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City of Lockhart

Land Use Assumptions for Impact Fees

FINAL REPORT

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Purpose

Chapter 395 of the Texas Local Government Code prescribes the process by which cities in Texas must formulate development impact fees. To assist the City of Lockhart in determining the need and timing of capital improvements to serve future development, a reasonable estimation of future growth is required. For the purposes of determining an impact fee structure, growth and development projections were formulated based on assumptions pertaining to the type, location, quantity, and time of various future land uses in the community. It is the purpose of this report to establish and document the methodology used for preparing the growth and land use assumptions for the City of Lockhart. These land use assumptions, which include population and employment projections, will become the basis for the updated impact fee for capital improvement plans for water, wastewater, and roadway facilities.

Elements of Land Use Assumptions

This report contains:

1. Explanation of the general methodology used to prepare the land use assumptions;
2. Impact Fee Service Zone Maps (**Figure 1** and **Figure 2**) - Dividing the City into zones which form the impact fee service areas;
3. Base Year Data - Information on population, employment, and land use for Lockhart as of September 2016; and
4. Population, land use and employment growth assumptions for ten years (2026).

Methodology

These Land Use Assumptions and future growth projections take into consideration several factors influencing development patterns, including:

1. The character, type, density, and quantity of existing development,
2. Existing zoning patterns,
3. The Future Land Use Plan/The Lockhart 2020 Comprehensive Plan,
4. Availability of land for future expansion,
5. Current growth trends in the City,
6. Location and configuration of vacant land,
7. Employment and population absorption rates, and
8. Physical holding capacity of the City.

The data used to compile these land use assumptions were from two sources – the Lockhart 2020 Comprehensive Plan and the City of Lockhart. The ten-year growth projections were calculated based upon reasonable growth rates based on using past absorption rates and development proposals known or approved by the City of Lockhart. Based on the growth assumptions and the capital improvements needed to support growth, it is possible to develop an impact fee structure that fairly allocates improvement costs to growth areas in relationship to their impact on the entire infrastructure system. The following database and projections have been formulated using reasonable and generally accepted planning principles.

Service Area Maps

Figure 2 shows the proposed service areas for water and wastewater facilities. The boundary for these facilities is the existing City Limits and the City's CCN-approved area (that is, the area certified by the Texas Commission on Environmental Quality, TCEQ, to which the City can provide water and wastewater service). Figure 1 depicts the two proposed service areas for roadway facilities (generally consistent with the current City limits and limited to six miles in diameter). The capital improvement plans and impact fees will be prepared as separate documents for water, wastewater, and roadway facilities.

Data Format

The existing database and future projections were formulated according to the following format and categories:

1. Service Areas – Correlates to the proposed service areas identified on the attached maps (**Figure 1** and **Figure 2**) that meet the requirements of Chapter 395.
2. Housing Units (2016) – All living units including single-family, duplex, multi-family, and group quarters.
3. Housing Units (2026) – Projected housing units by service areas for the year 2016 (ten-year growth projection).
4. Population and Households (2016-2026) – Existing and projected ten-year population tabulated for each service area.
5. Employment (2016-2026) – Three employment classifications were used:
 - a. Basic – Land use activities that produce goods and services exported outside the local economy, such as manufacturing, construction, transportation, wholesale trade, warehousing, and other industrial uses
 - b. Service – Land use activities that provide personal and professional services such as financial, insurance, government, and other professional administrative offices.
 - c. Retail – Land use activities that provide for the retail sale of goods that primarily serve households and whose location choice is oriented to the household sector, such as grocery stores, restaurants, etc.

Figure 1. Roadway Service Area Map

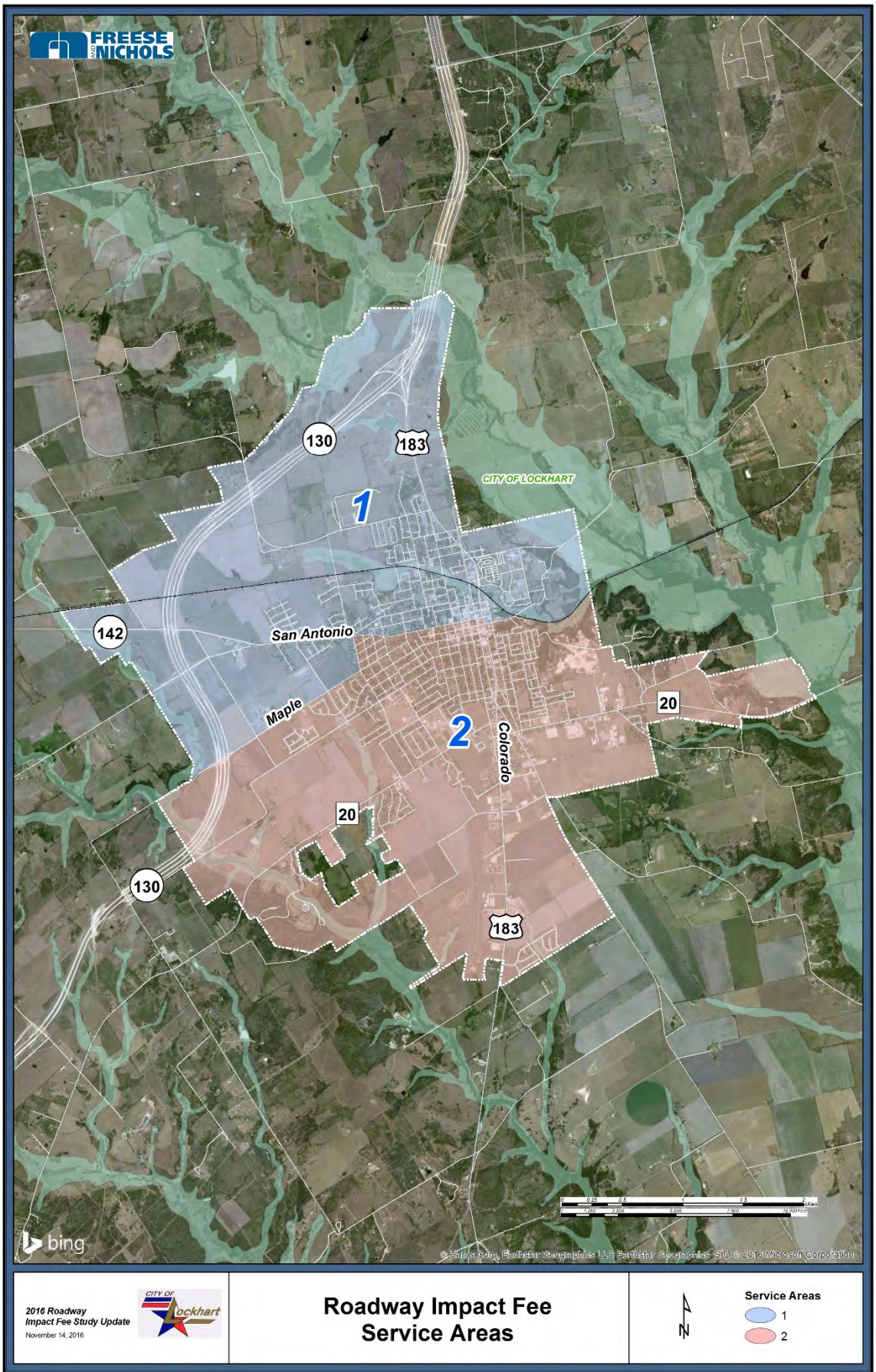
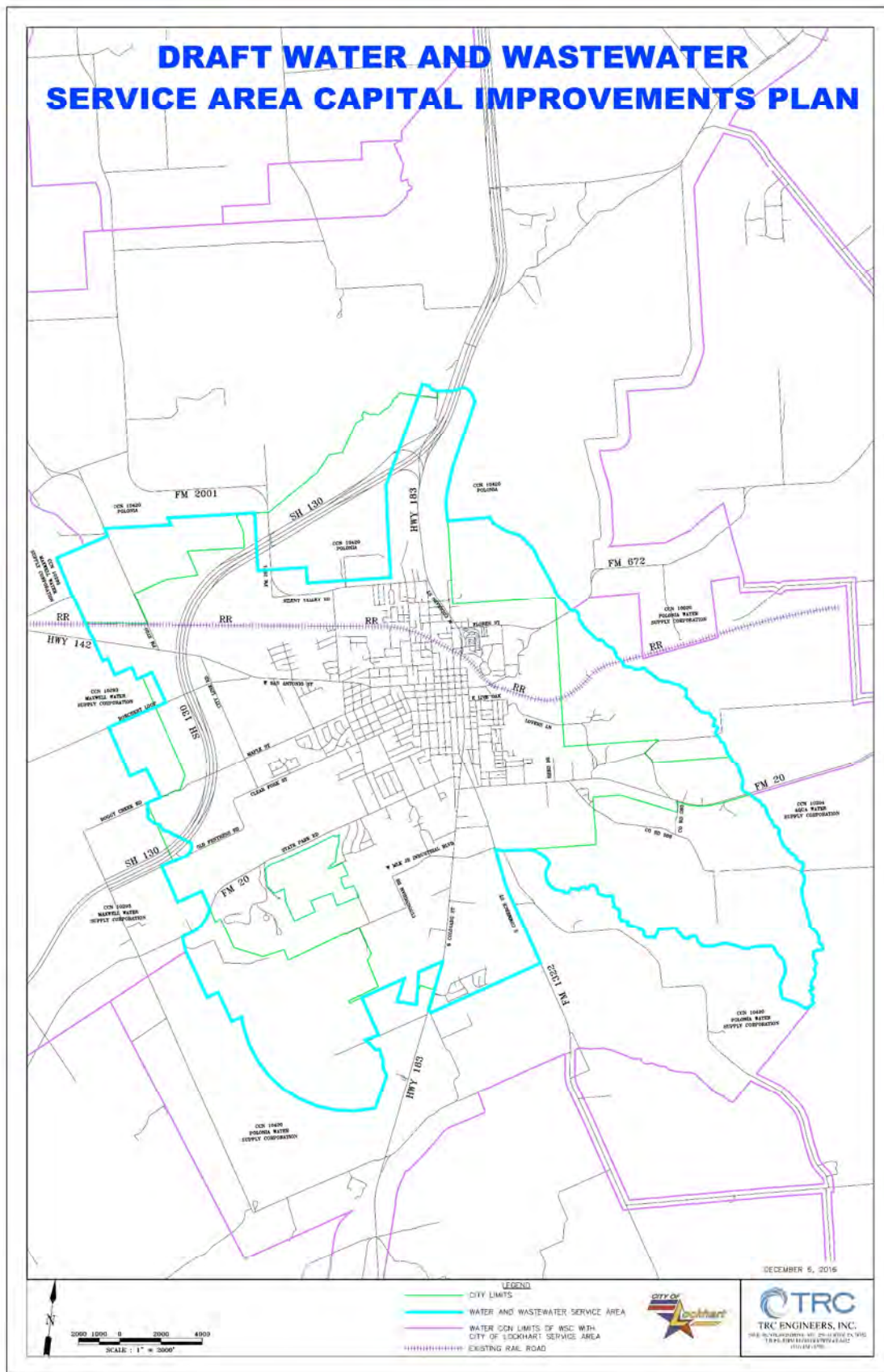


Figure 2. W/WW Service Area Map



Base Data: Existing Land Use

A documentation of existing land use patterns and population was made from the City's Comprehensive Plan and was used as a base line for future growth projections. This also documents the present physical condition of the City regarding any infrastructure deficiencies that may exist. **Table 1** shows a summary of existing land uses for the area in Lockhart's city limits, updated with information provided by the City of Lockhart's Planning Department.

Table 1. Existing Land Use

Land Use Category	Acres	% of Total Land	Acres/100 Persons ⁽¹⁾
Service Area 1			
Residential Single-Family	359	3.58%	2.67
Residential Two-Family	21	0.21%	0.16
Residential Multi-Family	12	0.12%	0.09
Manufactured Housing	43	0.43%	0.32
Light Industrial	12	0.12%	0.09
Retail/Commercial	66	0.66%	0.49
Office	3	0.03%	0.02
Public/Institutional	194	1.94%	1.44
Parks and Recreation	0	0.00%	0.00
Right-of-Way	233	2.32%	1.73
Vacant/Undeveloped	3,751	37.42%	27.87
Service Area 1 Total	4,694	46.83%	34.88
Service Area 2			
Residential Single-Family	796	7.94%	5.91
Residential Two-Family	11	0.11%	0.08
Residential Multi-Family	18	0.18%	0.13
Manufactured Housing	4	0.04%	0.03
Light Industrial	120	1.20%	0.89
Retail/Commercial	202	2.02%	1.50
Office	7	0.07%	0.05
Public/Institutional	219	2.18%	1.63
Parks and Recreation	257	2.56%	1.91
Right-of-Way	355	3.54%	2.64
Vacant/Undeveloped	3,341	33.33%	24.82
Service Area 2 Total	5,330	53.17%	39.60
Total Acreage Within City Limits	10,024	100.00%	74.48

⁽¹⁾ Based on a population of 13,459 people, City of Lockhart estimate

Base Data: Population and Employment

For the purposes of documenting changes in population, land use, density, and intensity, the data format to be used as a basis to formulate the land use assumptions will be principally population and employment. **Table 2** represents a summary of existing population and employment for Lockhart.

Table 2. Existing Population and Employment 2016

Housing Units ⁽¹⁾	4,922
Population ⁽²⁾	13,459
Total Employment ⁽³⁾	5,832
<i>Basic</i>	1,311
<i>Service</i>	2,696
<i>Retail</i>	1,352
<i>Institutional</i>	473

⁽¹⁾ Estimated from New Construction Permit Log 2007-Sept. 30, 2016, City of Lockhart

⁽²⁾ Population estimate, City of Lockhart

⁽³⁾ Estimate derived from CAMPO Database

Growth Assumptions

Growth is characterized in two forms: population (residential) and employment (nonresidential). A series of assumptions were made to arrive at reasonable growth rates for population and employment. The following assumptions have been made as a basis from which ten-year projections could be initiated.

1. Future land uses will occur as identified on the Future Land Use Plan in the approved Comprehensive Plan,
2. The City will be able to finance the necessary improvements to accommodate growth,
3. School facilities will accommodate increases in population, and
4. Densities will be as projected in the Comprehensive Plan.

Ten-Year Projections

The ten-year projections or land use assumptions are based upon the policies and growth rate established in the Comprehensive Plan. Since 1970, Lockhart has experienced relatively steady growth as indicated below:

1970 – 6,489
1980 – 7,953
1990 – 9,205
2000 – 11,615
2010 – 12,698
2016 – 13,459 (City of Lockhart estimate)

The following formula was used to verify the City of Lockhart 2016 population estimate. The City's estimate is close enough to the general calculation to be used as a base population.

$4,922 \text{ housing units} * 0.98 \text{ occupancy rate} = \text{approx. } 4,823 \text{ occupied dwelling units}$
$4,823 \text{ occupied dwelling units} * 2.79 \text{ persons per household} = \text{approx. } 13,456 \text{ residents}$

Growth Rate

An approximate 2.25 percent average annual growth rate was determined by the IFAC to be a reasonable rate at which Lockhart could be expected to grow. Between 1990 and 2000, Lockhart's compound annual growth rate was approximately 1.37 percent. Between 2000 and 2010 the average annual growth rate was approximately 0.83 percent. Based upon anticipated residential construction and development of new retail facilities on major transportation corridors (SH 130), and the Texas Water Development Board growth projections of 2.04 percent by 2030, a 2.25 percent growth rate should be feasible and reasonable for planning purposes. The anticipated development spurred by the SH 130 corridor along with the largely agricultural or undeveloped land within Lockhart provides good potential for growth in the coming years.

If growth in Lockhart occurs at an average rate of 2.25 percent per year, a population of approximately 16,813 people could be expected by the year 2026 (ten years). **Table 3** shows the projected land use requirements for a population of 16,813.

Table 3. Projected Ten-Year Future Land Use Requirements

Land Use Category	# of Acres in 2016 (13,459 people)	Acres/100 Persons in 2016	# of Acres in 2026 (16,813 people)	Increase Between 2016 and 2026
Service Area 1				
Residential Single-Family	359	2.67	459	100
Residential Two-Family	21	0.16	27	6
Residential Multi-Family	12	0.09	15	3
Manufactured Housing	43	0.32	55	12
Light Industrial	12	0.09	15	3
Retail/Commercial	66	0.49	84	18
Office	3	0.02	4	1
Public/Institutional	194	1.44	248	54
Parks and Recreation	0	0.00	0	0
Right-of-Way	233	1.73	298	65
Vacant/Undeveloped	3,751	27.87	3,516	-254
Service Area 1 Total	4,694	34.88	4,694	0
Service Area 2				
Residential Single-Family	796	5.91	1,017	221
Residential Two-Family	11	0.08	14	3
Residential Multi-Family	18	0.13	23	5
Manufactured Housing	4	0.03	5	1
Light Industrial	120	0.89	153	33
Retail/Commercial	202	1.50	258	56
Office	7	0.05	9	2
Public/Institutional	219	1.63	280	61
Parks and Recreation	257	1.91	328	71
Right-of-Way	355	2.64	453	98
Vacant/Undeveloped	3,341	24.82	2,846	-495
Service Area 2 Total	5,330	39.60	6,808	0
Total Acreage Within City Limits	10,024	74.48	10,024	0

Table 4 shows ten-year growth projections of population for the roadway impact fee service areas. It is anticipated that most residential growth will happen in the service area 2.

Employment growth rate was determined using interpolated values from the Capital Area Metropolitan Planning Organization (CAMPO) demographics. This compound annual growth rate was determined to be approximately 3.9 percent. **Table 5** shows a summary of the employment projections for the roadway impact fee service areas. Currently, most of the employment is in service area 2; however, the SH-130 toll road will provide opportunities for employment growth in service area 1.

Table 4. Ten-Year Projections for the Roadway Service Area

	2016		2026		Net Growth (2016-2026)	
	Housing Units	Population	Housing Units	Population	Housing Units	Population
Service Area 1	1,738	4,765	2,171	5,896	433	1,131
Service Area 2	3,184	8,694	3,977	10,917	793	2,223
Total	4,922	13,459	6,148	16,813	1,226	3,354

Table 5. Employment Projections for the Roadway Service Area

	2016					2026					Net Growth (2016-2026)
	Basic	Service	Retail	Inst.	Total	Basic	Service	Retail	Inst.	Total	
Service Area 1	393	809	406	142	1,750	753	1,600	796	259	3,408	1,658
Service Area 2	918	1,887	946	331	4,082	1,129	2,400	1,194	389	5,112	1,030
Total	1,311	2,696	1,352	473	5,832	1,882	4,000	1,990	648	8,520	2,688

Ultimate Land Area Capacity for Population Growth

An ultimate or holding capacity land use and population projection was also established. The water and wastewater service area has a total of 10,730 acres of vacant land. Assuming (1) two-thirds of the vacant acreage within the water and wastewater service areas develops as residential (densities for single-family, two-family, and multi-family reasonably applied), (2) a 98 percent occupancy rate, and (3) approximately 2.79 persons per household, the acreage could support approximately 54,500 people. Including the existing population of approximately 13,459 people, the ultimate holding capacity of the water and wastewater service area is approximately 68,000 people.

The roadway service area 1 has a total of 3,751 vacant acres and roadway service area 2 has a total of 3,341 vacant acres. Using the same assumptions as the water and wastewater calculations, the vacant acreage within the roadway service area 1 could support approximately 19,038 people and the vacant acreage in service area 2 could support approximately 16,963 people. Including the existing population in each service area, the ultimate holding capacity of the roadway service area 1 is approximately 23,803 people and the holding capacity of the roadway service area 2 is approximately 25,657 people. This means the ultimate capacity of the current city limits is 49,460. At a 2.25% growth rate, this population would not be reached until 2069.

Summary

- Lockhart presently contains approximately 10,024 acres within the City limits, of which 69 percent is either agricultural or undeveloped land (refer to **Table 1**).
- Existing estimated population of Lockhart in 2016 is 13,459 persons with 5,831 employed persons in the city.
- An average annual growth rate of 2.25 percent was used to calculate the Lockhart ten-year population growth projection.
- The ten-year (2016-2026) growth projection for Lockhart is to grow to 17,191, a net growth of 3,354.
- The ten-year (2016-2026) employment projection is to grow to 8,520, representing an employment growth rate of approximately 3.9% and a net growth of 2,688.
- The ultimate capacity of the water and wastewater service area is approximately 68,000.
- The ultimate capacity for population growth in roadway service areas 1 and 2 will more than accommodate the projected 10-year growth.