



Pegasus Planning and Development

MEMORANDUM

To: The City of Rollingwood
From: Sean Garretson, Pegasus Planning and Development
Date: 7/23/2020
Subject: Completion of Phase II

This memorandum marks the completion of Phase II of Rollingwood’s Comprehensive Plan and summarizes the key findings from the community engagement initiative and the fiscal impact analysis. The purpose of this phase was twofold: 1) Garner input from the community about their values, concerns, and aspirations which will serve as a foundation for the creation of the Comprehensive Plan; and 2) Educate the community and local leaders on the City’s fiscal health based on the current zoning, and provide insights into alternatives via scenario-based modeling. A full summary of the public outreach initiative and the fiscal impact analysis will be provided during the City Council Work Session on July 28, 2020.

PUBLIC OUTREACH OVERVIEW

Introduction. The public outreach initiative involved two key components: a community-wide survey, and interviews/focus groups with key stakeholders. The community-wide survey was live for two weeks in July and garnered a 50% response rate. Using a 95% confidence level, based on the estimated number of households (US Census, 2018), 224 responses would have yielded a statistically significant result; the survey received 270 responses. In addition to the survey, Pegasus also conducted various interviews and focus groups with various stakeholders including residents, business owners, City staff, Council Members, Task Force Members, Rollingwood Community Development Corporation Members, and Planning and Zoning Commission Members.

Survey Findings. There were many common themes shared by stakeholders throughout the survey, including the need to address drainage and infrastructure concerns, the desire for more restaurant/retail options on the Bee Cave Commercial

<p>Key Findings</p> <ul style="list-style-type: none">• The location, excellent school district, and feeling of safety are among what residents’ value most about living in Rollingwood.• Drainage is seen as the #1 issue facing Rollingwood today, followed by the “overbuilding” of residential properties, and increased traffic.• Many respondents would like to see better commercial options on Bee Cave Rd, the addition of sidewalks in key areas, and improved walkability within the community.• Open communication between city leaders and the community is of upmost importance to all.

Corridor, concerns regarding the impervious cover of new residential properties, and pedestrian safety.

The overwhelming majority of respondents were residents of Rollingwood (96%), and many (57%) have lived in the City for over 10 years. Rollingwood is increasingly becoming a community of families, as 60% of households stated they had children under 18. The location, excellent school district, and the sense of safety were among what residents' value most about living in Rollingwood.

When asked about the most important issues facing Rollingwood today, drainage arose as the number one issue concerning residents (50 mentions). The "overbuilding" of residential properties was also shared as key issue (35 mentions), with the loss of tree canopy, the loss of identity, and flooding being cited as top concerns related to this issue. In terms of improvements within the next 10 years, many households would like to see better commercial options on the commercial corridor (31 mentions), drainage improvements (30 mentions), and enhanced walkability within the community (19 mentions), with a focus on additional sidewalks in key areas and improved pedestrian safety measures.

Regarding the past studies relating to the City, over 50% of respondents had *never heard* of the Rollingwood Needs Assessment (2019), the Commercial Corridor Study (1999), Retail Market Analysis (2019), and the Infrastructure Improvement Plan (2020). In contrast, over 50% were familiar with the Park Master Plan (2018) and the City Branding Initiative (2018).

Seventy-five percent (75%) of respondents stated they would be interested in seeing a "hike and bike" trail along Eanes Creek. Of those who said no, more traffic and non-residents utilizing the trail were cited as top concerns. The survey also asked various questions regarding the commercial corridor on Bee Cave Rd. Many respondents stated that they wanted to see more restaurant and retail options, and that they felt that the commercial corridor needed improvement (particularly as it relates to aesthetics and pedestrian safety).

In terms of mobility and transportation, 50% of respondents felt that traffic calming improvements within Rollingwood's residential areas should be a priority, while 48% stated improved bike and pedestrian mobility. Pedestrian safety is a key concern for residents.

Interviews and Focus Groups. Many of the key themes which arose within the interviews and focus groups were in line with the themes within the survey. First and foremost, many interviewees stated the importance of having this effort be an expression of community input and community values.

- Walkability – the addition of sidewalks in key areas and pedestrian safety was a common theme. Many interviewees felt that crossing Bee Cave Rd was unsafe and offered various suggestions such as a flashing crosswalk with extended time for crossing or a pedestrian bridge.

- Eanes Creek – many felt that Eanes Creek could be better utilized and that the current commercial “turns its back” on the creek, which is a natural asset. While flooding is a concern, canalizing the creek was discussed as a potential solution.
- Transparency and Communication – focusing on open communications between residents and city leaders was a key consideration in almost every discussion. Of utmost importance to all is ensuring that Rollingwood’s Comprehensive Plan incorporates community feedback throughout the process and reflects community values and aspirations.
- Bee Cave Commercial Corridor – many shared the desire to improve the commercial corridor, with the goal of enhancing the community experience and generating more sales tax revenue (and thus alleviating the tax burden on residents). Stakeholders would like to see more retail/restaurant offerings which cater to residents, aesthetic improvements, and efforts to improve pedestrian safety. Business owners felt that more could be done to promote local businesses to residents.
- Demographics and Unity – it was acknowledged by many that Rollingwood is an intergenerational community which has seen many changes. As many homes were not designed for senior residents, some would like to see more options for residents to stay in the community after retirement. Importantly, residents feel that they are more united in their values and aspirations than not, which was made evident through the expression of common themes and concerns throughout this process.
- Infrastructure – many stakeholders would like to see various infrastructure improvements. In addition to addressing drainage concerns, some stakeholders discussed the desire to bury powerlines. Poor cell and internet service impact many residents.
- Residential Development – many residents are concerned with the lack of impervious cover restrictions, which they feel is resulting in new home construction which covers “too much” lot size. Many would like for the residential standards to be reviewed, as they feel that the loss of tree canopy is resulting in a loss of identity and privacy.

DRAFT FISCAL IMPACT ANALYSIS – BEE CAVE COMMERCIAL CORRIDOR

Introduction. This section outlines the process and findings of the Bee Cave Corridor Fiscal Impact Analysis for the Rollingwood Comprehensive Plan and Zoning Update. The goal of the Fiscal Impact Analysis is to show how different development types and development regulations affect sales and property tax revenue.

The 2018-2019 City of Rollingwood Operating Budget shows that the city generates a total tax revenue of \$3,100,867. Approximately 69% or \$2,125,140 of the total tax revenue comes from property tax, while 31% or \$975,727 comes from sales tax. This tax breakdown indicates that Rollingwood is highly dependent on property tax. According to the Retail Market Analysis done by Retail Coach in 2019, the City of Rollingwood has a retail leakage of approximately \$455 million. This analysis reveals that there is a clear discrepancy between residential demand and retail supply in the city, due to how the existing zoning constricts commercial development. Furthermore, the City of Rollingwood is reaching full build-out, with only approximately 25 vacant parcels. If all of the remaining parcels are developed (full build-out) in accordance to existing zoning regulations, tax revenues would only increase by 5% to \$3,253,274. This would represent an increase of \$150,000 compared to the current tax revenue.

The only way to increase both property and sales tax revenue and meet the demand for retail is to “up-zone” the Bee Cave Rd commercial corridor. The scenarios allow for higher density mix-use development and lessen height and setback requirements. Updating the zoning on the commercial corridor will not only increase fiscal revenues, but in the long-term, (1) promote sustainable growth that allows development to pay for itself and (2) allow the city to pay for capital improvements and new services that will increase the quality of life of residents.

Process. In order to categorize the types of development and zoning regulations necessary to realize Rollingwood fiscal needs, Pegasus performed a Fiscal Impact Analysis utilizing scenario

Key Findings

- The 2018-2019 City of Rollingwood Operating Budget shows that the city generates a total (property and sales) tax revenue of \$3,100,867.
- If all of Rollingwood’s parcels are developed in accordance to existing zoning regulations, tax revenues would only increase by 5% or \$150,000.
- 4 development types and their respective tax revenues were modeled and compared to the current land development and tax revenue. The calculations are the following:

Scenario	Total Tax Revenue
Current Revenue	\$ 3,100,867
Base Scenario	\$ 3,253,274
Scenario A	\$ 5,485,643
Scenario B	\$ 7,020,332
Scenario C	\$ 8,196,008

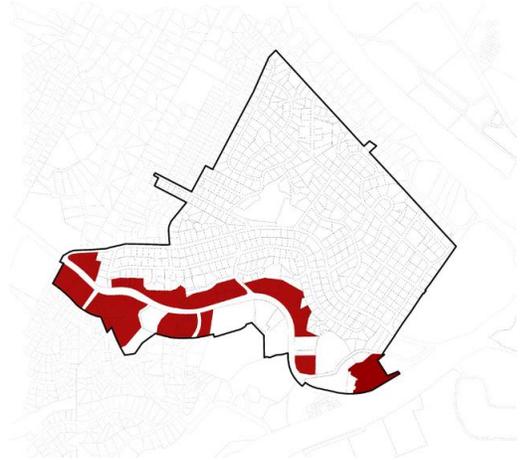
- The model also calculated jobs and households created with each development type (scenario). The following table demonstrates the results:

	Households	Jobs
Base Scenario	575	1,928
Scenario A	575	6,130
Scenario B	1,331	5,183
Scenario C	1,583	6,601

modeling. The analysis was arranged to show future tax revenue for 4 different development types on the Commercial Corridor: (1) Base Scenario, (2) Scenario A, (3) Scenario B, and (4) Scenario C.

Scenario	Zoning Type	Max. Floors	FAR	Ratio (R:O:C)
Base Scenario	Existing Zoning	2	0.3	70:20:10
A Scenario:	Mixed-Use: Office & Retail	2	1	75:25
B Scenario:	Mixed-Use: Residential; Office; Retail	3	1.5	40:30:30
C Scenario:	Mixed-Use: Residential; Office; Retail	4	2	40:30:30

The Base Scenario consists of assessing the potential property and sales tax revenues based on the current zoning regulations at full build-out. The other 3 scenarios were modeled using different density, height, and setback requirements, but the same land cost, sales and property tax rates. Inputting these assumptions into the model determined the tax revenue for each of the scenarios. The table above are all the assumptions for each scenario used in the model.



Based on both zoning and market assumptions, Pegasus identified the lots on the map as potential redevelopment properties. All of the properties identified are currently zoned C-1, C-2, H, PUD, and GI. These properties were utilized for the Scenario modeling (red lots on map). **No residential zoning districts were modified.**

Findings.

Current Revenue	Sales Tax Revenue	Property Tax Revenue	Total Tax Revenue	Households	Population	Employment
Base Scenario	\$ 1,038,640	\$ 2,214,634	\$ 3,253,274	575	1,611	1,928
Scenario A	\$ 2,326,628	\$ 3,159,014	\$ 5,485,643	575	1,611	6,130
Scenario B	\$ 3,762,684	\$ 3,257,649	\$ 7,020,332	1,331	3,727	5,183
Scenario C	\$ 4,839,726	\$ 3,356,283	\$ 8,196,008	1,583	4,432	6,601

Base Scenario: Existing Zoning

- With current zoning assumptions and at full build-out, the Base Scenario would yield an approximate sales tax revenue of \$1,038,640 and an estimated property tax revenue of \$2,214,634 per year. The Base Scenario has the potential to generate only \$152,407 or 5% more tax revenue than the current tax revenue annually.

Scenario A: Mix-Use Office & Retail

- With a FAR of 1.0 and a 2-floor high maximum on the parcels identified, Scenario A would generate an approximate sales tax revenue of **\$2,326,628**, and an estimated property tax revenue of **\$3,159,014** per year. This scenario has the potential to generate **\$2,384,776** or 77% more tax revenue than the current tax revenue annually. This scenario would add

0 households and has the potential, at full build-out, to add 4,202 new jobs when compared to the Base Scenario.

Scenario B: Mix-Use Office, Retail, and Residential

- Scenario B applies a FAR of 1.5 and a 3-floor height maximum on the lots previously identified. With these assumptions, Rollingwood could anticipate an approximate sales tax revenue of **\$3,762,684**, and an estimated property tax revenue of **\$3,257,649** per year. Scenario B has the potential to generate **\$3,919,465** or 126% more tax revenue than the current tax revenue annually. Scenario B adds 756 new households and has the potential, at full build-out, to add 3,255 new jobs when compared to the Base Scenario.

Scenario C: Mix-Use Office, Retail, and Residential

- Scenario C applies a FAR of 2.0 and a 4-floor height maximum on the parcels identified. With these assumptions, Rollingwood could anticipate an approximate sales tax revenue of **\$4,839,726**, and an estimated property tax revenue of **\$3,356,283** per year. Scenario C has the potential to generate **\$5,095,141** or 164% more tax revenue than the current tax revenue annually. Scenario C adds 1,008 new households and has the potential, at full build-out, to add 4,673 new jobs when compared to the Base Scenario.

We look forward to your comments and input as we move forward with the Fiscal Analysis, the Comprehensive Plan, and the Zoning Update.