



**Voluntary Annexation in the London Area
for King's Lake Phase 2
(281.03 acres)**

City Council Presentation
November 19, 2019



Background

- The Texas Local Government Code section 43.028 provides for a process that allows a property owner to petition for annexation.
- On September 9th, 2019 a petition requesting annexation was received from landowner John Tamez.
- Staff developed the required service plan and conducted the required public notice initiatives.



Aerial Overview of Annexation Tract

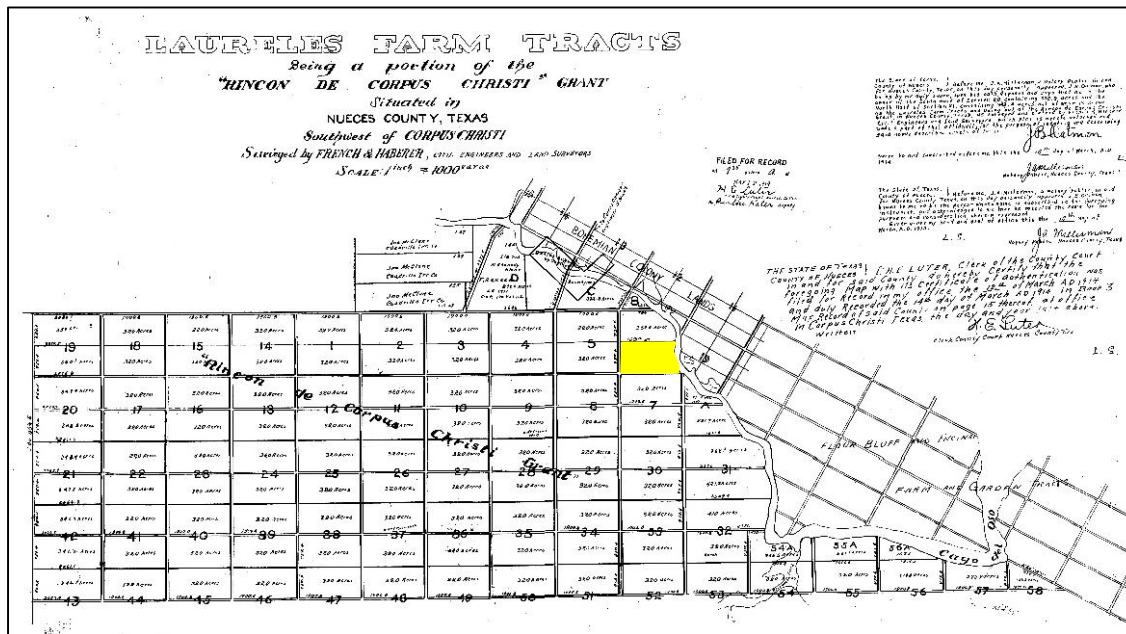




Proposed Development

King's Lake Phase 2 (plat not available):

- ❖ 281.03 acres
- ❖ 1,000 dwellings
- ❖ Approximately 7 years to buildout
- ❖ Unit sales prices estimated:
 - ❖ 250 x \$225k
 - ❖ 250 x \$275k
 - ❖ 250 x \$325k
 - ❖ 250 x \$425k
- Average = \$312,500



Note: Buildout and sales price assumptions provided by petitioner.



Fiscal Impact Analysis – General Fund

Average Cost/Revenue Method:

- ❖ Population = 325,605
- ❖ Non-Farm Empl. = 186,969
- ❖ Service Population (Pop.+ ½ Jobs) = 419,090
- ❖ Av. Household size = 2.7 ppl

Revenue Estimate:

- ❖ Estimated increased property tax and sales tax revenues
- ❖ Per-capita estimate for other General Fund Revenues (ex. Solid Waste)

Cost Estimate:

- ❖ Per-capita estimate for General Fund Expenditures (est. \$624 per capita)

Note: Not all General Fund Revenues and Expenditures projected to increase.

Example: Fire Department Budget

$\$58,484,506 / 419,090 = \139.55 per person

$1,000$ households x 2.7 persons per household x $\$139.55 = \$376,788$



Fiscal Impact Analysis – General Fund

<u>Projected Increase in General Fund Costs & Revenues (1)</u>	<u>BUILDOUT</u>
Projected Increase in Annual General Fund Expenditures	(\$1,685,300)
Projected Increase In Annual Ad Valorem Tax Revenues (M&O)(2)	\$1,208,800
Projected Increase In Annual Sales Tax Revenues (General Fund)	\$178,600
Projected Annual Increase In Other General Fund Revenues	\$438,500
Projected Net Annual General Fund Impacts	\$140,600

(1) Rounded to the nearest \$100.

(2) Excludes ad valorem tax revenues that are designated for residential street reconstruction.

Decreasing average housing unit value assumption to **\$270k** results in a **negative** net annual General Fund impact of **(\$48K)** at buildout.



Staff Recommendation

Approval of the requested annexation