

LEWISVILLE CITY COUNCIL

REGULAR SESSION

March 3, 2025

5:45 P.M.

Present:

TJ Gilmore, Mayor

Council Members:

Patrick Kelly, Mayor Pro Tem
Ronni Cade, Deputy Mayor Pro Tem
Bob Troyer
William Meridith
Brandon Jones
Kristin Green

City Staff:

Claire Powell, City Manager
Gina McGrath, Deputy City Manager
Shante Akafia, Assistant City Manager
Jim Proce, Assistant City Manager
Liz Plaster, City Attorney
Lauren Crawford, Deputy City Attorney
Jennifer Malone, Acting City Secretary

With a quorum of the Council Members present, the workshop session of the Lewisville City Council was called to order by Mayor Gilmore at 5:45 p.m. on Monday, March 3, 2025, in the City Council Conference Room of Lewisville City Hall, 151 West Church Street, Lewisville, Texas. City Department Heads were also in attendance.

WORKSHOP SESSION

Discussion of Regular Agenda Items and Consent Agenda Items

(Agenda Item A)

Mayor Gilmore led a discussion of regular agenda items and consent agenda items and received questions and comments from City Council and City staff. City Manager Claire Powell answered questions and comments from the City Council regarding Item No. D-1 and G-4.

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DCTA Update

(Agenda Item B)

At the request of Mayor Gilmore, DCTA Chief Executive Officer Paul Cristina gave a presentation on DCTA Update and received questions and comments from City Council and City staff.

**Discussion on Economic Outlook: Trends,
Demographics, and Budget Insights**

(Agenda Item C)

At the request of Mayor Gilmore, Director of Finance Dave Erb, Budget Manager Ashley Carlisle and Economic Development Christina Williams gave a presentation on Discussion on Economic Outlook: Trends, Demographics, and Budget Insights and received questions and comments from City Council and City staff.

Mayor Gilmore RECESSED Workshop Session at 6:51 p.m.

REGULAR SESSION

With a quorum of the Council Members present, the regular session of the Lewisville City Council was called to order by Mayor Gilmore at 7:00 p.m. on Monday, March 3, 2025.

Invocation

(Agenda Item A)

At the request of Mayor Gilmore, Deputy Mayor Pro Tem Ronni Cade gave the invocation.

Pledge to the American and Texas Flags

(Agenda Item B)

Mayor TJ Gilmore gave the pledge to the United States and Texas flags.

**Presentation of the Achievement of
Excellence in Libraries Award**

(Agenda Item C-1)

Mayor Gilmore presented the award to the Director of Library Services Carolyn Booker. Ms. Booker spoke regarding the award.

**Public Hearing: Consideration of an
Ordinance Amending Volume II of the
Lewisville City Code, Known as the Unified
Development Code by Amending Article III,
“Development and Zoning Procedures”
Chapter 5 Plats, by Granting the Planning
Director the Authority to Approve, Approve
With Conditions, or Disapprove Plats.**

(Agenda Item D-1)

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This amendment moves all plat approval authority to staff in the Unified Development Code. Plat decisions by staff may be appealed to the Planning and Zoning Commission and ultimately to the City Council. This amendment is expected to result in efficiencies for both developers and City staff. The Planning and Zoning Commission recommended unanimous approval (6-0) on February 4, 2025.

The City staff's recommendation was that the City Council approve the ordinance as set forth in the caption above.

Planning Director Richard Luedke was available for questions posed by the City Council.

Mayor Gilmore opened the public hearing at 7:05 p.m.

MOTION: Upon a motion made by Council Member Green and seconded by Mayor Pro Tem Kelly, the Council voted six (6) "ayes" and no (0) "nays" to close the public hearing. The motion carried.

Mayor Gilmore closed the public hearing at 7:06 p.m.

City Attorney Liz Plaster read the ordinance caption into the record as follows:

"An Ordinance of the Lewisville City Council Amending Article III, "Development and Zoning Procedures", Of Volume II of the Lewisville City Code, Known as the Unified Development Code, by Amending Chapter III.1, "Review and Decision-Making Bodies", and Chapter III.5, "Plats", to Delegate to the Planning Director the Authority to Approve, Approve With Conditions, or Disapprove Plats; to Set Forth a Process to Appeal the Disapproval of a Plat; and to Clarify Certain Requirements of the Platting Process; Providing for Savings, Repealer, Severability, a Penalty, and an Effective Date; and Declaring an Emergency."

MOTION: Upon a motion made by Council Member Meridith and seconded by Deputy Mayor Pro Tem Cade, the Council voted six (6) "ayes" and no (0) "nays" to approve **Ordinance No. 0740-25-ORD** as set forth in the caption. The motion carried.

Visitors Forum

(Agenda Item E)

There were no speakers for Visitors Forum.

CONSENT AGENDA

(Agenda Item F)

MOTION: Upon a motion made by Council Member Green and seconded by Council Member Troyer, the Council voted six (6) "ayes" and no (0) "nays" to approve the Consent Agenda as presented.

2. Approval of Minutes: City Council Minutes of the February 17, 2025, Workshop Session, and Regular Session.
3. Approval of **Resolution No. 0741-25-RES**, a Resolution Authorizing Contracts for Joint Election Services with Denton and Dallas Counties; and Authorizing the Mayor, City Manager, or Her Designee, to Execute Said Contracts.

The motion carried.

Consideration of Two Alternative Standards Associated With Outdoor Storage Standards and Screening Standards for Walmart; on 18.613 Acres, Located at 801 West Main Street, Legally Described as Vally Ridge Business Park West Addition, Lot 3 R1 A, Block C; Zoned General Business (GB) District, as Requested by Ian Bright, of Wing LLC, on Behalf of the Owner, Wal Mart Real Estate Business Trust (24-11-15 AltStd)

(Agenda Item G-4)

Wing was originally granted the following two alternative standards for temporary drone delivery services at this location in the Fall of 2023: a) to allow outside storage to be located in front of the principal building; and b) to allow a black galvanized metal panel fence in lieu of the required masonry wall or tubular steel fence. Wing reapplied prior to those alternative standards expiring with a desire to extend them. In addition, Wing has since been working with staff on supplemental standards for unmanned aircraft systems. Staff expects to bring the draft language before the Planning and Zoning Commission and City Council within the next two months. The Planning and Zoning Commission recommended unanimous approval (5-0) on February 18, 2025.

The City staff's recommendation was that the City Council approve the two alternative standards as set forth in the caption above.

Planning Director Richard Luedke was available for questions posed by the City Council.

Catherine Lovett, with Wing LLC gave a presentation. Ryan Trimble, with Wal Mart, answered questions from City Council members.

MOTION: Upon a motion made by Mayor Pro Tem Kelly and seconded by Council Member Green, the Council voted six (6) "ayes" and no (0) "nays" to approve the alternative standard as set forth in the caption. The motion carried.

Consideration of an Ordinance of the Lewisville City Council, Amending the Lewisville City Code by Amending Division 4, Short-Term Rental Units, of Article VI, Chapter 4 to add Subsection 4-201(a-1) Providing a Maximum Number of Short-Term Rental (“STR”) Unit Permits That may be Active at any Given Time, add Subsection 4-201(b-1) Providing Closure of the STR Unit Permit Application Process and Priority of Applications, and Amend Subsection 4-201(c) Providing for the Implementation of Said Maximum Number of STR Unit Permits; Providing a Repealer, Severability, and an Effective Date; and Declaring an Emergency.

(Agenda Item G-5)

Staff is proposing new regulations aligned with the 2025 Vision Plan, aiming to protect the character of established residential neighborhoods while ensuring health and safety. The proposed regulations include setting a maximum limit on active Short-Term Rental (“STR”) unit permits to maintain a balanced growth rate and prevent an oversaturation that could alter neighborhood identity. The maximum number of active STR permits would be set at 130 in 2025, representing approximately 0.5% of all residential parcels in Lewisville.

The City staff’s recommendation was that the City Council approve the ordinance as set forth in the caption above.

Mayor Gilmore noted, for the record, that e-comments were received from Ainsley Stelling and Brent Meyers.

City Attorney Liz Plaster read the ordinance caption into the record as follows:

“An Ordinance of the Lewisville City Council, Amending the Lewisville City Code by Amending Division 4, Short-Term Rental Units, of Article VI, Chapter 4 to Add Subsection 4-201(A-1) Providing a Maximum Number of Short-Term Rental (“STR”) Unit Permits That May be Active at Any Given Time, add Subsection 4-201(B-1) Providing Closure of the STR Unit Permit Application Process and Priority of Applications, and Amend Subsection 4-201(C) Providing for the Implementation of Said Maximum Number of STR Unit Permits; Providing a Repealer, Severability, and an Effective Date; and Declaring an Emergency.”

MOTION: Upon a motion made by Council Member Jones and seconded by Council Member Meridith, the Council voted six (6) “ayes” and no (0) “nays” to approve **Ordinance No. 0742-25-ORD** as set forth in the caption. The motion carried.

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Reports

(Agenda Item H-1)

- Mayor Pro Tem Kelly spoke regarding the makerspace in the Hive at the Lewisville Library.
- Council Member Green spoke regarding the upcoming weather and wished everyone safe travels.
- Deputy Mayor Pro Tem Cade thanked the street department for the street marking improvements.
- Council Member Meridith reported on upcoming Lewisville Library activities.
- Council Member Troyer reported on upcoming events at the Lewisville Grand Theater.
- Director of Public Services Aaron Russell reported on the lake level.
- Chief Mark McNeal gave an update on the weather.

Return to Workshop Session if Necessary

(Agenda Item I)

Closed Session

(Agenda Item J)

Mayor Gilmore RECESSED into Closed Session at 7:33 p.m.

In Accordance with Texas Government Code, Subchapter D,

1. *Section 551.071 (Consultation with Attorney/Pending Litigation): City of Lewisville, Texas v. Masumeen Mission, Case No. CV 2023 03139; City of Lewisville, Texas v. Mohsin R. Ravjani, Case No. CV 2023 03136; and City of Lewisville, Texas v. City of Knowledge and Masumeen Mission; Case No. CV 2023 03138; all Proceedings in Eminent Domain in the County Court at Law No. 2 of Denton County, Texas.*
2. *Section 551.072 (Real Estate): Property Acquisition*
3. *Section 551.087 (Economic Development): Deliberation Regarding Economic Development Negotiations.*

**Reconvene and Consider Action, if any, on
Items Discussed in Closed Session**

(Agenda Item K)

Mayor Gilmore RECONVENED into Regular Session at 7:46 p.m.

There was no action to be taken.

Adjournment

(Agenda Item L)

There being no further business to come before the Council, Mayor Gilmore adjourned the meeting of the Lewisville City Council at 7:46 p.m. on Monday, March 3, 2025.

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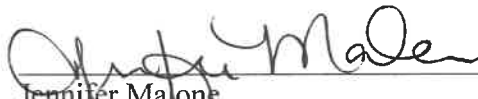
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These minutes approved by the Lewisville City Council on the 17th of March, 2025.

APPROVED


TJ Gilmore
MAYOR

ATTEST:


Jennifer Malone
ACTING CITY SECRETARY

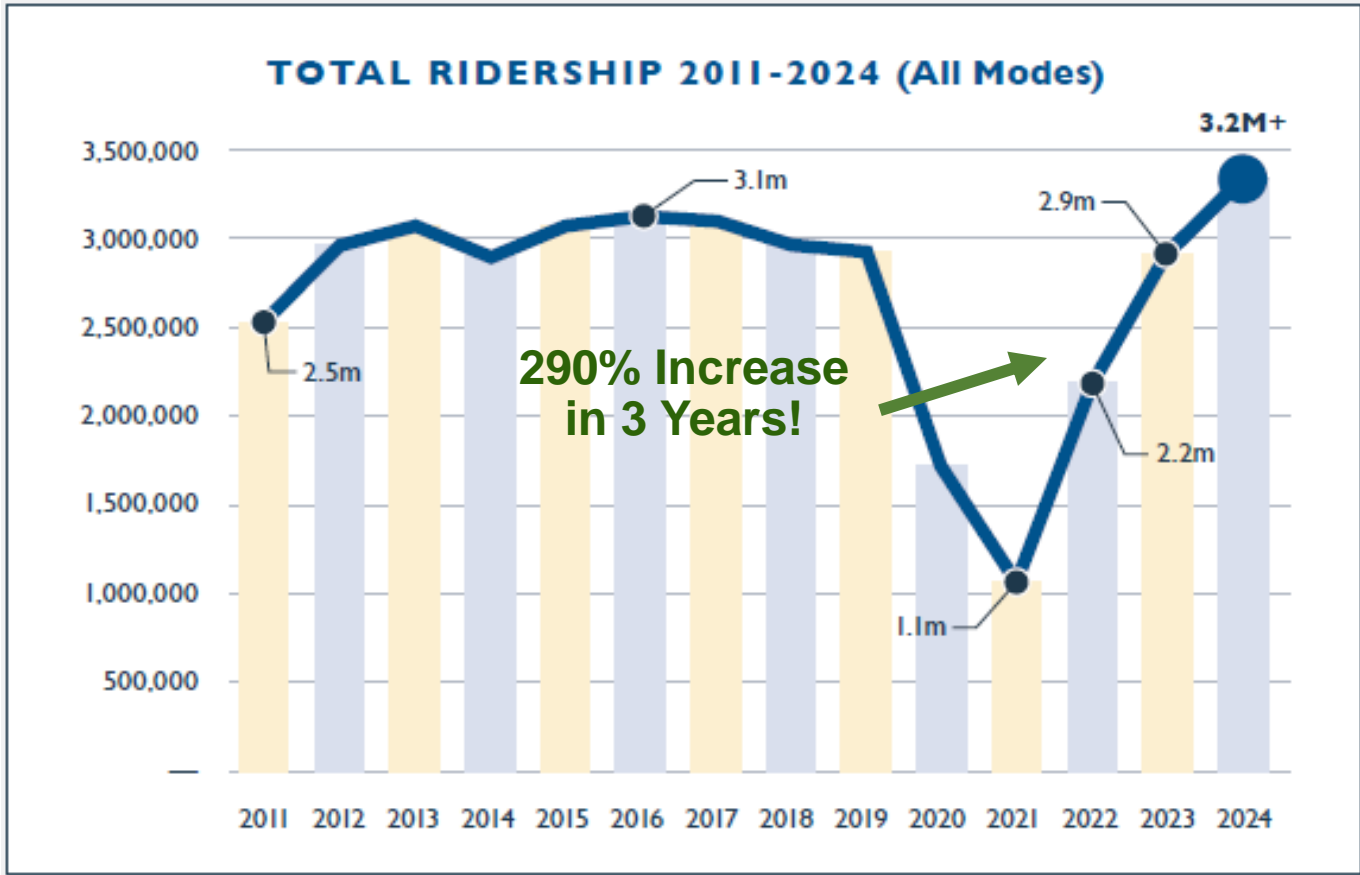




Lewisville City Council Workshop

March 3, 2025

DCTA achieved an all-time ridership record in FY2024!



FY24 Ridership Performance by Mode

		Year over Year Gain
Overall	3,189,372	9%
A-train	261,426	16.1%
Bus	1,786,310	35.9%
GoZone	863,073	1.1%
Other	278,563	2.4%

A-train Ridership and Growth by Year

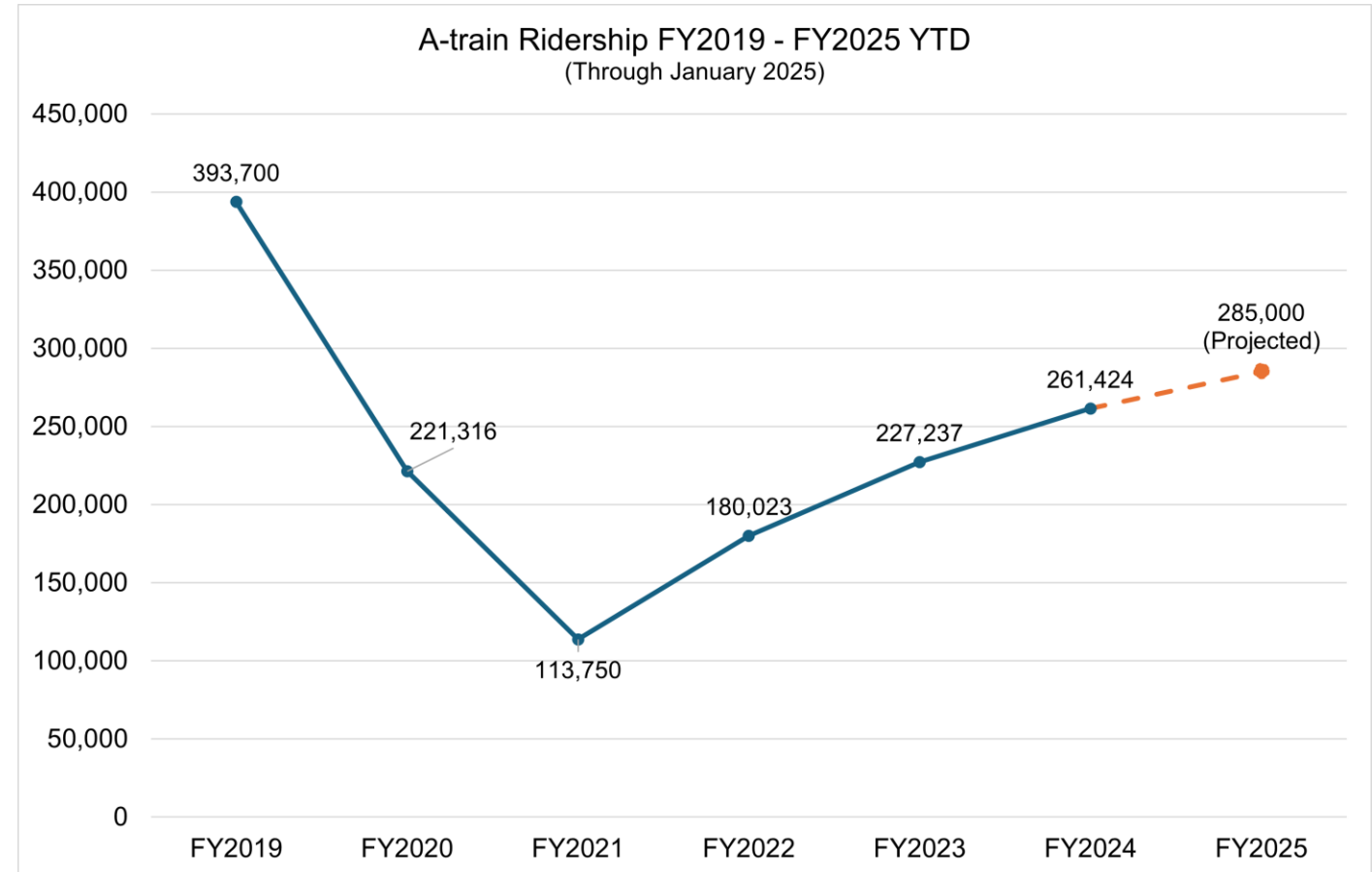
Fiscal Year	Ridership	% Growth
2021	113,440	--
2022	175,637	55%
2023	225,235	28%
2024	261,426	16%

A-train among the top commuter rail performers in the nation for post-COVID ridership recovery

National Commuter Rail Ridership Recovery: Q3, 2024

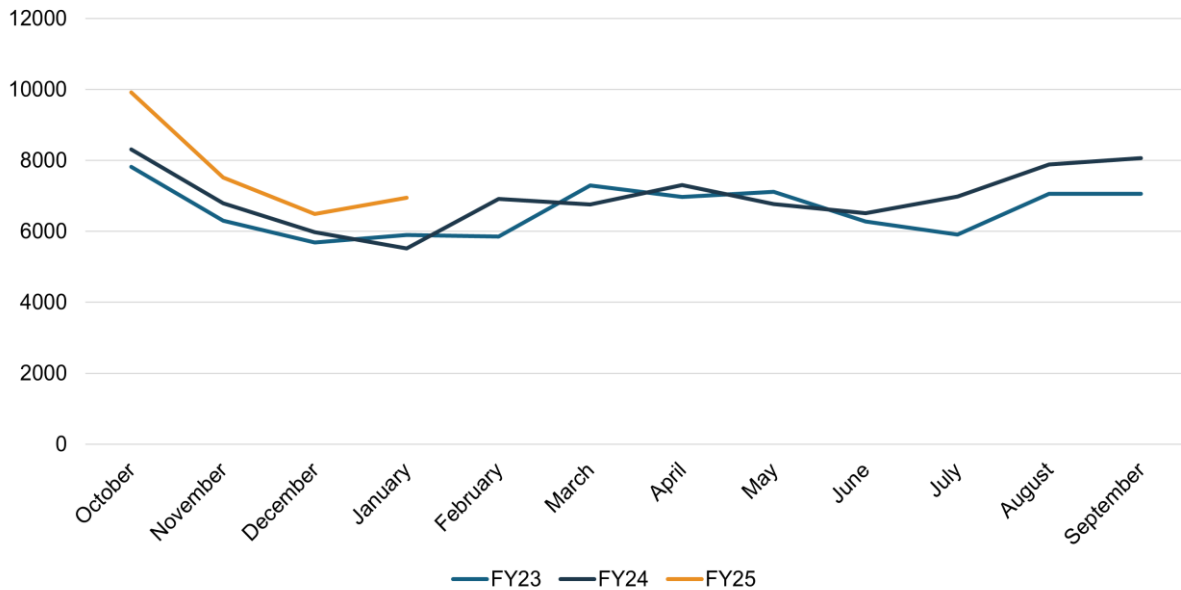
	Agency / Location	Growth YTD %
1	Metro Transit / Minneapolis, MN	50.53%
2	San Joaquin / Stockton, CA	35.07%
3	Sonoma-Marín / San Rafael, CA	32.89%
4	Caltrain / San Carlos, CA	29.28%
5	Sound Transit / Seattle, WA	21.25%
6	Regional TA / Nashville, TN	20.59%
7	Mass Bay / Boston, MA	20.02%
8	SEPTA / Philadelphia, PA	19.12%
9	Denton County Transportation	16.53%
10	South Florida / Pompano Beach, FL	15.64%
11	Southern California / Los Angeles, CA	15.54%

National Average, among 33 Agencies
Reporting: 13.8%

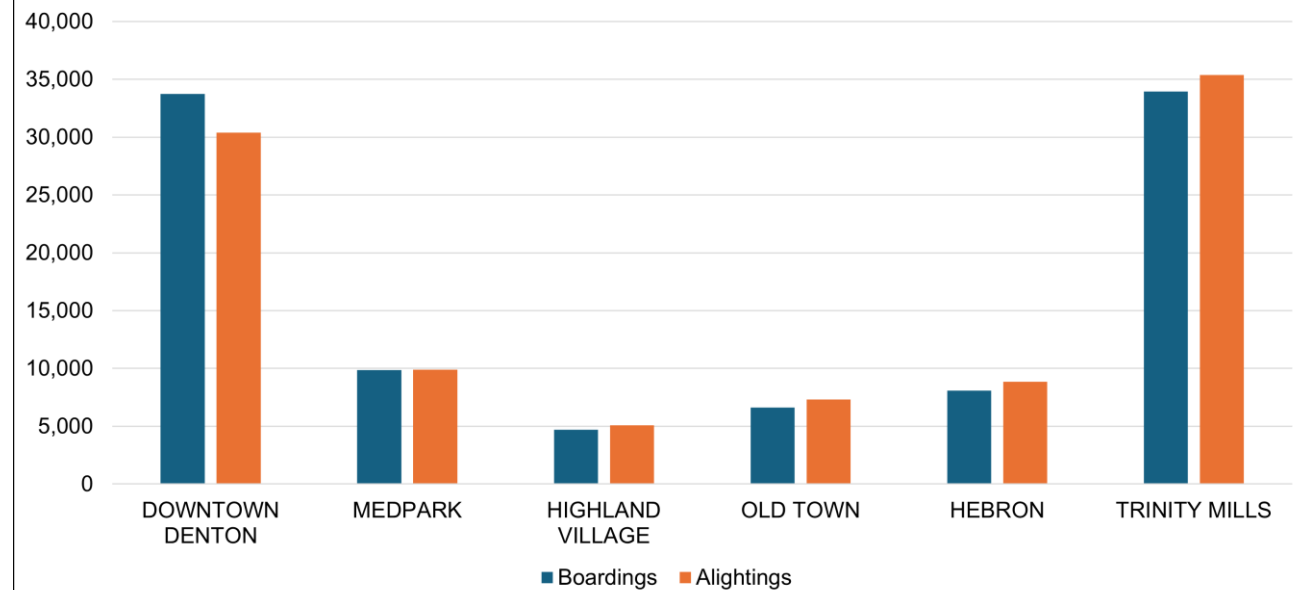


A-train Station Data at Old Town, Hebron & Trinity Mills

Old Town & Hebron
Boardings & Alightings FY23 - FY24



FY25 YTD A-train Station
Boardings & Alightings





Enhancement Program

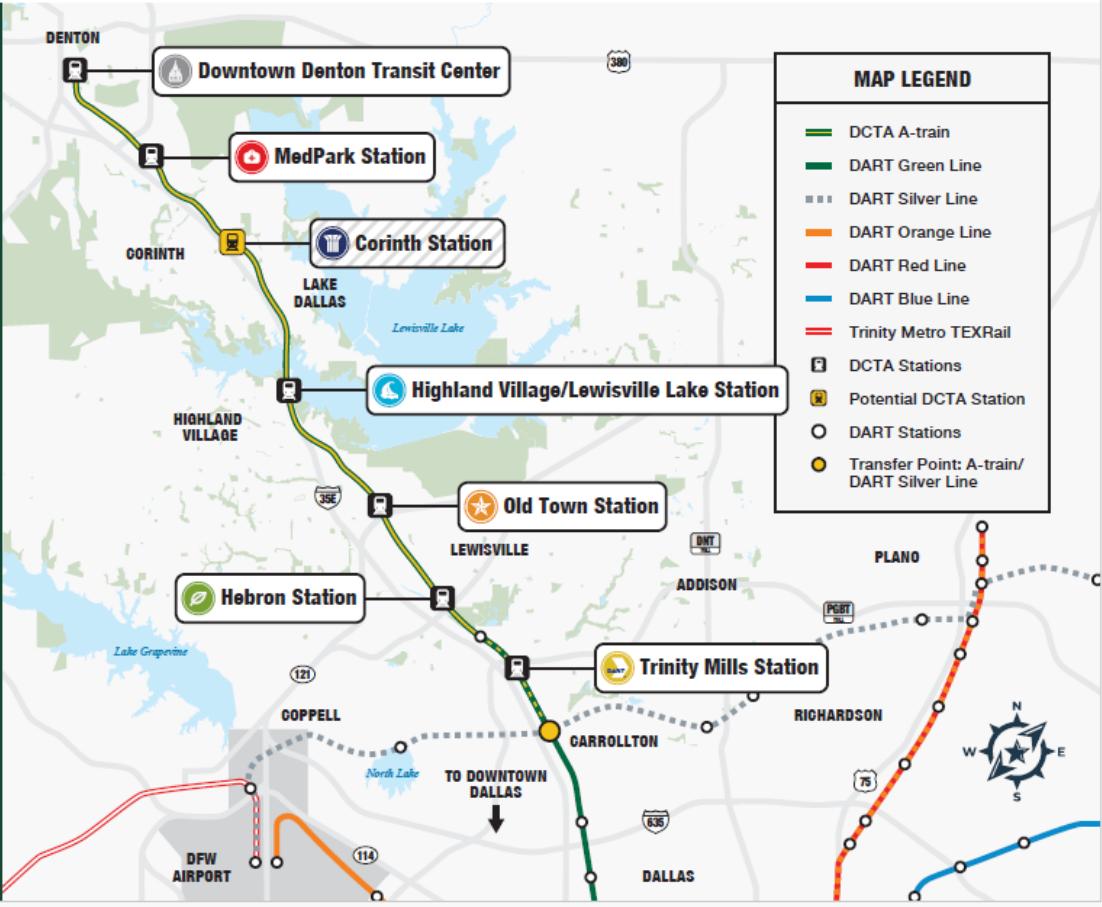
GOALS

- Improve Run Time on Existing Corridor (Denton to Trinity Mills)
- Extend to Downtown Carrollton
- Improve Peak Frequency to 15 Minutes
- Consider New Station at Corinth

BENEFITS

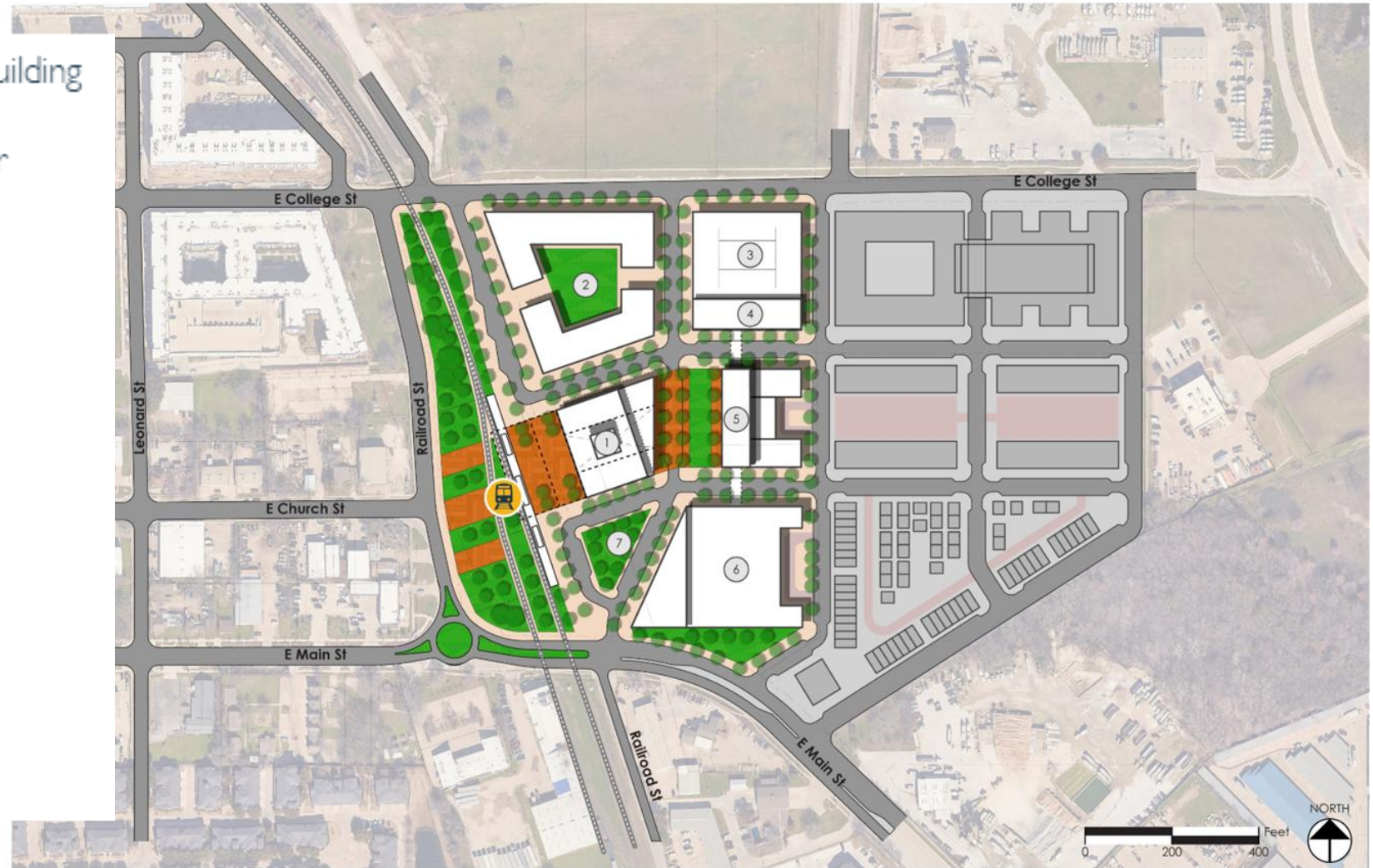
- Connects DCTA Cities to DFW Airport via the DART Silver Line
- Enhance Rider Convenience
- Additional Riders on Regional Rail

RideDCTA.net

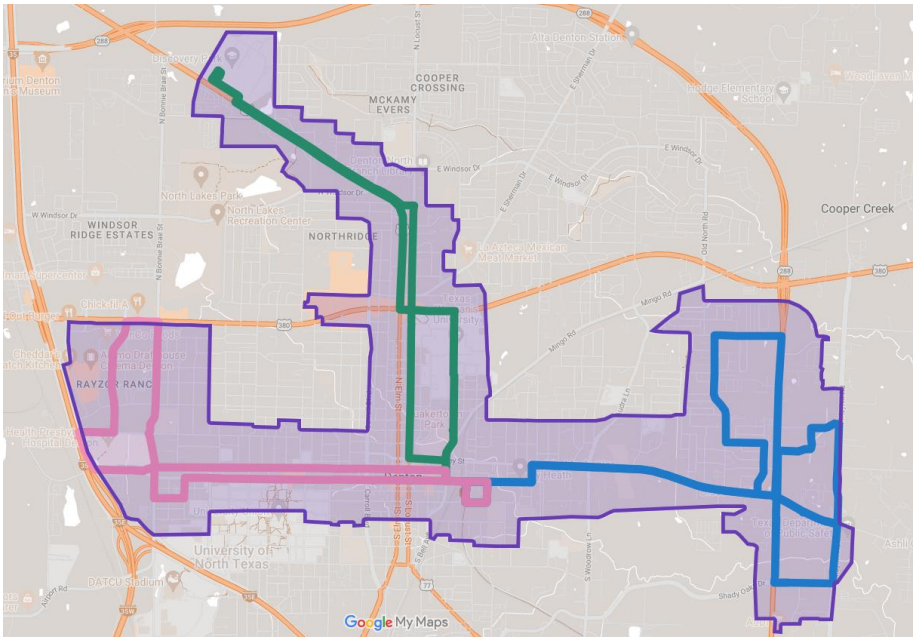
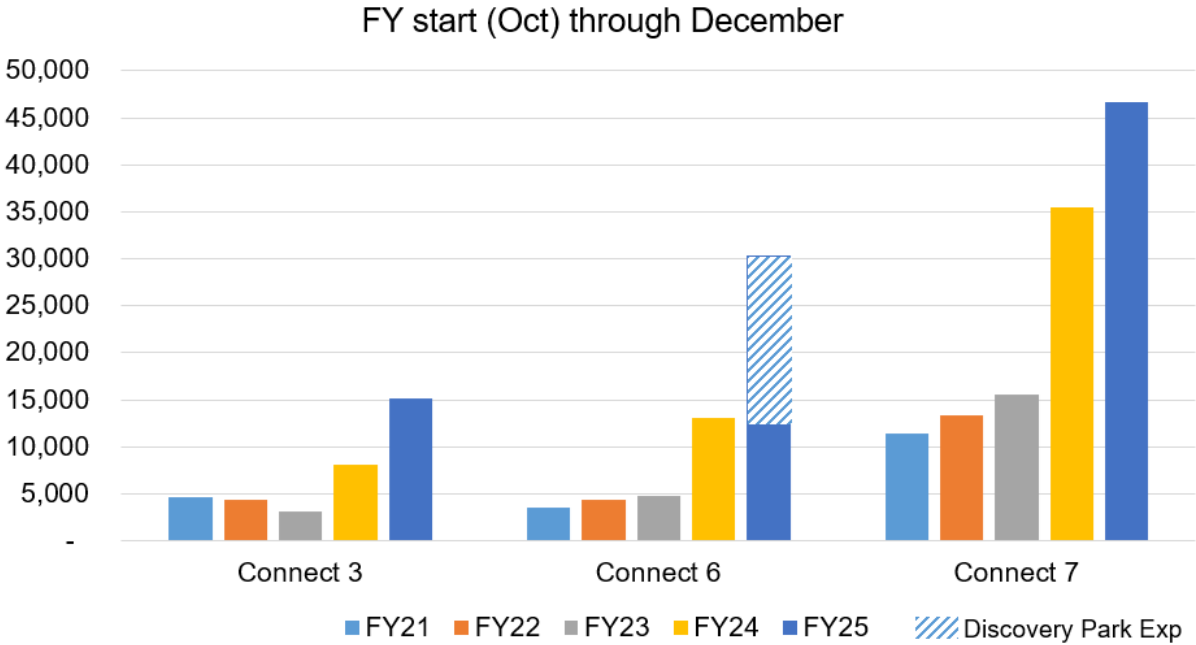


FY2025 Focus: Old Town Lewisville Transit Oriented Development

1. DCTA Headquarters and Office Building With Waiting Hall and Restaurants/Retail on Ground Floor
2. Residential For-Sale Condos
3. Shared Parking Garage
4. Restaurants/Retail and Loft Office Above
5. Hotel
6. Conference Center
7. Parklet



Intermediate Service Plan (ISP) Phase 1 is Enabling Network Optimization



- ISP Phase 1 took effect 8/19/24
- 20 minute frequency on 3, 6, 7 from 7:00 a.m. – 9:00 p.m., Monday – Friday
- GoZone requests in boundary are directed to nearest Connect stop
- Connect ridership is up 31% FYTD*

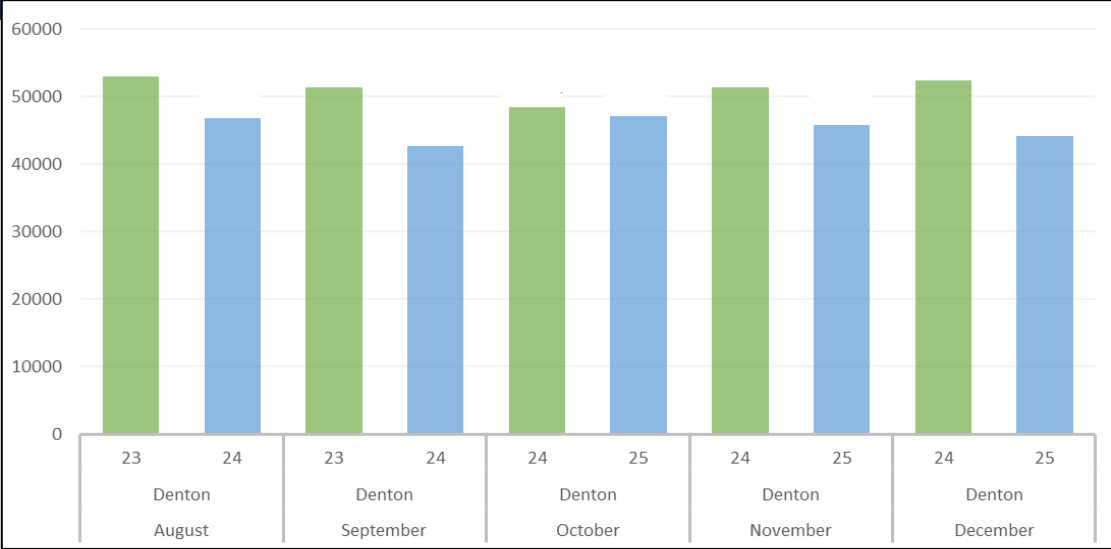
	Unlinked Passenger Trips - FY through December					FY24-FY25
	2021	2022	2023	2024	2025	
UNT	61,576	294,314	407,353	501,537	340,723	-32.1%
Connect	51,467	44,540	28,920	56,733	74,365	31.1%
Non-Connect	1,188	3,226	2,211	450	812	80.4%
A-train	24,401	46,447	55,403	64,744	76,301	17.9%
GoZone	-	106,700	203,689	216,337	210,595	-2.7%
Access	3,421	5,176	6,162	6,387	7,500	17.4%
Vanpool*	47,683	54,414	60,281	65,028	61,984	-4.7%
TOTAL	189,736	554,817	764,019	911,216	772,280	-15.2%

*Vanpool data lags by one month

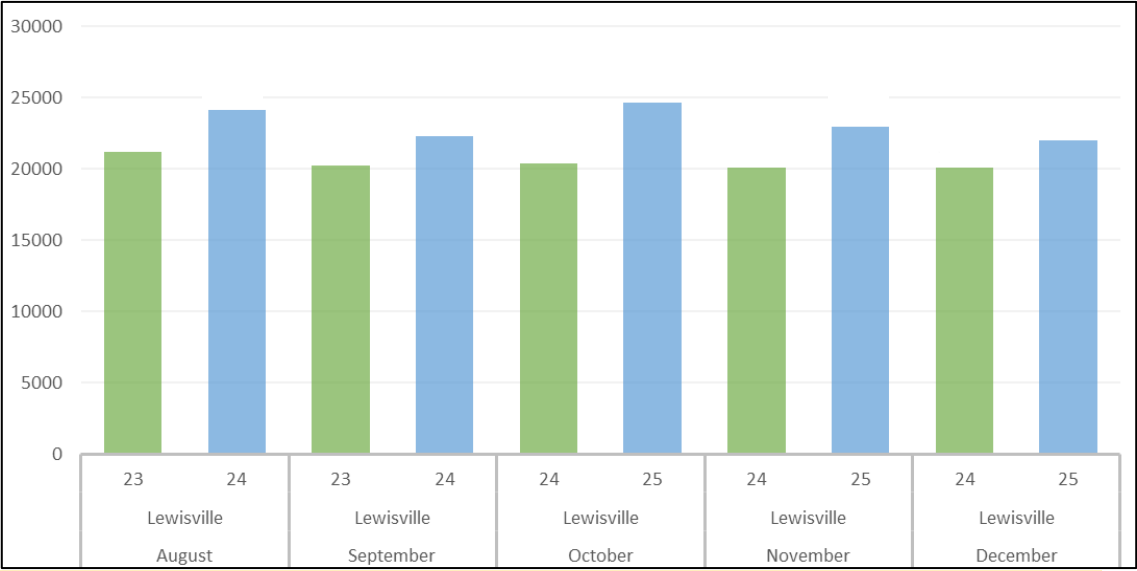
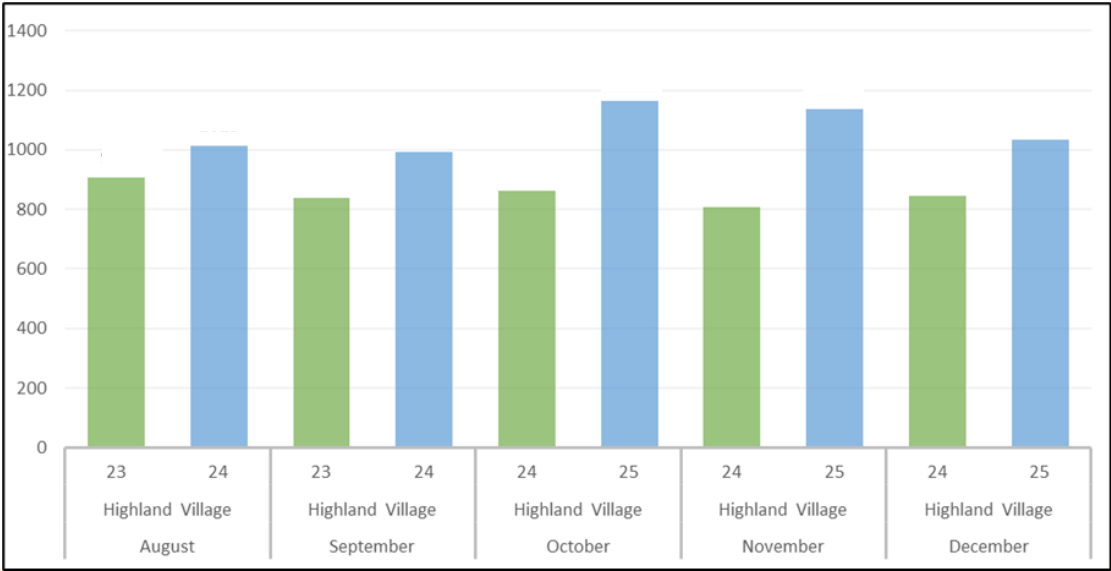
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*Connect up 63% if Discovery Park Express is included

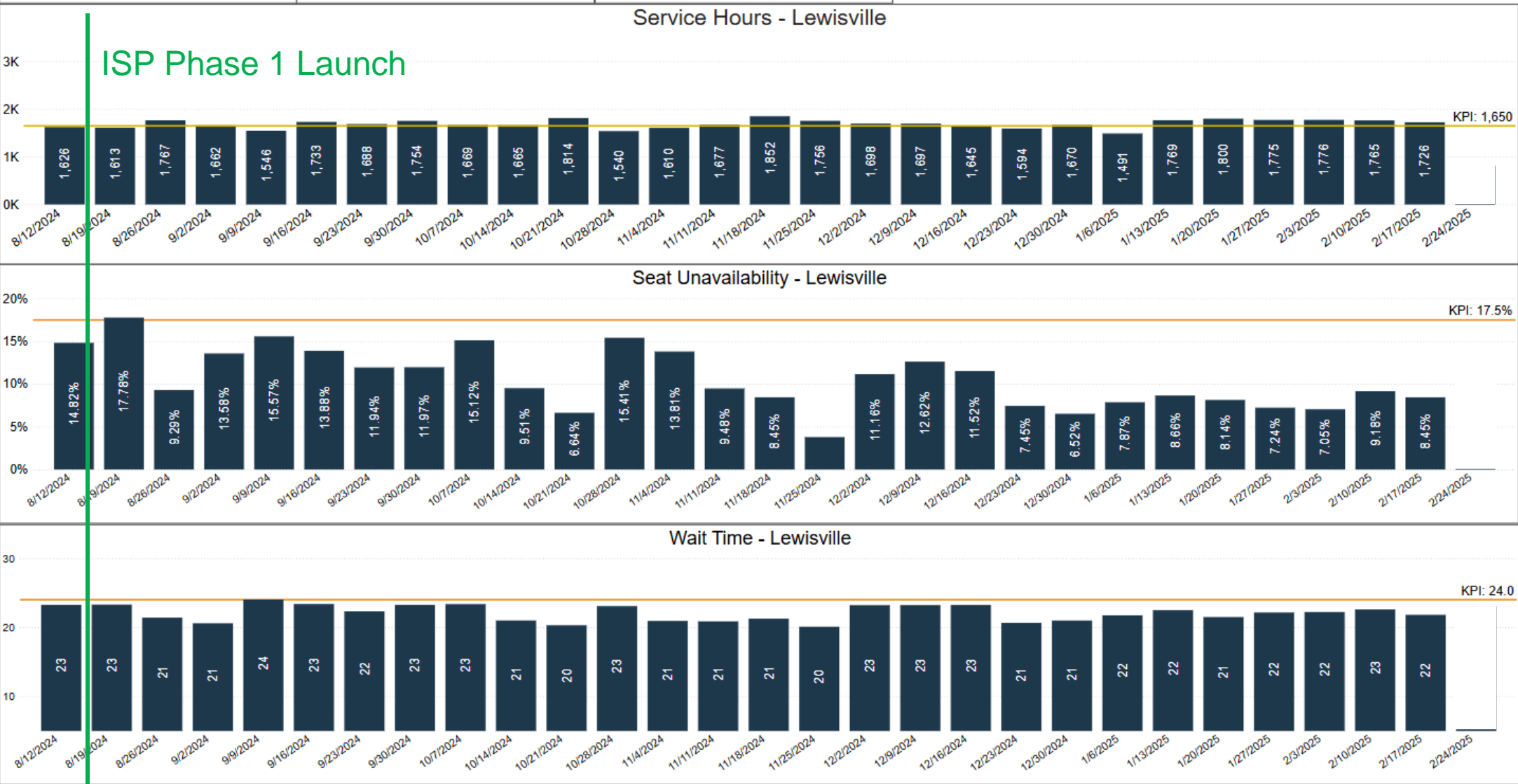
ISP Phase 1 reduced GoZone ridership 12% in Denton to enable 14% and 25% ridership increases in Lewisville and Highland Village (ITD)



	Unlinked Passenger Trips - FY through December					FY24- FY25
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ISP Update – GoZone Capacity Management



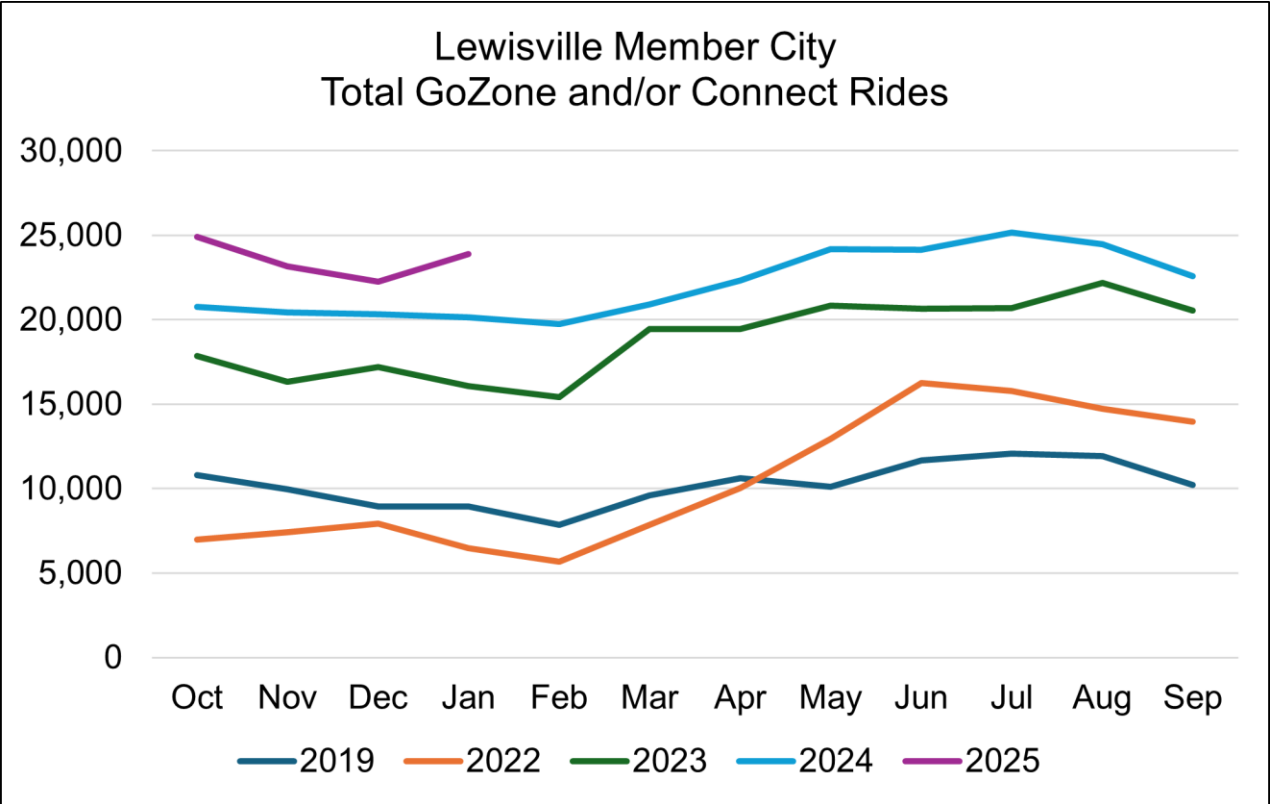
GoZone continues to deliver ridership growth in Lewisville



Lewisville Bus and GoZone Ridership by Month and Year

	2019	2022	2023	2024	2025
Oct	10,800	6,997	17,832	20,768	24,910
Nov	9,964	7,399	16,336	20,448	23,157
Dec	8,929	7,940	17,186	20,338	22,236
Jan	8,934	6,464	16,052	20,153	23,893
Feb	7,847	5,668	15,411	19,745	
Mar	9,603	7,840	19,433	20,897	
Apr	10,622	10,050	19,445	22,338	
May	10,094	12,953	20,829	24,171	
Jun	11,658	16,250	20,632	24,153	
Jul	12,065	15,762	20,695	25,151	
Aug	11,919	14,732	22,192	24,474	
Sep	10,221	13,949	20,542	22,572	
TOTALS	122,656	126,004	226,585	265,208	94,196

Connect Service Only
Connect + GoZone
GoZone Service Only

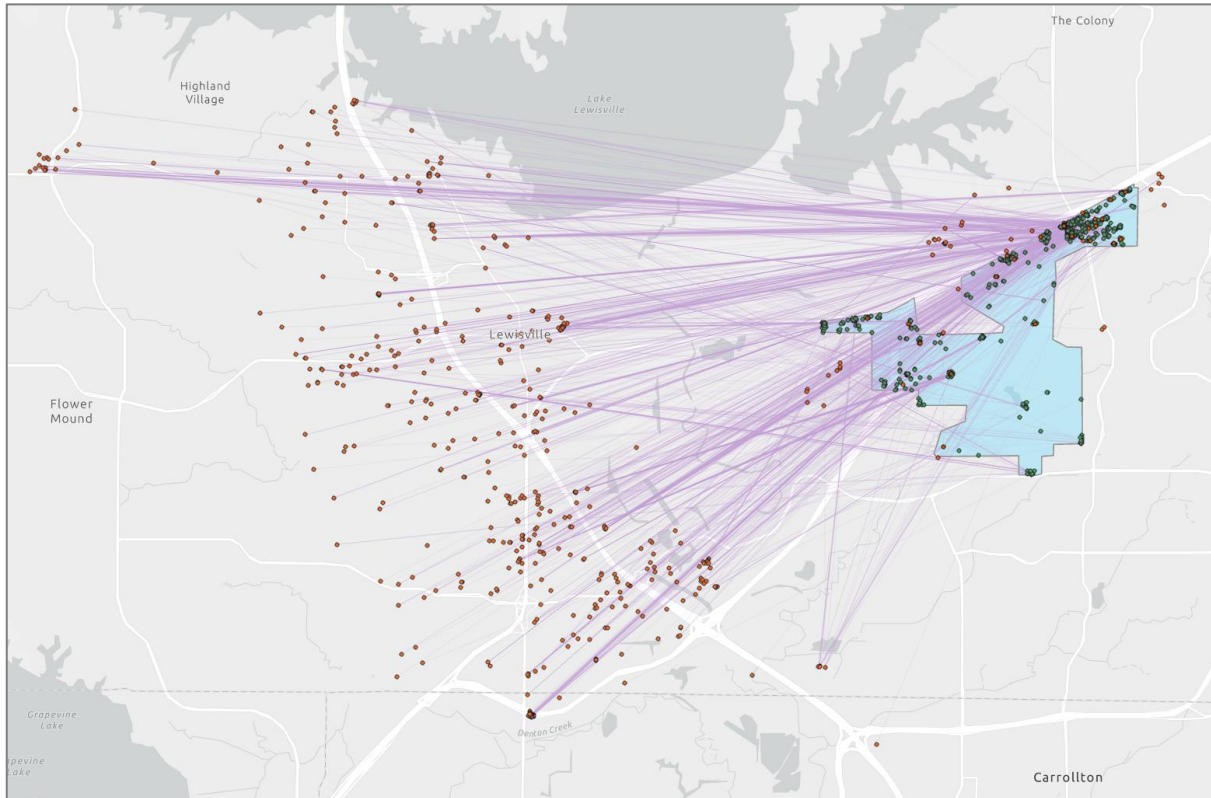


- GoZone service in Lewisville has more than doubled transit ridership over former fixed route service

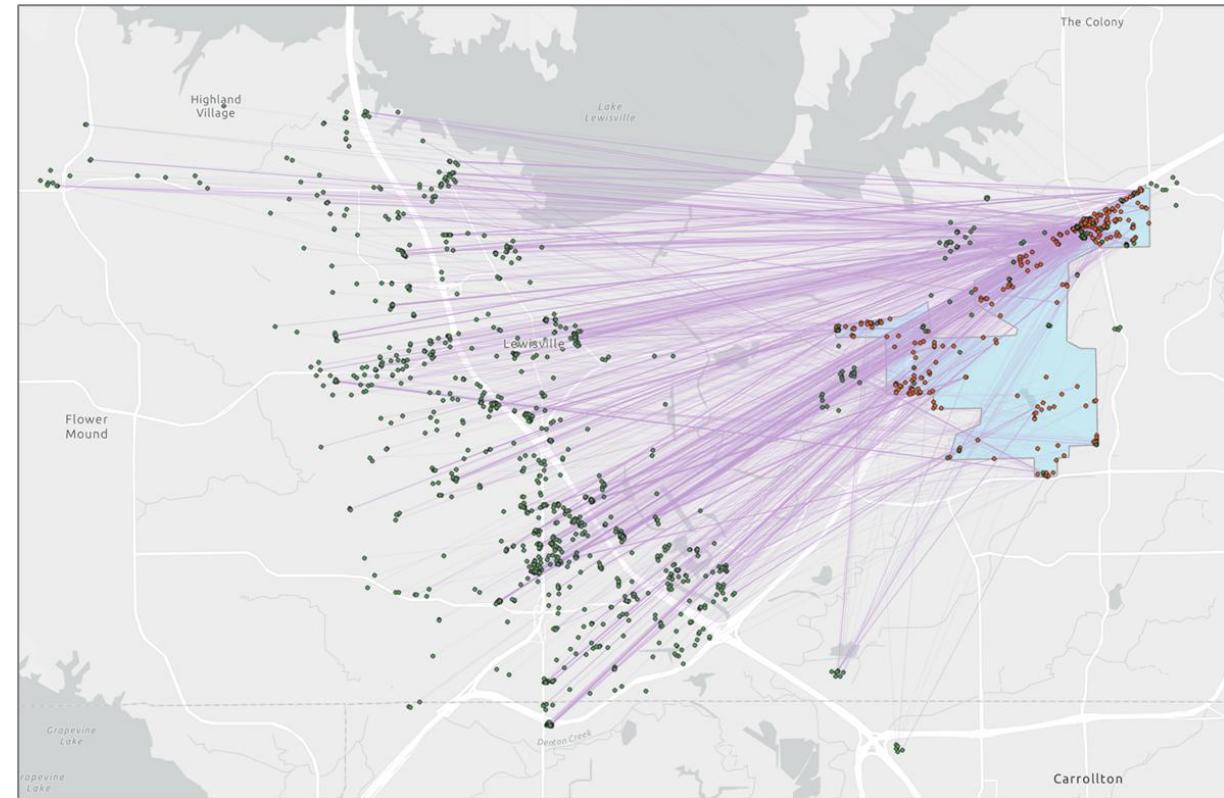
FY24 GoZone Analysis – Castle Hills

GoZone completed approximately ~7,400 trips to or from Castle Hills in FY 2024.

From Castle Hills

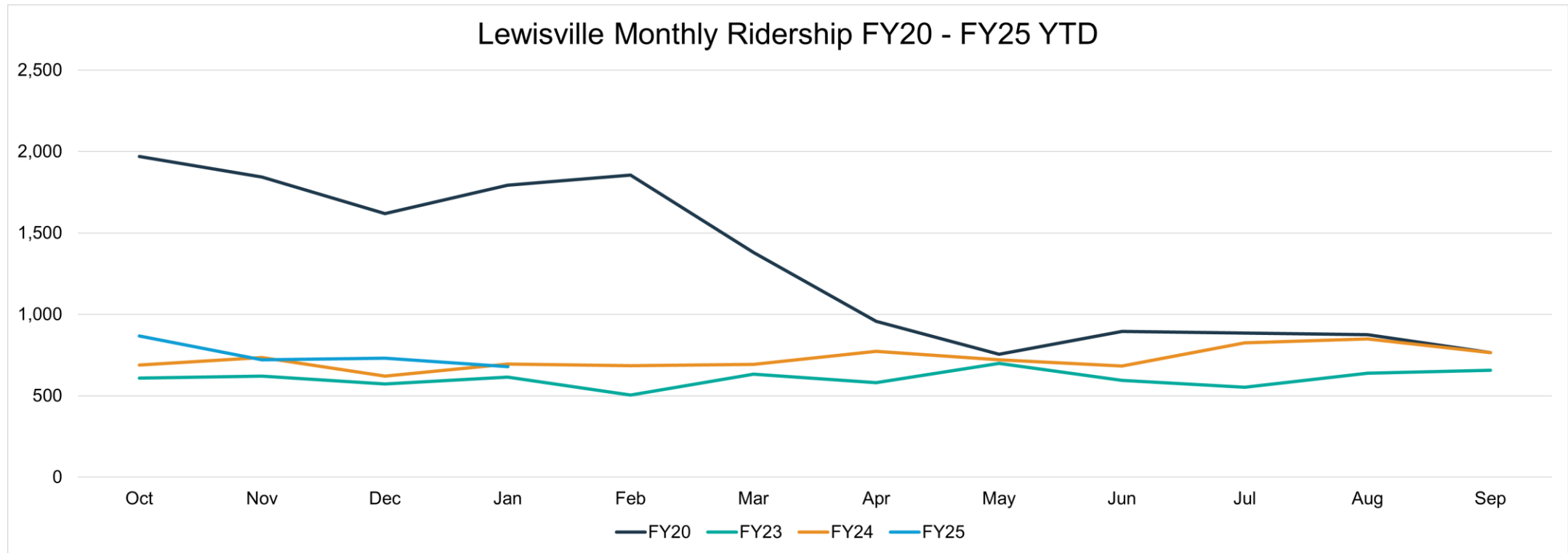


To Castle Hills



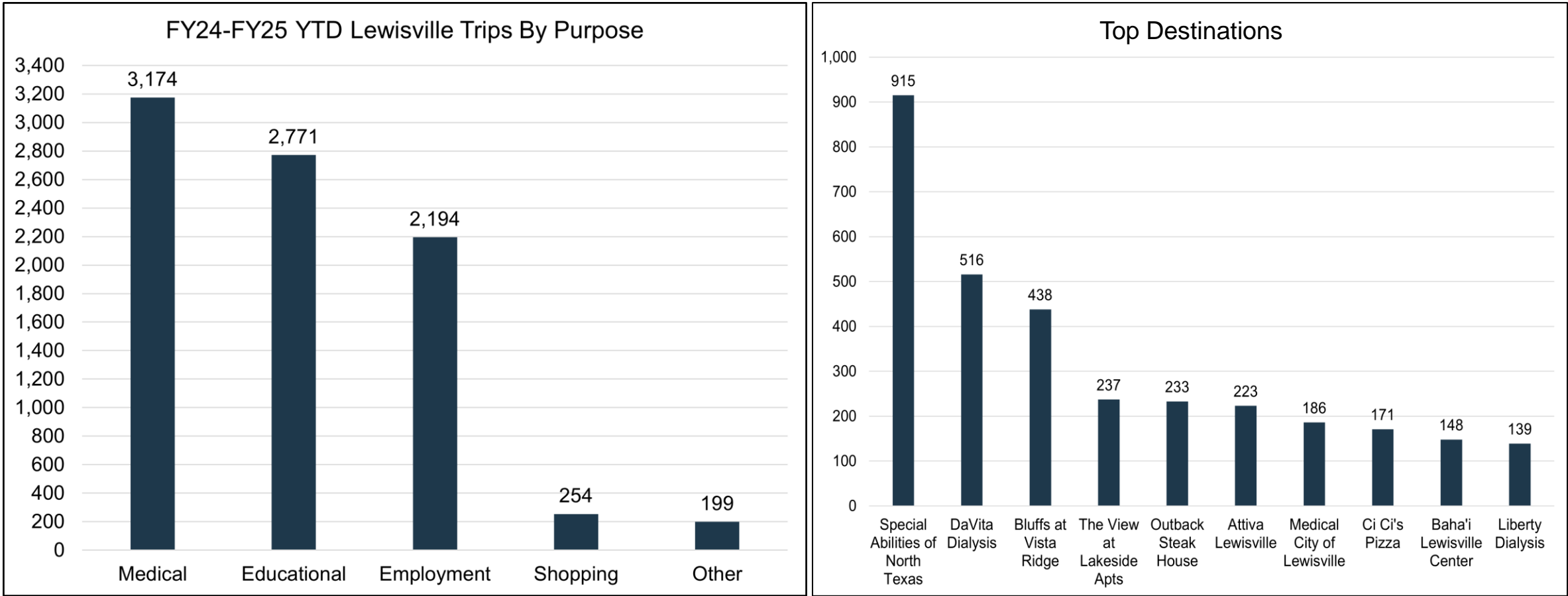
DCTA Access Service (Paratransit) – Lewisville

- Shared-ride, origin-to-destination service that provides transportation for disabled and elderly (65+) residents
- Two types of eligibility:
 - American with Disabilities Act (ADA) qualified / Paratransit – priority booking
 - Non- ADA qualified
- Application available by calling DCTA and on www.dcta.net



Lewisville Paratransit Trip Profiles

- Most paratransit trips are Lewisville residents going to medical facilities or school in Lewisville.



Transportation Reinvestment Program (TRiP)

The **TRiP** program aligns with the DCTA mission of “improving mobility, air quality, economic development and livability” for the DCTA service area and Denton County at large by providing financial assistance to DCTA member cities for transit-supportive projects

The City of Lewisville has been **authorized \$19.2M** from the TRiP program between FY21 – FY 24 and has **obligated \$14.7M** of those funds to the projects listed here.

The City of Lewisville has **\$7.7M available** in the FY25 Call for Projects.

FY21-24 Project Awards

L1 – Valley Ridge Off Street Trail	\$1,766,000	Construction
L2 – A-Train Rail Trail Southern Extension Segment A	\$400,000	Design
L3 – Southwest Parkway Multimodal Street/Streetscape	\$425,375	Design
L4 – Southwest Parkway Multimodal Street/Streetscape	\$9,015,000	Design/Construction
L5 – A-Train Rail Trail Southern Extension Segment A	\$600,000	Design/Construction
L6 – The Standard TOD Public Street Construction	\$2,000,000	Design/Construction
L7 – Hebron Parkway Off Street Trail Construction	\$488,351	Construction

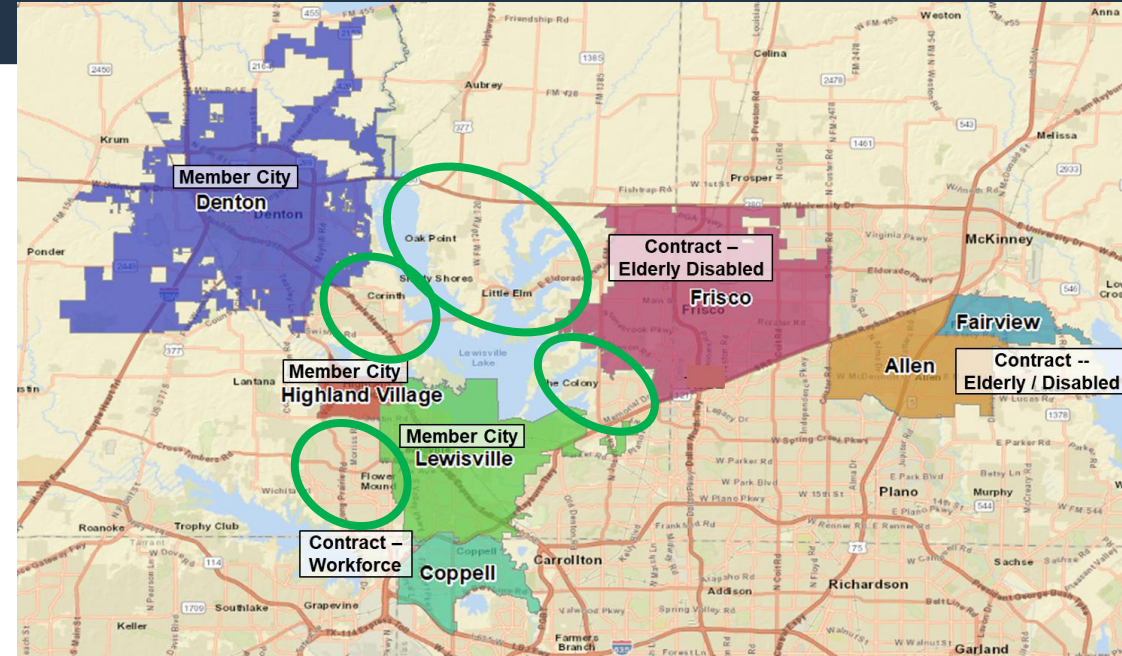
Increasing Connections: DCTA New Member City and Contracted Services Policy currently in development

- DCTA Board will evaluate candidates for **New Member Cities** based on three primary considerations:

1. What is the value of the funding source generated by the Applicant versus the cost of the service desired by the Applicant?
2. Does the new service increase transportation access to residents of Denton County and DCTA's Member Cities?
3. What DCTA staff resources and other resources are required to deliver the new service and are those costs properly addressed by the Applicant?

- New policy will reflect Board Goals for **Contracted Services for Non-Member Cities**:

1. Provide opportunity for the DCTA Board and the Requestor to evaluate the utility and performance of a new service for a defined period of time.
2. Provide an avenue for the Requestor to become a Member of DCTA (if eligible) and expand the agency service area.
3. Enable DCTA to provide regional leadership in providing public transportation solutions.
4. The premium and fees generated by such services generate revenue that meaningfully offsets investment provided by Member Cities.



Questions / Discussion



Lewisville City Council Meeting

March 3, 2025

Economic Outlook: Trends, Demographics,
and Budget Insights



Economic Outlook: Trends, Demographics, and Budget Insights

Council Workshop – March 3, 2025



ECONOMIC OUTLOOK (AGENDA)

Economic indices and trend information are included for the following areas:

**ECONOMIC
INDICATORS**

DEMOGRAPHICS

**BUDGETARY &
FINANCE**

These indices provide economic context leading into the annual budget process.



ECONOMIC INDICATORS



ECONOMIC INDICATORS



- Policy changes may increase market uncertainty and alter trend projections.
- Key policy factors impacted
 - Regulatory changes affecting businesses and economic activity
 - Tax policies influencing consumer and corporate behavior
 - Trade agreements & tariffs, impacting global commerce and costs
- Interest rate & inflation impact
 - Federal Reserve actions in response to economic shifts
 - Changes in expectations for future inflation
 - Price volatility due to tariffs
 - Consumer sentiment fluctuations
- Employment market trends
 - Employment levels and job growth
 - Impacts from policy changes



ECONOMIC INDICATORS



- Interest Rates
 - Fed rate cuts planned for 2025
 - Changes from what was previously projected, reflects changing economic conditions
 - Impacts to total cost of financing
- Inflation
 - CPI-U rates in the U.S. and DFW metropolitan area
 - Construction inflation
 - Resets to materials and supplies costs
 - Inflation moving forward
 - Impacts to operating and capital budgets
- Employment
 - Job creation, Texas and nationwide
 - Unemployment levels, stable markets
 - Impacts recruitment and retention



MULTI-FAMILY RENTAL RATE TRENDS

- Vacancy in Lewisville has stabilized over the past year thanks to improving demand.
- Throughout 2024, the daily asking rent per SF rose and fell, peaking at \$1.78 per SF in May before decreasing to \$1.73 towards the end of December. Rents declining is due to the sheer volume of units delivered in the market.
- Across DFW rent growth is expected to recover through mid-2025 before increasing in 2026 due to less supply and the market being relatively supply-constrained.



OFFICE SPACE TRENDS

- Lewisville currently has 5.5M square feet of inventory for office space, which was an increase from last year's inventory of 5.3M square feet.
- In 2024, 187,000 square feet of office space was under construction, which has been consistent with 2023. In 2023, the occupancy rate ranged between 77.5% to 81.1%.
- In 2024, the average occupancy rate was 79.12%. Over the coming years, the trend shows that occupancy will remain at approximately 79%.
- Over the past year, Lewisville's vacancy rate has changed by about 2.6%, a result of 270,000 SF of net delivered space and -20,000 SF of net absorption.

INDUSTRIAL SPACE TRENDS

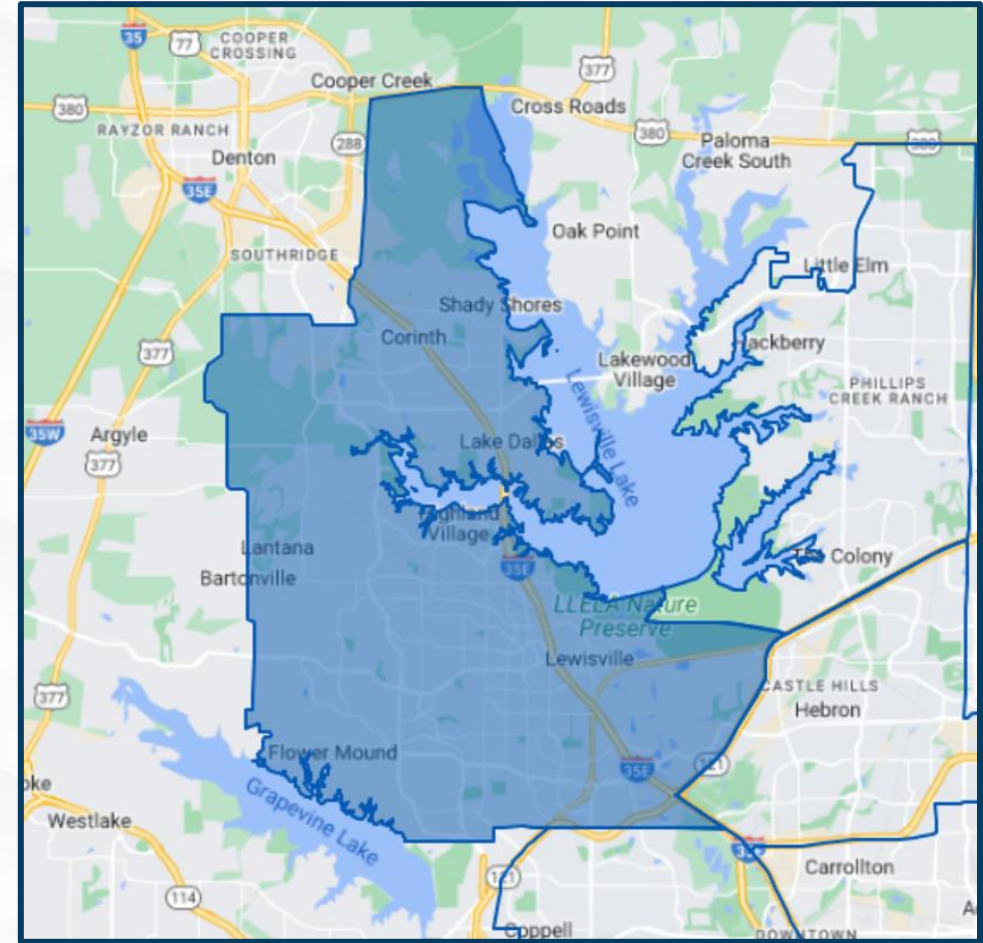
- 19.5M square feet of inventory with 562K under construction.
- According to Costar, Lewisville's net absorption is strong for this submarket. The first half of 2024 has seen strong tenant demand in the first quarter and despite the move-outs in the subsequent period, the vacancy rate remained relatively stable at 6.5%, below the market average.
- The occupancy rate in 2024 was 95.5%. The trend shows that occupancy rates are anticipated to stay around 95% in 2025.

City	Total Sq. Ft. of Industrial	Percentage of Total Land Area Used for Industrial
Frisco	5M	0.3%
Allen	3M	0.4%
Plano	12M	0.6%
Denton	20.2M	0.8%
McKinney	16M	0.8%
Flower Mound	10.5M	0.9%
Richardson	8.8M	1.1%
Grapevine	13M	1.3%
Lewisville	19.5M	1.6%
Mesquite	23.5M	1.7%
Fort Worth	177M	1.8%
Dallas	198M	1.8%
Garland	31.1M	1.8%
Arlington	49M	2.0%
Irving	41.8M	2.2%
Grand Prairie	66.5M	2.9%
Carrollton	37.1M	3.6%
Coppell	29.2M	7.1%

*Cities not built out are naturally lower

RETAIL TRENDS

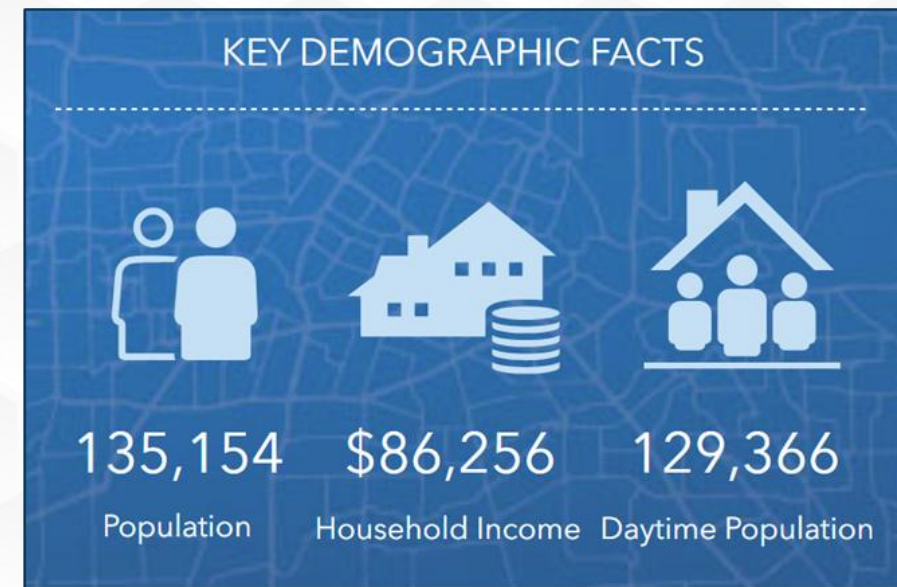
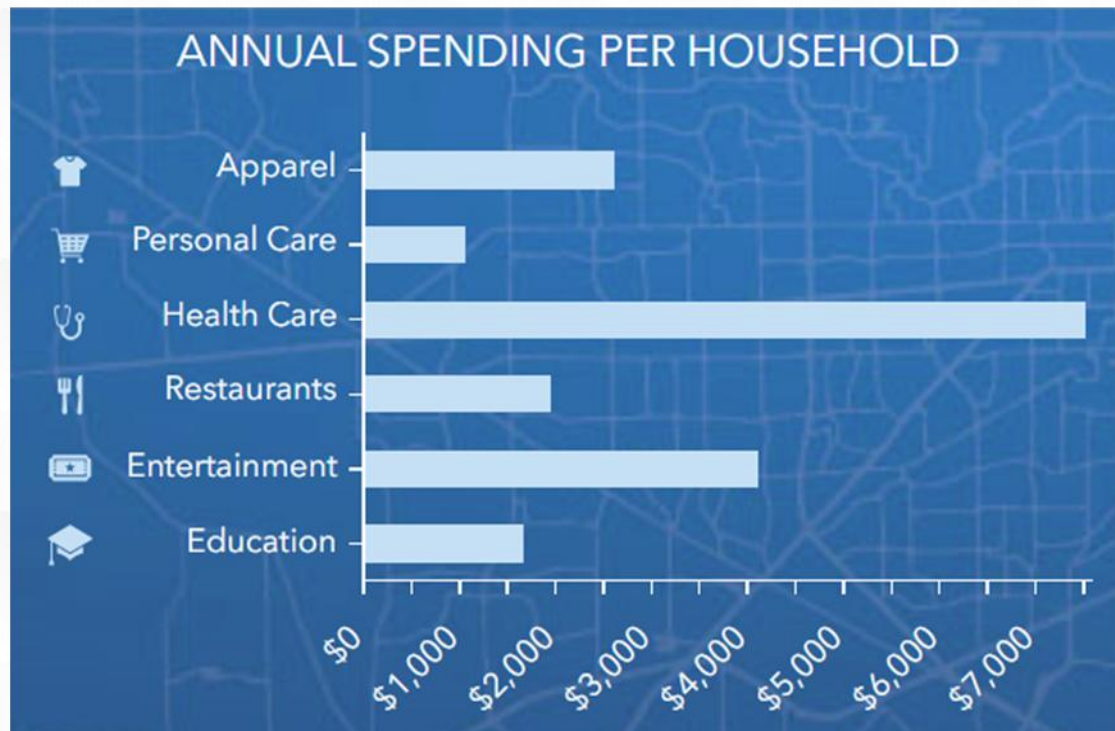
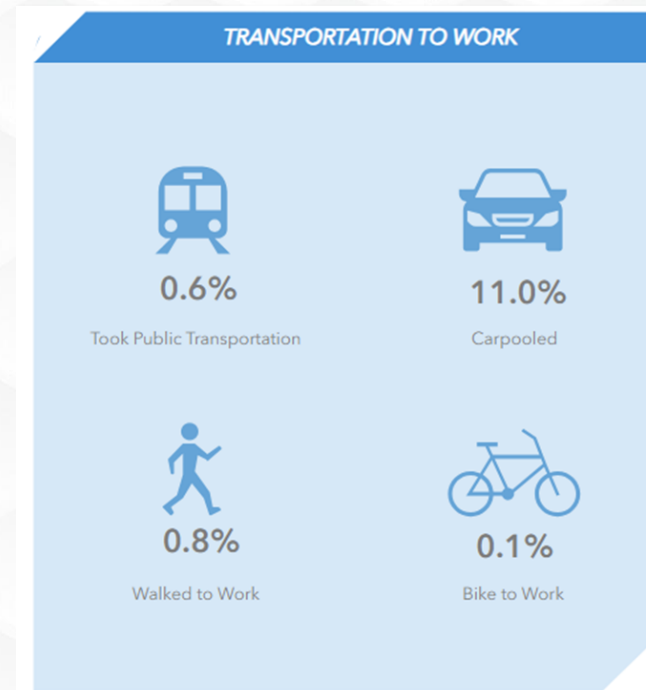
- In 2024, Lewisville occupancy rates remained steady at 93%. The forecast shows that occupancy will remain relatively flat at 93% over the coming years.
- In the last year, over 63,000 square feet of retail space was delivered.
- With 19.0 million SF of space, Lewisville remains the single largest retail submarket across all of North Texas.



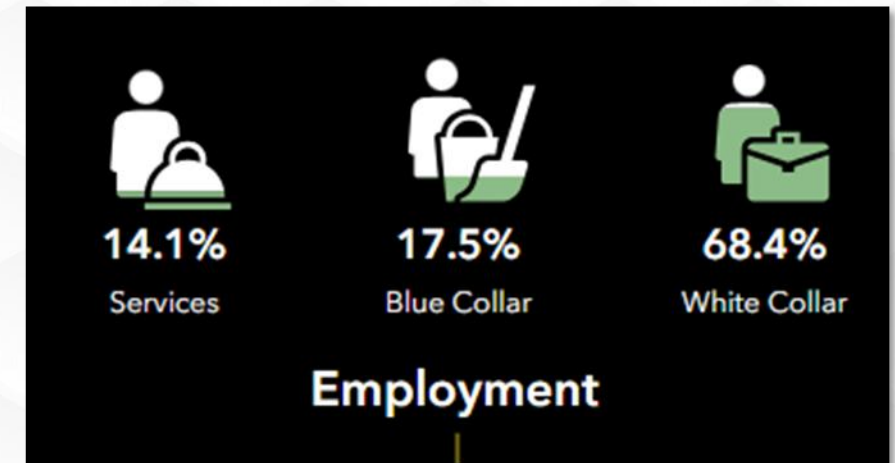
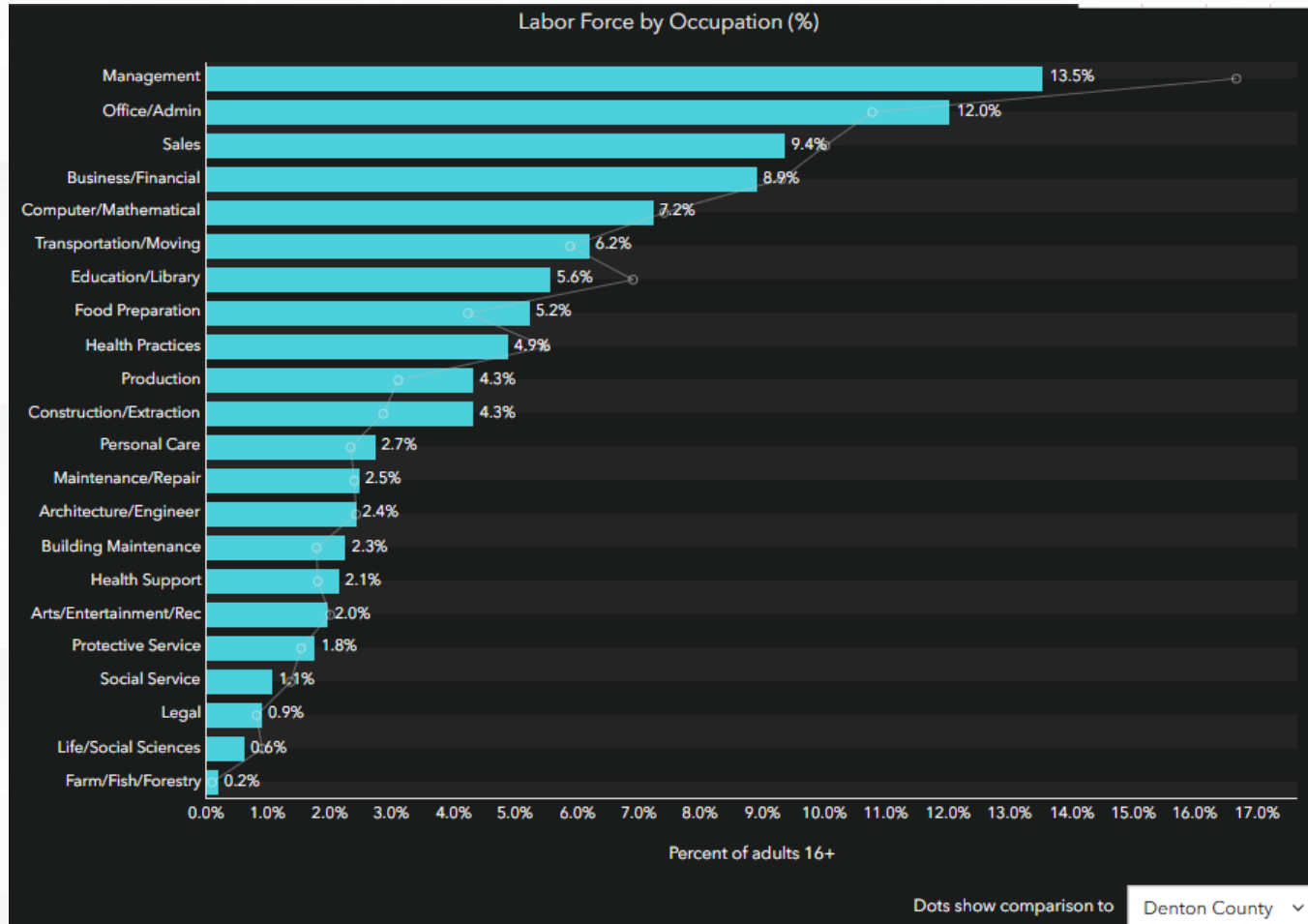
Lewisville, Highland Village, Corinth, Lake Dallas, Flower Mound, Lantana, Bartonville, Copper Canyon

The background features a light gray hexagonal grid. Overlaid on this are several clusters of triangles in dark blue, mustard yellow, and light blue. On the left, there are two small groups of triangles. On the right, there is a larger, more complex arrangement of triangles, some pointing up and some pointing down, creating a larger triangular shape.

DEMOGRAPHICS



TOTAL NUMBER OF JOBS IN LEWISVILLE



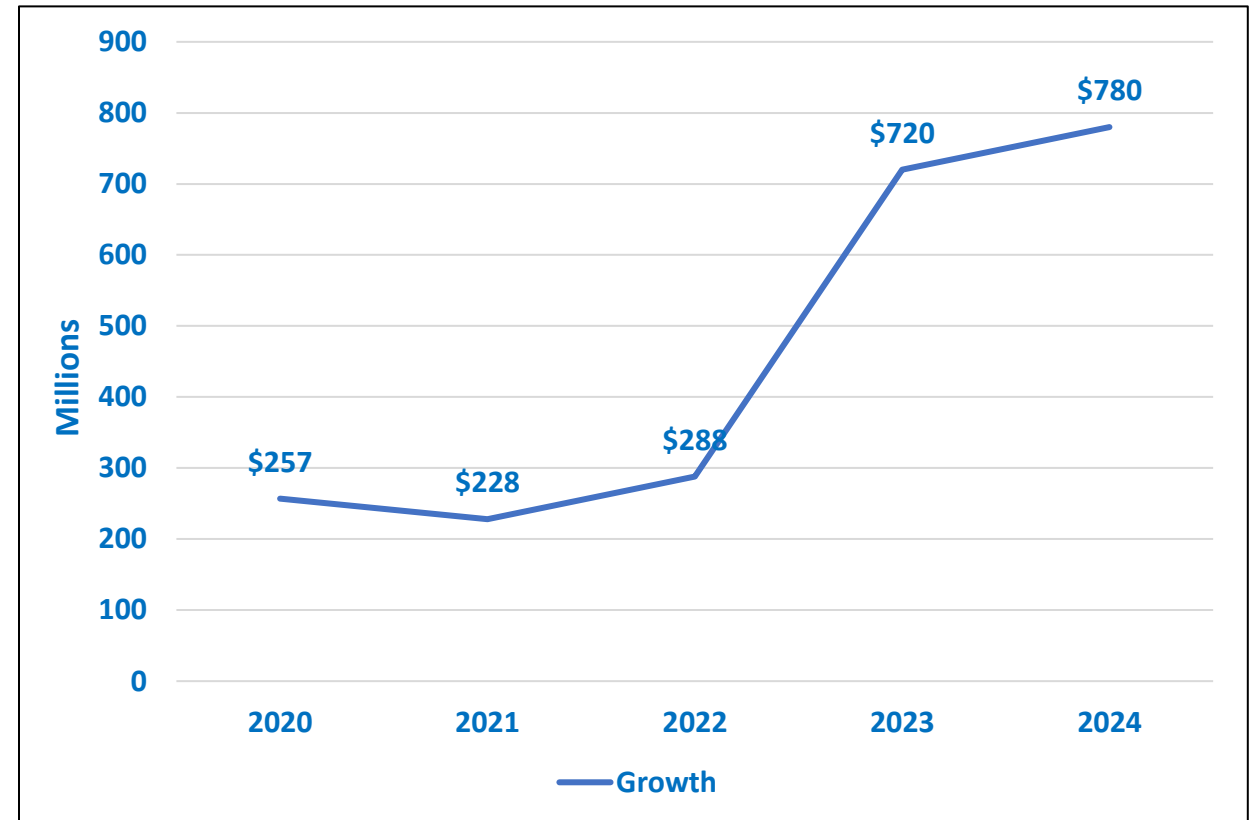
Source: ESRI ArcGIS Business Analyst

ASSESSED VALUE GROWTH

<u>Tax Year</u>	<u>Fiscal Year</u>	<u>TAV</u>	<u>% Growth</u>
2020	2021	11,750,744,030	5.21%
2021	2022	12,153,639,782	3.43%
2022	2023	16,991,471,159	39.81%
2023	2024	18,956,387,907	11.56%
2024	2025	19,443,205,141	2.57%

- The pace of growth had slowed prior to annexation
- Factors impacting tax values after annexation
 - Absorption of District parcels into City rolls and increased property values (TY 2022)
 - Increased property values (TY 2023)
 - Increased residential and multi-family property values offset by smaller gains in commercial and BPP (TY 2024)

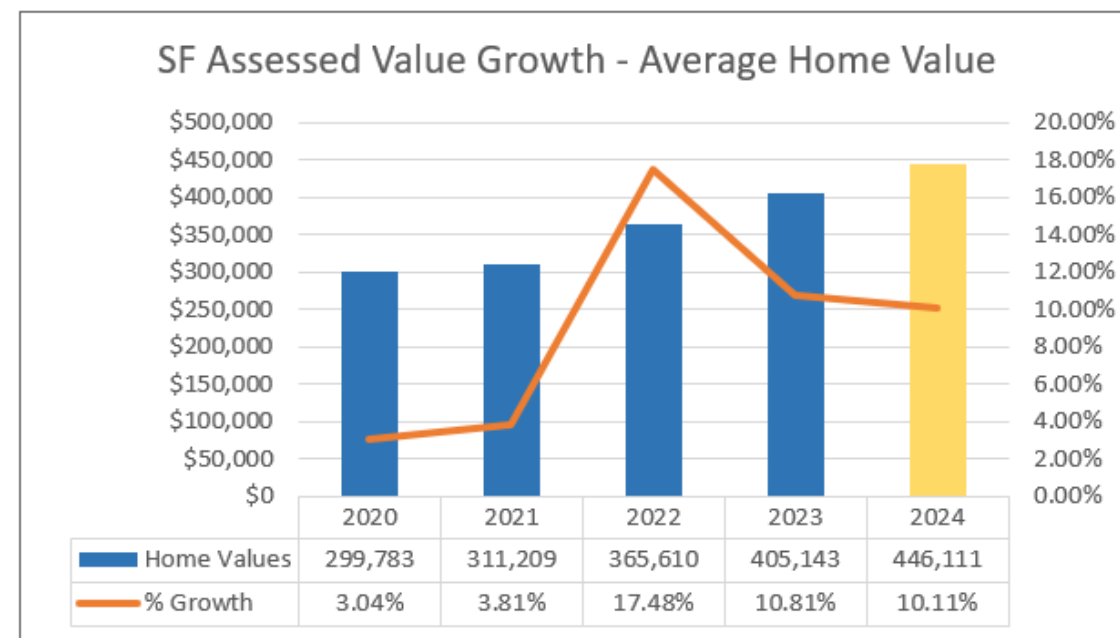
Trend in New Value



SF ASSESSED VALUE GROWTH TREND

- Near-term projection for home value growth
 - Continue to be impacted by escalating home values
 - Some slowdown in the housing market
 - Playing "Catch-up" with market values
- Long-term increases of 4% - 6% projected
- Tracking average and median home values

Tax Year	Fiscal Year	Home Values			
		Average	% Growth	Median	% Growth
2020	2021	299,783	3.04%		
2021	2022	311,209	3.81%		
2022	2023	365,610	17.48%		
2023	2024	405,143	10.81%	351,567	
2024	2025	446,111	10.11%	371,349	5.63%



OLD TOWN PROJECTS

COMPLETED



The Whitlow

420 MF Units

Capital Investment: \$77M



Main and Mill Lofts

203 MF Units

Capital Investment: \$40M



Mill at Old Town

213 MF Units

Capital Investment: \$30M

UNDER CONSTRUCTION



Aura Main Street

325 MF Units

Capital Investment: \$102M



Deck On Main

Commercial – restaurant, office, event space

Capital Investment: \$5M+

OTHER PROJECTS



Heritage Trails/Heritage Towers

Complete

Townhomes; Multifamily Units

Capital Investment: \$98.8M



Lakeside Crossing

Under Construction

Multifamily Units; Townhome;
Retail/Restaurant; Live/Work units

Capital Investment: \$14.3M



Merit (Legacy North)

Under Construction

Multifamily Units; Commercial and
Dog Park

Capital Investment: \$41M



Bison Grove

Complete

Office/Warehouse

Capital Investment: \$69.5



Wells Fargo

Under Construction

Data Center

Capital Investment: \$470M



Crown Centre

Under Construction

Multifamily

Class A Office

Trails and green space

Capital Investment: TBD



BOND RATING CONSIDERATIONS



- The most recent ratings were conducted in August 2024
 - The city requested ratings from both S&P and Fitch bond rating agencies
 - Revenue Bonds are rated AAA by both S&P and Fitch, while General Obligation (GO) bonds are rated AAA by S&P and AA+ by Fitch
- Key rating drivers noted by S&P:
 - Solid finances and **maintenance of solid reserves**
 - Very strong management with **strong financial management policies**
- Fitch narrative:
 - Lewisville's financial resilience – strong
 - Driven by its 'High' **revenue and expenditure control**
 - Strong **population trend** and a **population and economy of sufficient size and diversification**
- These ratings play a key role in determining borrowing costs and reflect the credit risk of the issue
 - The final interest rates for the Series 2024 GO and Utility Revenue bonds were 3.41% and 3.42%, respectively



BLUE RIBBON AND 2024 BOND ELECTION



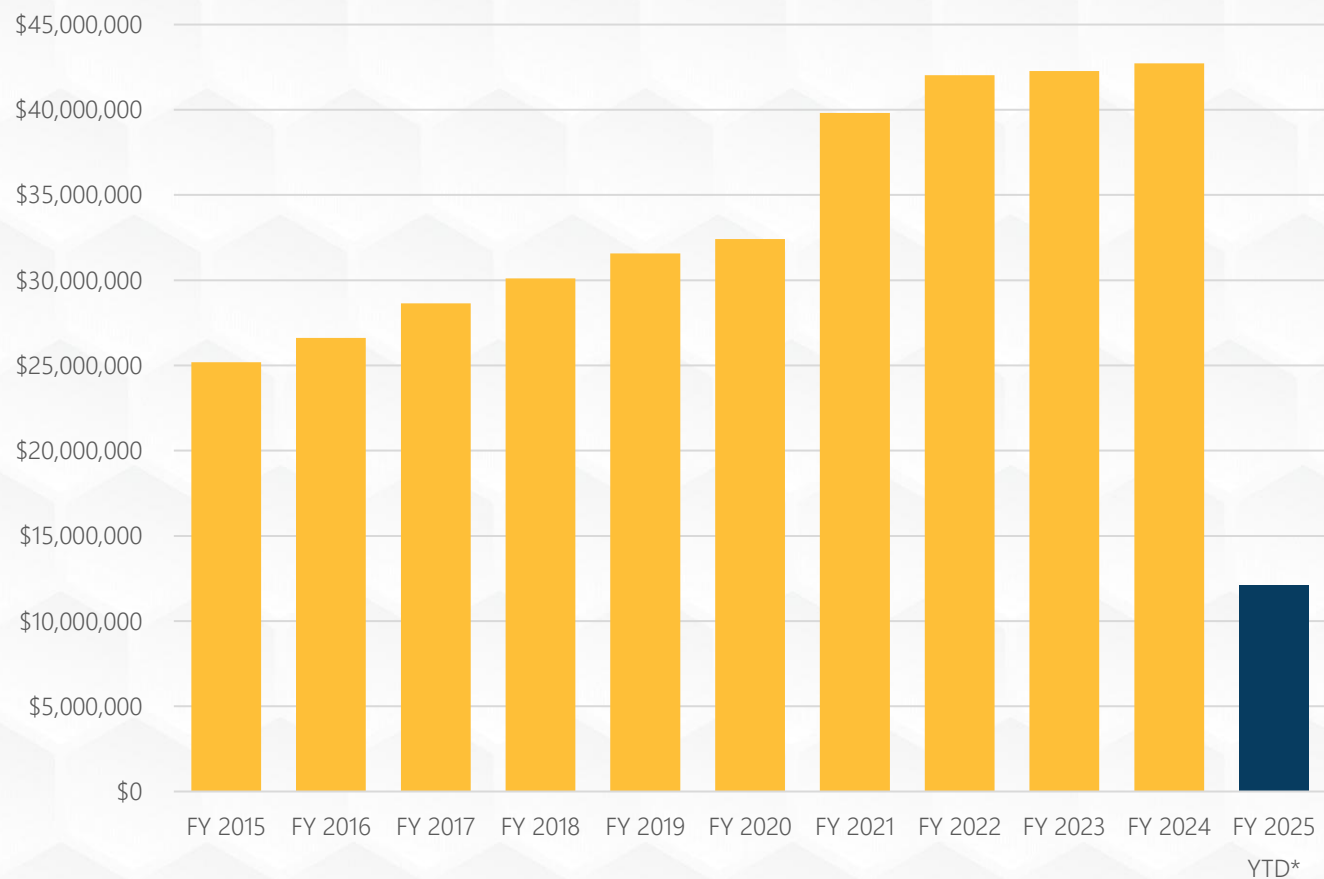
- Blue Ribbon Committee identified capital project priorities to be funded over the next 10 years: \$263.4M
- Propositions considered were for Streets, Animal Shelter Expansion, Public Safety, and Parks and Open Space
- Bond election overwhelmingly approved by voters in May 2024
- All propositions received strong support, averaging 74% voting in favor
- Funding of year-one projects includes (\$25.5M issued):
 - Animal Shelter Center Expansion
 - Various neighborhood and arterial streets and roadways
 - Land acquisition for public safety and parks
 - Trail development
 - Public art included in many of these project budgets



BUDGETARY & FINANCE

SALES TAX – GENERAL FUND

Actuals - General Fund



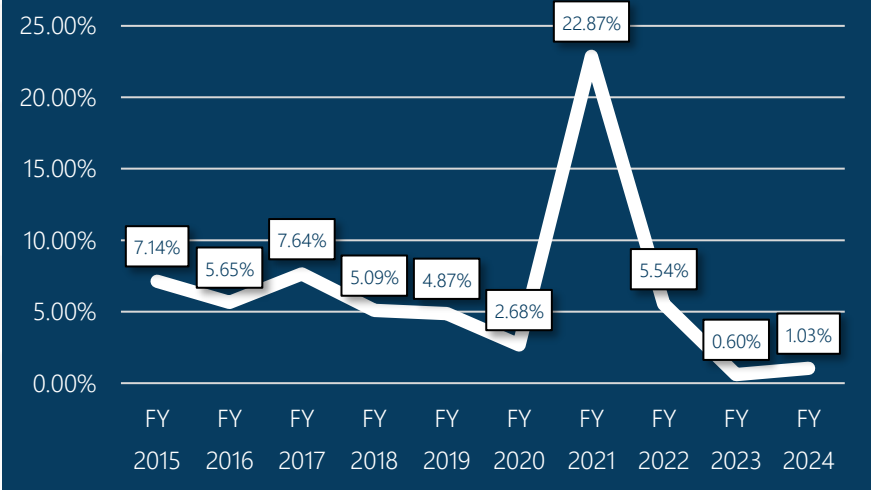
*Data as of 2/24/2025.

FY 2024 actuals increased by \$435K or just over 1% when compared to last year’s actuals.

In recent years, we continue to see increased sales tax revenue but have recognized a slowing of that growth, indicating a potential flattening of this revenue source.

Staff is working with our sales tax audit firm to identify any potential audits that may produce additional revenue.

Percent Change from Prior Year





SALES TAX LITIGATION STATUS



- **July 2021** – Lawsuit was filed by the *Coalition for Appropriate Sales Tax Law Enactment (CASTLE)*. City of Coppell, Texas; the City of Humble, Texas; the City of DeSoto, Texas; the City of Carrollton, Texas; the City of Farmers Branch, Texas; and the City of Round Rock, Texas v. Glenn Hegar
- **August 2021** – Parties agreed on a temporary injunction, provisions of Rule 3.334 would not be implemented until final disposition on the litigation.
 - During the injunction period, the Comptroller introduced multiple amendments to refine definitions and meet procedural requirements. The provisions of Rule 3.334 remain unenforced throughout the injunction period.
- **May 2024** – Original trial date.
- **October 2024:** New trial date set.
 - Bench trial took place during the week of October 14th
- **December 2024:** Decision issued December 3rd
 - Ruling favored CASTLE and Round Rock, with the Comptroller being “permanently enjoined” from enforcing relevant sections of Rule 3.334
 - Some ambiguity remains in the ruling’s wording, prompting a request for clarification through a “Motion to Modify”
 - Expected a ruling by the end of the year, no updates have been provided as of today

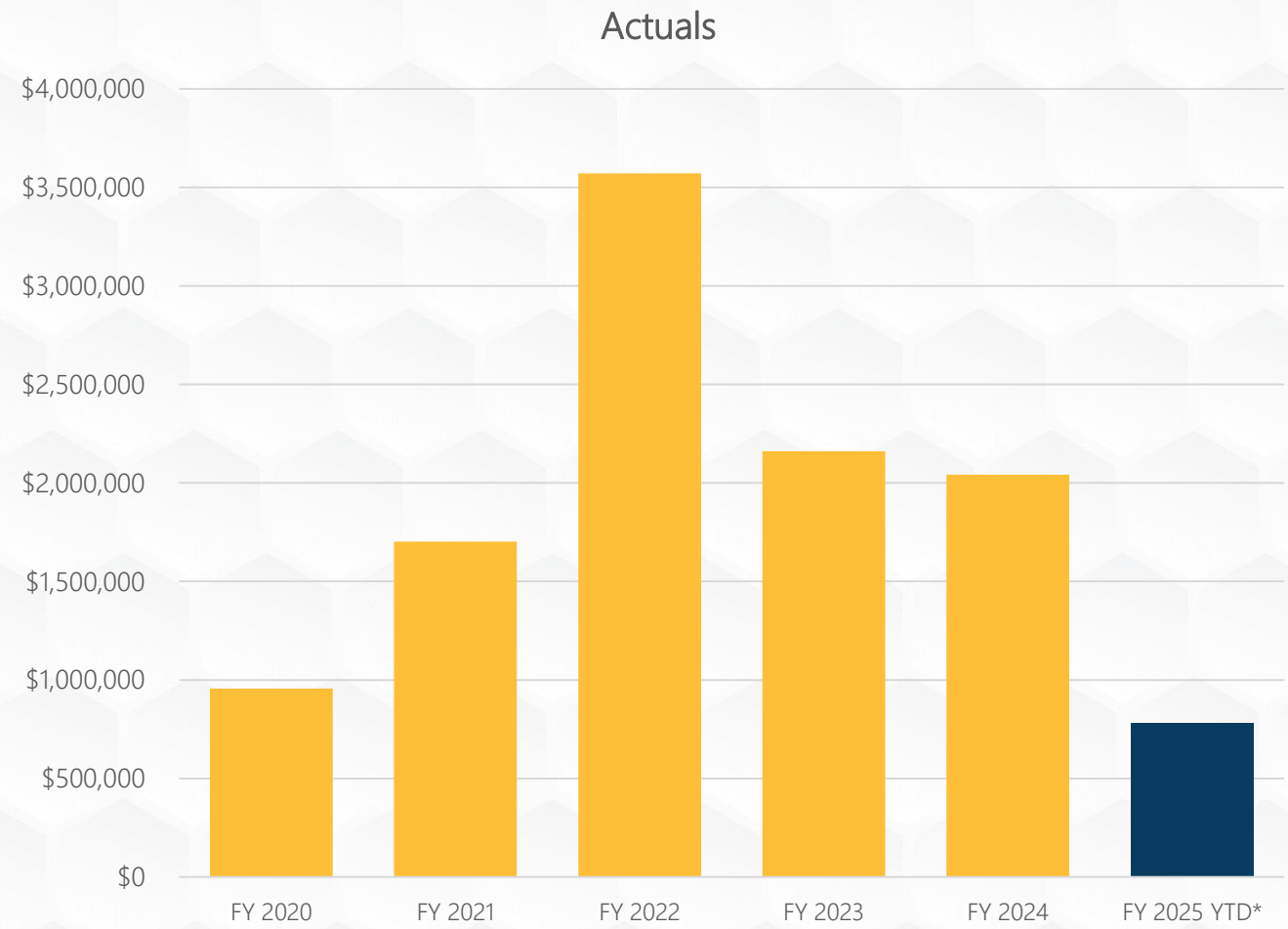
Building permit revenue is based on actual projects the City is aware of. Smaller permit revenue sources are typically not budgeted but add a small revenue boost each year.

FY 2024 actuals ended the year \$119k less than the year before, but \$341k more than the mid-year FY 2024 estimate.

Projects scheduled to occur in FY 2025 include Lakeside Crossing Multifamily and Townhomes and Valley Parkway Business Park.

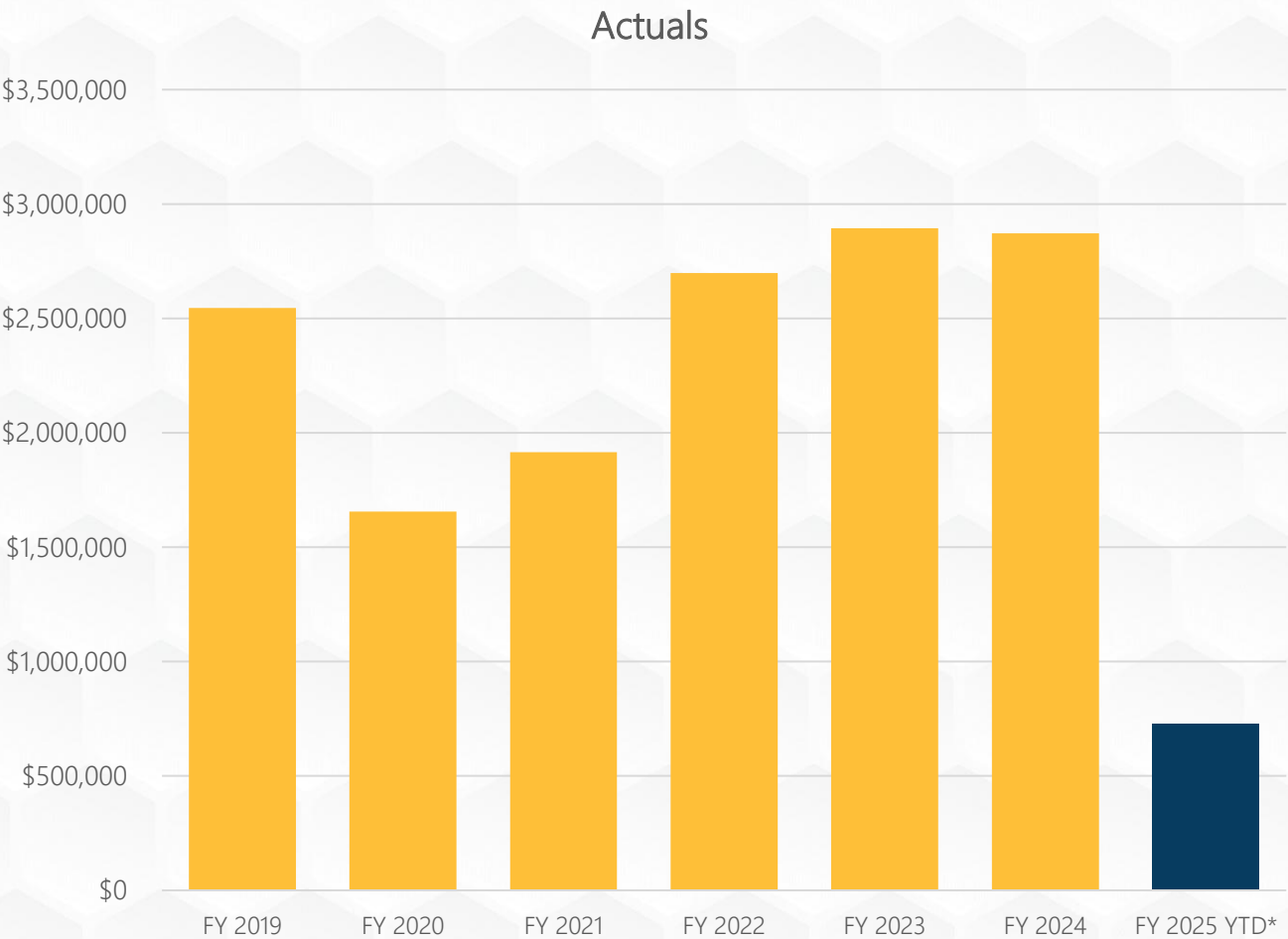
As of late February, FY 2025 actuals are already close to \$800k.

BUILDING PERMITS



*Data as of 2/24/2025.

HOTEL/MOTEL TAX REVENUE



*Data as of 2/24/2025.

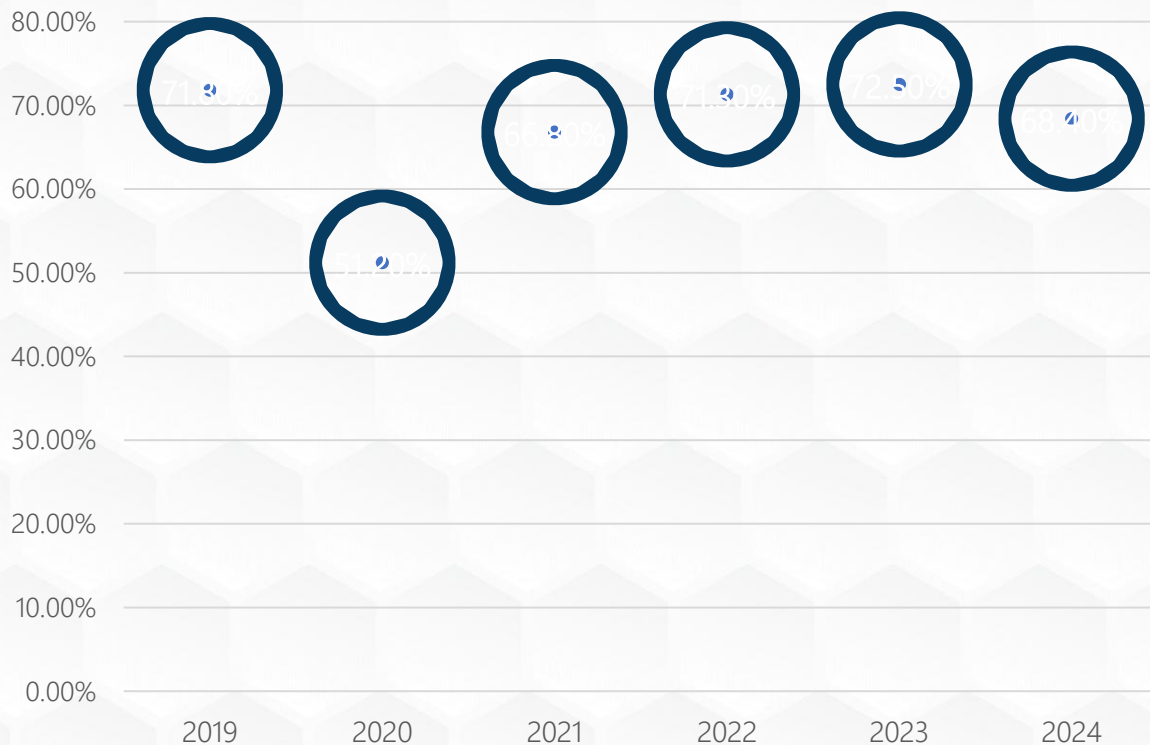
FY 2024 actuals came in only \$22.5k less than the prior year, despite seeing a somewhat larger drop in occupancy rates.

The City began collecting hotel occupancy taxes from short-term rentals in August 2024. This amounted to \$7,668 for those few months in FY 2024.

As of late February, FY 2025 STR hotel occupancy tax revenue amounts to \$40,650.

HOTEL/MOTEL OCCUPANCY RATES

Occupancy Rates



*Data through December 2024.

Total number of rooms has increased (hotels only, not including short-term rentals).



Change in supply: **10,920** more room nights available than last calendar year.



Change in demand: **23,152** less rooms nights demanded compared to last calendar year.

Result: More supply and less demand is contributing to decreasing occupancy rates. More importantly, though, this seems to be a regional pattern. Other DFW cities have experienced similar declines.

However, revenue has not been impacted to the same extent as demonstrated on the previous slide.

FEDERAL FUNDING NOT YET RECEIVED

Staff is keeping apprised of any changes in federal funding. If any reimbursements that were previously awarded but have not yet been reimbursed are denied, the City will put in place temporary funding measures until a final solution can be determined. Below are projects with federal funding, including pass-through grants from state or local entities, with pending reimbursements or reimbursement requests that have not yet been submitted.

- As of February 24, 2025, one grant award agreement (**SS4A***) and two grants already awarded (**Community Forestry****) have been suspended. The agreement was in the process of being finalized and had not yet been executed by City Council.

Department	Grant/Funding Name	Funding Agency	Project Description	Amount Awarded	Amount Spent	Percent Spent	Type of Funding
Engineering	Safe Streets 4 All*	Department of Transportation	Traffic Safety Plan	\$480,000.00	\$0.00	0.0%	Reimbursement
Engineering	Federal Aid – Highway Program	Department of Transportation (Pass-Through)	I-35 Utility Relocation	\$10,085,175.00	\$8,340,807.65	82.7%	Reimbursement
Engineering	Federal Aid – Highway Program	Department of Transportation (Pass-Through)	Main St. & Garden Ridge Intersection	\$214,372.00	\$0.00	0.0%	Reimbursement
Engineering	Federal Aid – Highway Program	Department of Transportation (Pass-Through)	Traffic Signal Equipment – Intersections Along I-35	\$222,276.00	\$0.00	0.0%	Reimbursement
Fire	Urban Area Security Initiative	Department of Homeland Security	Outdoor Warning Sirens	\$136,881.92	\$0.00	0.0%	Reimbursement

FEDERAL FUNDING NOT YET RECEIVED

Department	Grant/Funding Name	Funding Agency	Project Description	Amount Awarded	Amount Spent	Percent Spent	Type of Funding
ITS	State and Local Cybersecurity Grant	Department of Homeland Security (Pass-Through)	Clearpass Integration – Network Access Control	\$39,202.00	\$0.00	0.0%	Reimbursement
NIS	Community Development Block Grant – Plan Year 2022	Department of Housing and Urban Development	Various	\$783,866.00	\$747,964.40	95.4%	Reimbursement
NIS	Community Development Block Grant – Plan Year 2023	Department of Housing and Urban Development	Various	\$762,768.00	\$275,537.84	36.1%	Reimbursement
NIS	Community Development Block Grant – Plan Year 2024	Department of Housing and Urban Development	Various	\$818,349.00	\$12,236.32	1.5%	Reimbursement
NIS	Community Development Block Grant – CV (COVID-19)	Department of Housing and Urban Development	Various	\$1,209,204.00	\$1,187,756.86	98.2%	Reimbursement
NIS	Home Investment Partnerships Program	Department of Housing and Urban Development	Affordable Housing	\$500,000.00	\$13,729.79	2.7%	Reimbursement
Parks and Recreation	Green Ribbon Program	Department of Transportation (Pass-Through)	I-35E Landscaping Improvements	\$1,344,246.00	\$1,059,687.37	78.8%	Reimbursement

FEDERAL FUNDING NOT YET RECEIVED

Department	Grant/Funding Name	Funding Agency	Project Description	Amount Awarded	Amount Spent	Percent Spent	Type of Funding
Parks and Recreation	Community Forestry Grants**	Department of Agriculture (Pass-Through)	Health Equity (\$50k) & Tree Growth (\$10k)	\$60,000.00	\$23,065.27	38.4%	Reimbursement
Police	Justice Assistance Grant	Department of Justice (Pass-Through)	Outer Vest Carriers, Attachments, and Other Safety Equipment	\$24,596.00	\$0.00	0.0%	Reimbursement
Police	Justice Assistance Grant	Department of Justice (Pass-Through)	Individual First Aid Kits	\$21,798.00	\$0.00	0.0%	Reimbursement
Police	COPS Hiring Program (CHP)	Department of Justice (Pass-Through)	Partial Salary of Three Police Officers (\$125,000 each year for 3 years)	\$375,000.00	\$20,344.83	16.3%	Reimbursement
City Manager's Office	Energy Efficiency & Conservation Block Grant	Department of Energy	Replacement of Fleet with Electric or Hybrid Vehicles	\$158,000.00	\$0.00	0.0%	Reimbursement

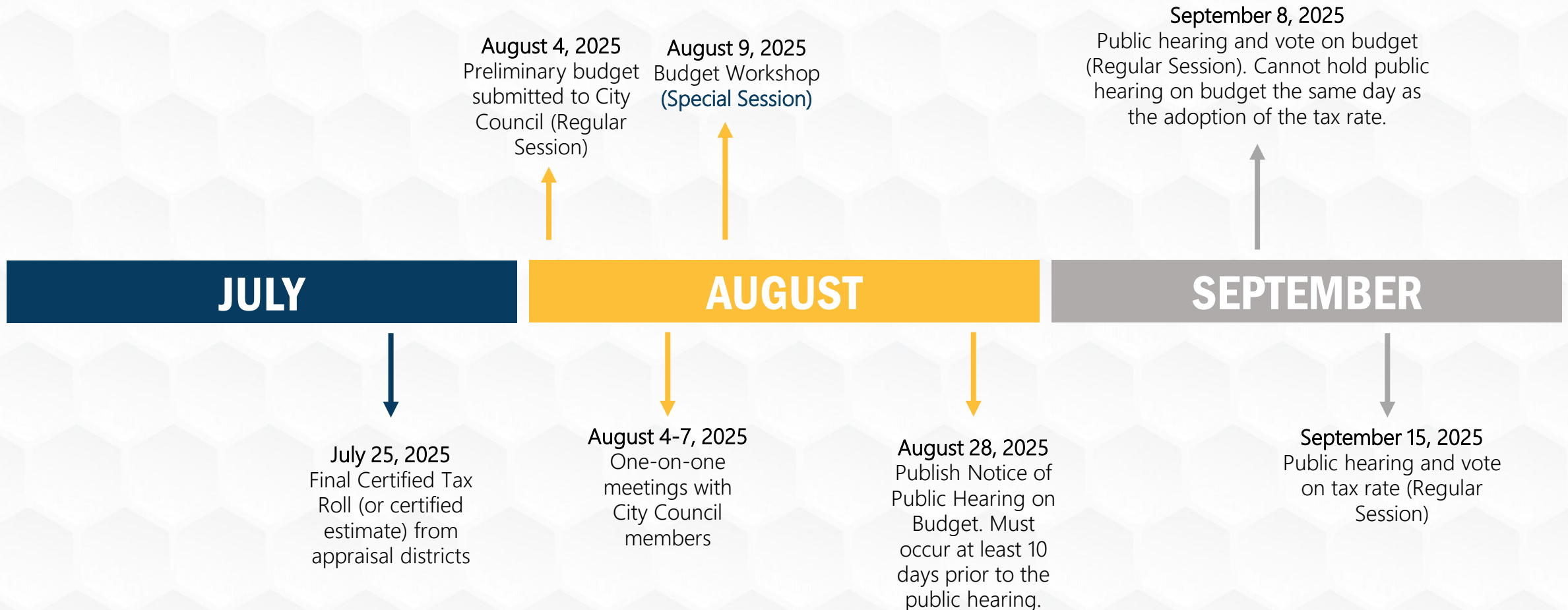


BUDGET CALENDAR DISCUSSION

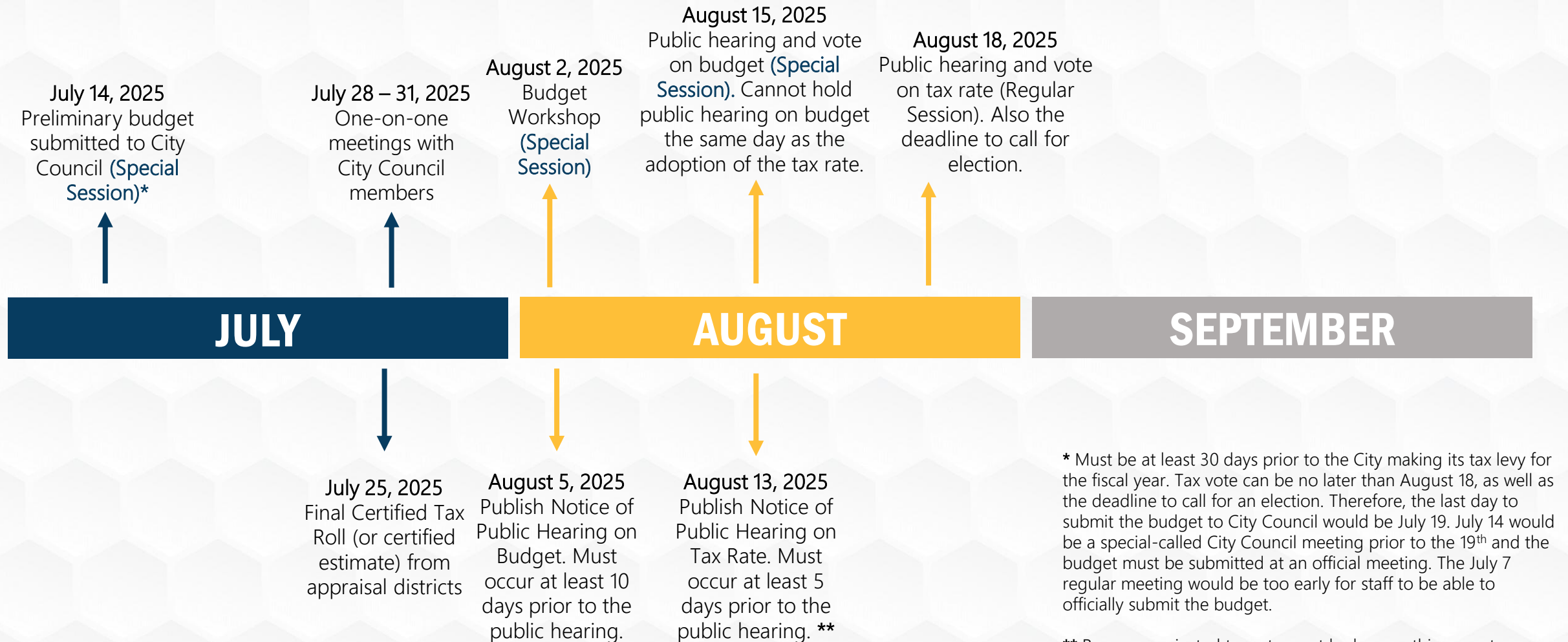


- Staff brings the budget calendar to City Council each year during retreat to determine if the calendar should include the option for an election.
- The budget calendar is based on state law and regularly-scheduled City Council meetings. State law requires different deadlines depending on whether or not an election will be called to increase the property tax rate more than 3.5% above the effective tax rate.

BUDGET CALENDAR – NO ELECTION



BUDGET CALENDAR – ELECTION OPTION





STAFF RECOMMENDATION

- Expecting property tax revenue increase
- Most other major revenue sources continue to trend upward
- Staff will continue to:
 - Monitor inflation rates and interest rates
 - Track trends in sales tax revenue, building permits, occupancy rates, and federal funding
 - Review revenue sources annually, including fees and charges for services, to ensure the City is appropriately recovering costs associated with providing these services and will modify fees when warranted
- Based on these economic trends and operational priorities, staff's recommendation is to proceed **without** the option of an election for FY 2026