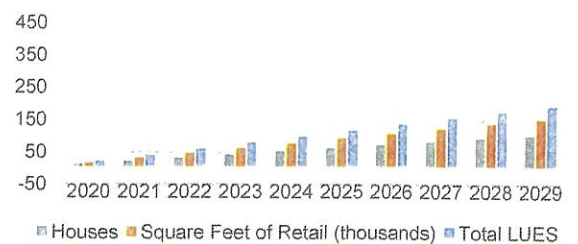
LIGHT DEVELOPMENT SCENARIO

Bonds Paid Off:
2027

Light Development- Revenue/year

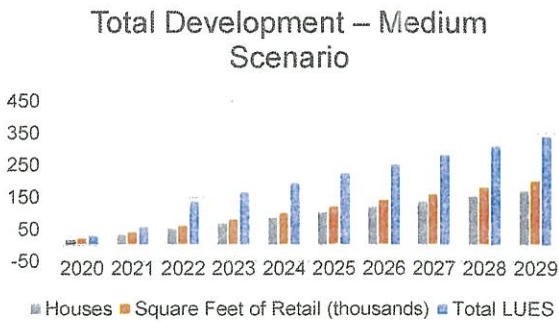
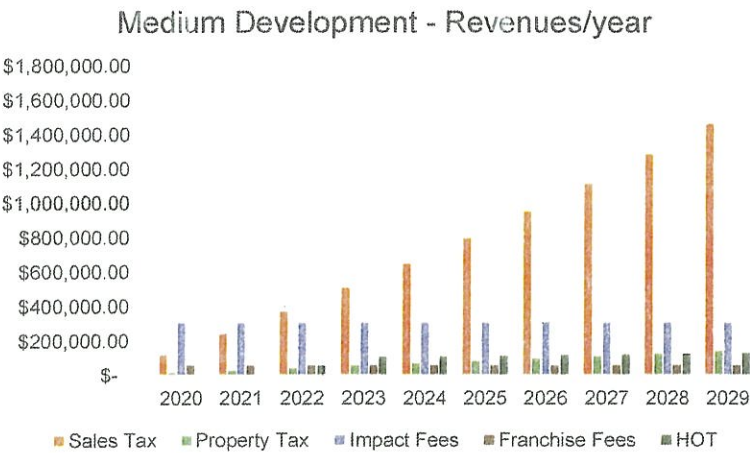


Total Development - Light Scenario



MEDIUM DEVELOPMENT SCENARIO

Bonds Paid Off:
2025



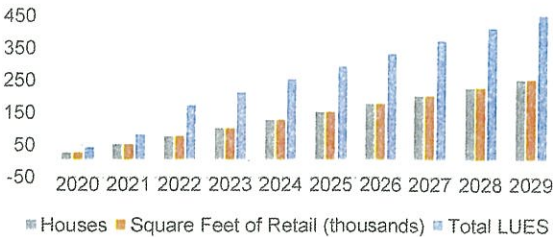
HEAVY DEVELOPMENT SCENARIO

Bonds Paid Off:
2024

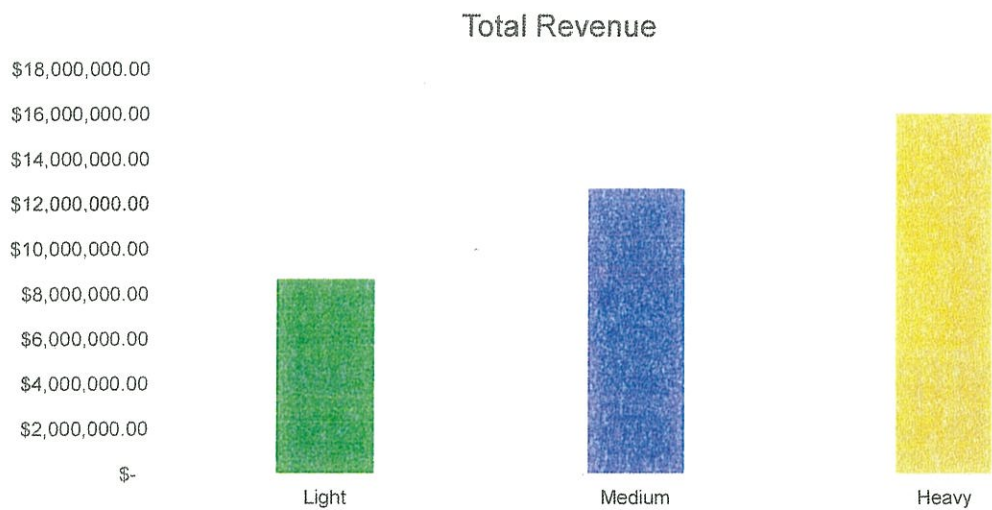
Heavy Development - Revenue/year



Total Development - Heavy
Scenario



COMPARISON OF REVENUES

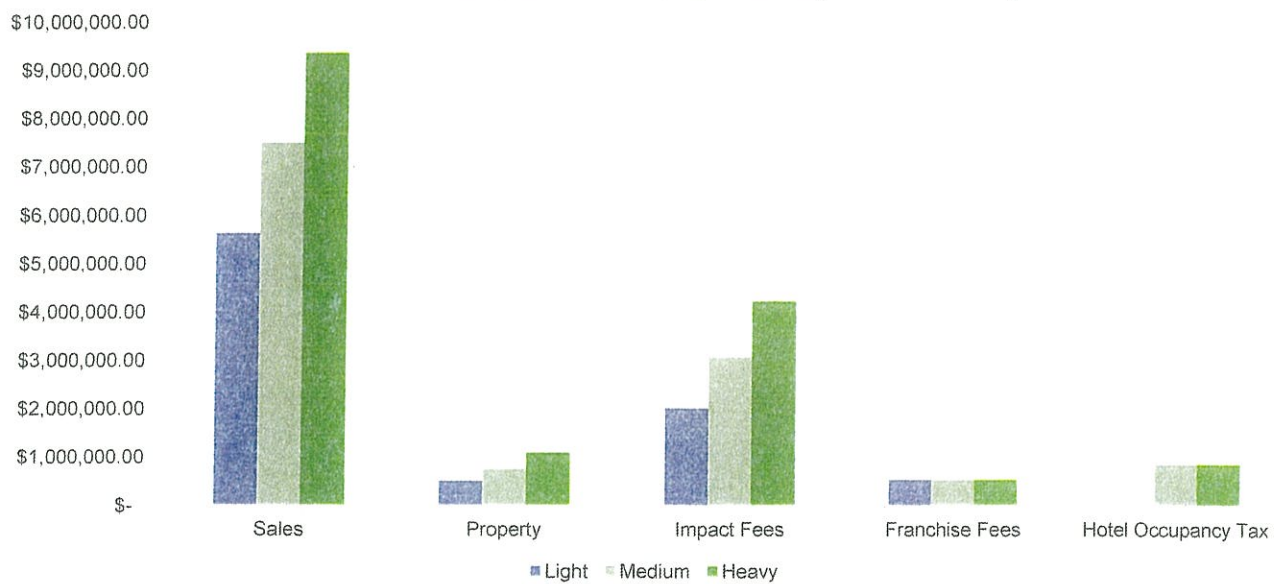


Total revenue in the final year at full buildout is \$18.5 Million

Sales Tax	\$ 16,915,186.32
HOT Tax	\$ 166,854.97
Property Tax	\$ 1,510,228.15
Franchise Fees	\$ 53,820.00
Total	\$ 18,519,174.03

COMPARISON OF REVENUES

Total Revenues, 2020-2029, by Development Intensity



NEXT STEPS

- Finalize Report
- Council to Consider Final Report September 5th