



CHAPTER 4

**ECONOMIC  
DEVELOPMENT & FISCAL  
RESILIENCE**

# INTRODUCTION

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This section is intended to identify key issues and trends that will assist in aligning future land use planning, economic development initiatives, and overall fiscal sustainability. Cities throughout Texas are increasingly limited in their ability to use annexation to influence future growth. This creates unique challenges in rapidly growing regions such as Central Texas to provide needed infrastructure and quality of life amenities while keeping tax rates low. Future land use policies and economic development strategies that are too rigid, however, could limit Pflugerville's flexibility when it comes to unforeseen economic development projects that would have a positive benefit on the community. The challenge all communities face is balancing short-term economic development activity with longer-term – oftentimes aspirational – community goals related to tax base diversification, locally-owned business expansion, and corporate office recruitment.

Because this is a comprehensive plan, the focus is on assisting Pflugerville in making better informed decisions related to economic development in a land use planning context versus primary job recruitment and retention. The Pflugerville Community Development Corporation recently completed an economic development plan titled Pflugerville CEDS 2.0 – Strategic Plan (September 2019). The City of Pflugerville commissioned a land use fiscal analysis in 2019 (Land Use Fiscal Analysis Guidance for a Financially

Sustainable Future). This analysis included herein builds upon those studies and summarizes key findings that are relevant to the Comprehensive Plan and Future Land Use Map.





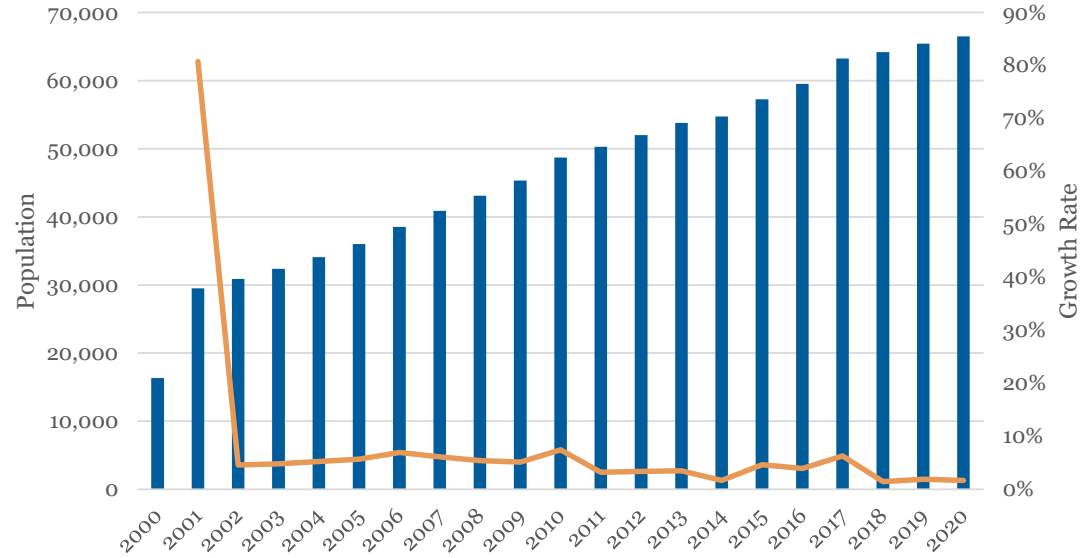
## LOCAL CONTEXT

Pflugerville’s location within the rapidly growing Central Texas region will continue to make it attractive for new residents and businesses. The opening of State Highway 130 (SH 130) about 15 years ago created new economic development opportunities for the City. Several key catalytic projects such as Stone Hill Town Center, Baylor Scott & White Medical Center – Pflugerville, One Thirty Commerce Center, and a waterpark all opened within the past decade proximate to this corridor. Looking forward, Tesla’s new Gigafactory located 18 miles south of the intersection of SH 130 and SH 45 has the potential to stimulate additional large-scale catalytic economic development opportunities for Pflugerville. The Boring Company locating in Pflugerville is an example of the spillover effect that would positively benefit the community.

Since 2010, the City of Pflugerville has grown 37.2 percent, adding nearly 18,100 new residents. The 2020 population estimate for Pflugerville is 65,191<sup>1</sup> residents. As a point of reference, the Austin MSA’s population expanded 26.2 percent over this same period. Relative to communities in Central Texas, Pflugerville’s population growth is comparable with peer communities throughout the region. Over the next 20 years, the Capital Area Metropolitan Planning Organization (CAMPO) and Texas Water Development Board project Pflugerville’s population (including the ETJ) will double in size.

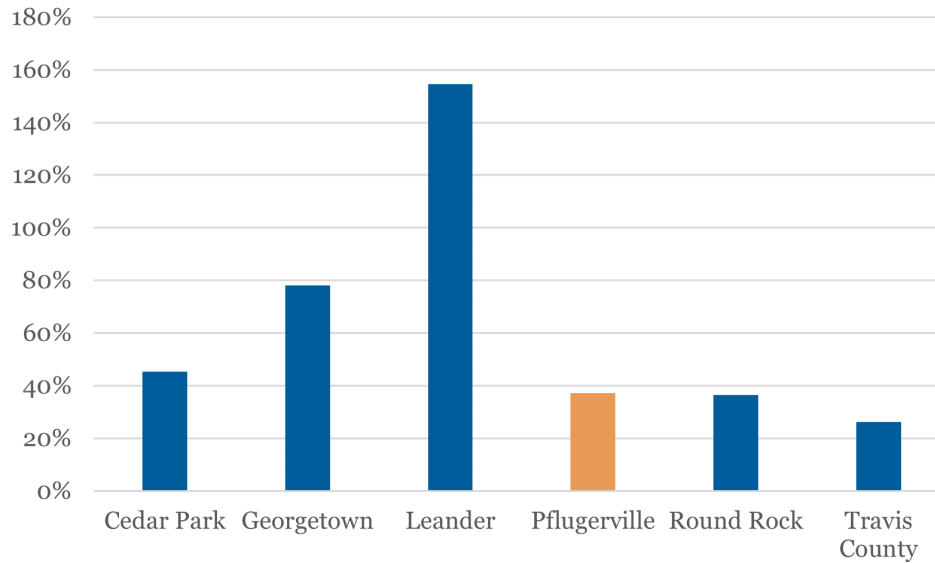
<sup>1</sup> U.S. Census Bureau, April 1, 2020

**Figure 4.1.** City of Pflugerville Population Trends



Source: U.S. Census Bureau, City and Town Intercensal Datasets: 2000-2020

**Figure 4.2.** Regional Population Growth Rates (2010-2020)



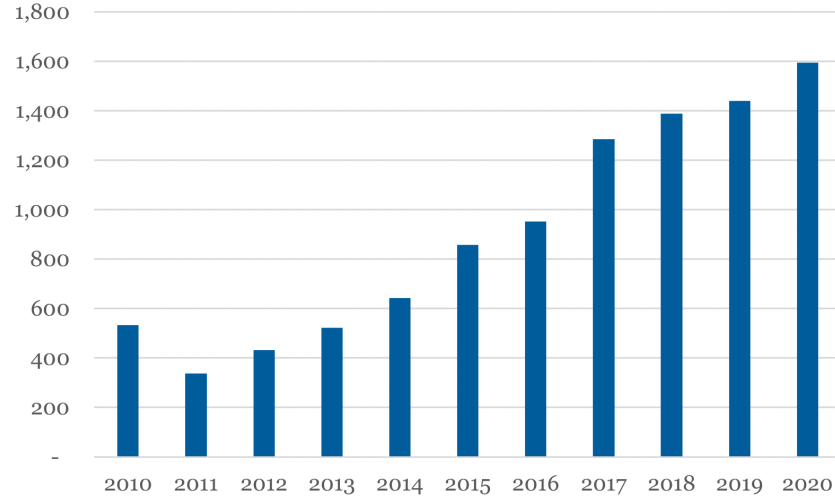
Source: U.S. Census Bureau

## HOUSING TRENDS

Housing trends have closely followed population growth. Since 2010, an average of 908 residential units (single-family houses, condominiums, townhomes, and apartments) per year have been completed within the City limits and ETJ. For active subdivisions, which are subdivisions with homes to still be built, there are over 11,000 residential units entitled for development through approved preliminary plans. A challenge to sustained growth in the Austin region is the cost of housing is rapidly increasing each year. According to data from the Austin Board of Realtors, the average sales price of a Pflugerville home has increased from \$152,546 in 2011 to \$296,462 in 2020. In October 2021, the average price of a home sold in Pflugerville was \$422,742.

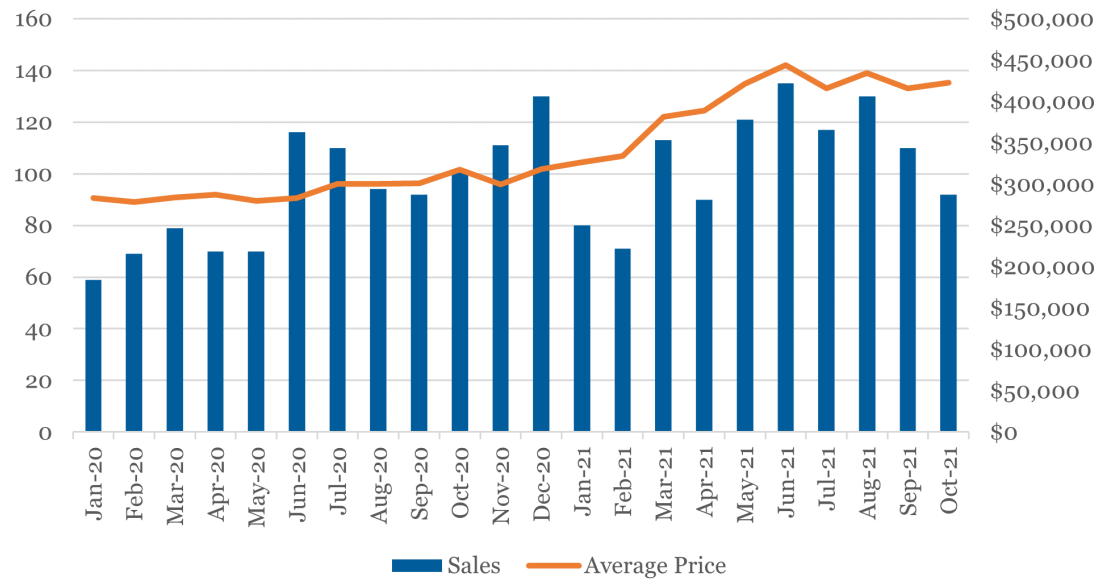
The issues of housing supply and affordability within Pflugerville will likely remain a critical issue for the foreseeable future. According to the Real Estate Center at Texas A&M University, Pflugerville had 1.2 months of available housing inventory in October 2021, which is slightly higher than the average for the Austin MSA (Figure 4.6) Six months of inventory is considered a balanced housing market. Providing a variety of housing types

**Figure 4.3.** Pflugerville Residential Units Completed by Year



Source: City of Pflugerville

**Figure 4.4.** Pflugerville Home Sales and Average Price

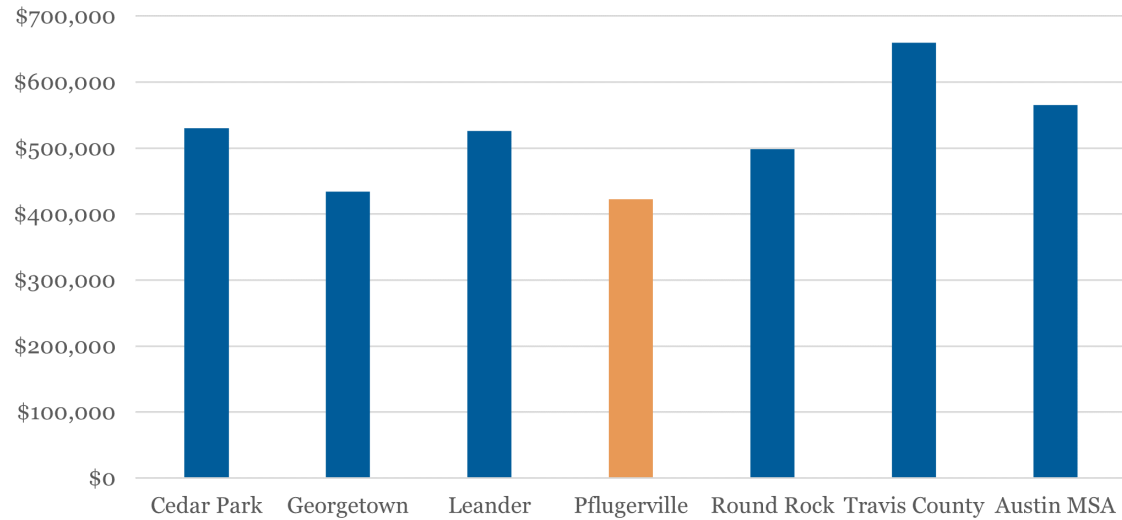


Source: Texas Real Estate Research Center at Texas A&M University, Austin Board of Realtors

(e.g., size and density) going forward will also be essential to recruiting the type of businesses desired by the community.

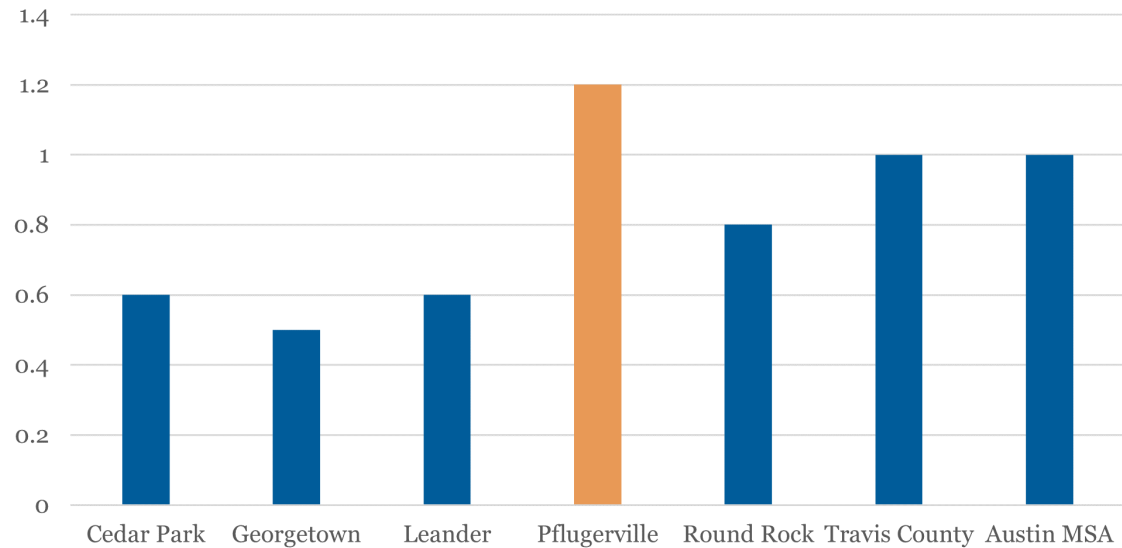
Relative to other communities within Central Texas, however, Pflugerville housing costs are below the many regional averages. The average price of a home sold in Travis County in October 2021 was \$659,953 compared to \$422,742 for Pflugerville. The community's relative affordability and high quality of life will continue to attract new residents from within and outside of the region. The number of people moving to the Austin region is also not expected to slow over the next decade. Therefore, the challenge for all communities in the Austin region is how to increase housing supply at a faster pace than demand. Creative strategies related to increasing overall supply and density will be required to slow the increase in housing costs and create some level of affordable workforce housing.

**Figure 4.5.** Regional Average Residential Property Value (October 2021)



Source: Texas Real Estate Research Center at Texas A&M University, Austin Board of Realtors

**Figure 4.6.** Regional Average Residential Property Months of Inventory (October 2021)



Source: Texas Real Estate Research Center at Texas A&M University, Austin Board of Realtors

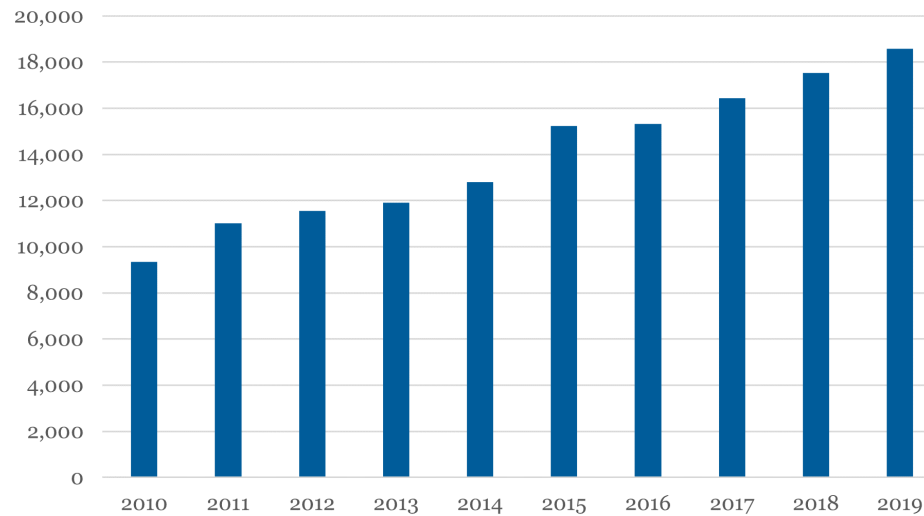
## EMPLOYMENT TRENDS

Consistent with population trends, employment at Pflugerville-based businesses has increased over the past decade. Total employment at businesses located in Pflugerville is estimated at about 18,600 workers in 2019. Between 2010 and 2019, Pflugerville added approximately 9,200 local jobs. Most of the new business activity has located along Picadilly Drive, along SH 130 and SH 45, and FM 685. Pflugerville has been and should continue to be an attractive location for businesses moving to or relocating within the Austin region.

The employment trends from the U.S. Census Bureau - Longitudinal Employer-Household Dynamics (LEHD) dataset are similar to non-residential building permits square footage data collected by the City of Pflugerville. Over the past 5 years (excluding the Amazon facility), nearly 880,000 square feet of space is permitted for construction each year on average. Based on square feet to worker ratios by industry<sup>1</sup>, Pflugerville-based business are adding about 1,000 workers per year. Unless the large tracts along the SH 130 and SH 45 corridors become available for development, it is likely this annual build out pattern will slow with a limited supply of large developable land in other areas within the city limits of Pflugerville.

<sup>1</sup> <https://www.eia.gov/consumption/commercial/>  
2018 Commercial Buildings Energy Consumption Survey  
U.S. Energy Information Administration

**Figure 4.7.** Pflugerville-Based Employment by Year



Source: U.S. Census Bureau - Longitudinal Employer-Household Dynamics

**Figure 4.8.** Nonresidential Building Permits Square-Foot (Fiscal Year)

PERMITS	FY2017	FY2018	FY2019	FY2020	FY2021	5-YEAR AVERAGE
Commercial/Retail	231,548	248,897	34,161	42,136	44,830	120,314
Office Warehouse	678,640	625,466	192,568	0*	1,130,074	525,350
Office	27,175	33,683	53,468	0	12,360	25,337
Medical	108,894	0	10,682	0	33,675	30,650
Hotel	0	0	48,810	94,171	57,166	40,029
Other	81,972	20,630	113,567	327,585	142,538	137,258
<b>Total</b>	<b>1,128,229</b>	<b>928,676</b>	<b>453,256</b>	<b>463,892</b>	<b>1,420,643</b>	<b>878,938</b>

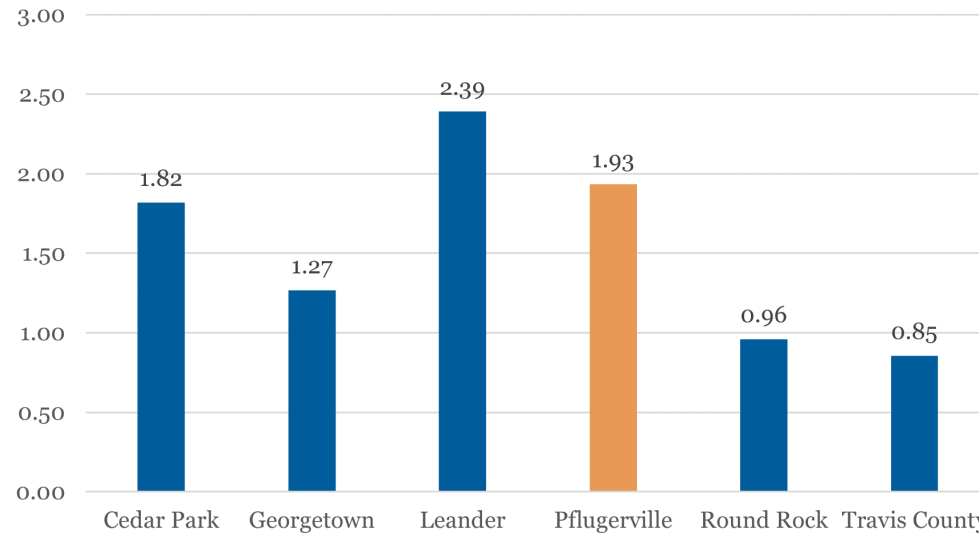
Source: City of Pflugerville

\* This table does not include the 3.8 million square foot Amazon development.

By combining labor force data from the Texas Workforce Commission and Longitudinal Employer-Household Dynamics (LEHD) data from the U.S. Census Bureau, it is possible to estimate the ratio of residents in the labor force to jobs within the City. For Pflugerville, there are approximately 36,000 residents in the labor force and about 18,600 jobs based in the City. Therefore, there are two residents in the labor force for every one local job. For communities with a larger employment base such as Round Rock and Georgetown, this ratio is closer to 1.20. As Pflugerville transitions from a bedroom community to an employment center, this ratio should get smaller over time.

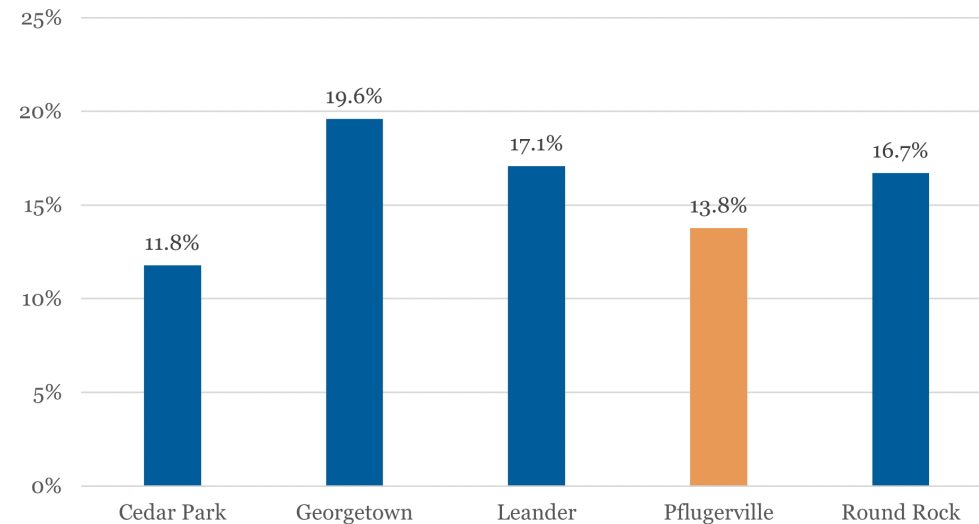
Another indicator used to evaluate a labor market is the percentage of local jobs held by local residents. In 2019, 13.8 percent of Pflugerville-based jobs were held by Pflugerville residents. This indicates about 33,000 residents commute outside the City each day for work. In a large metro area, it is not surprising for the central city to have a disproportionate amount of employment. However, there appears to be an opportunity to attract more commercial and industrial development that could take advantage of the labor force already living in Pflugerville.

**Figure 4.9.** Residents in the Labor Force to Local Jobs Ratio



Source: TXP, U.S. Census Bureau – Longitudinal Employer-Household Dynamics (2019), Texas Workforce Commission (2020)

**Figure 4.10.** Percentage of Local Jobs Held by City Residents



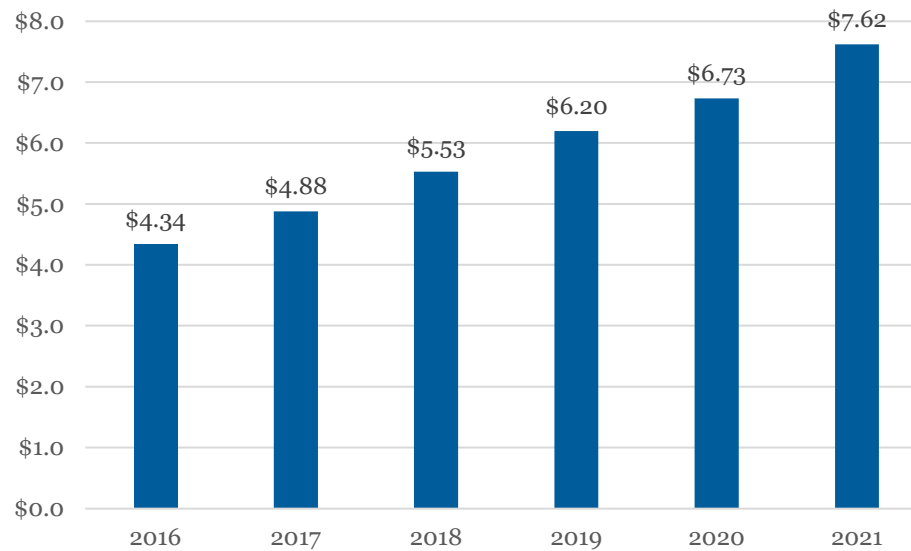
Source: TXP, U.S. Census Bureau – Longitudinal Employer-Household Dynamics (2019), Texas Workforce Commission (2020)



The past successes of Pflugerville’s economic development efforts have translated into greater property and sales tax revenues. Over the past five years, Pflugerville’s taxable real and personal property value has grown 55.0 percent. In 2020, the taxable value of all property in Pflugerville surpassed \$6.7 billion. Single-family and multifamily residential properties represent about 74.1 percent of the tax base. Commercial and industrial property (real and business personal) are about 21.9 percent of the tax base. For the State of Texas and Travis County, about 32.0 percent of the tax base comes from commercial and industrial properties.<sup>1</sup> The Pflugerville figure is roughly 24.0 percent. An achievable goal for Pflugerville would be to increase the percentage of tax base from commercial and industrial properties to the match statewide average. While Pflugerville lags in terms of commercial and industrial property tax base, the firms it has been able to attract generate a significant amount of property tax base per worker. The challenge for Pflugerville is not the tax intensity of the businesses it attracts (meaning businesses that make a substantial investment in Pflugerville per job created), but rather the need for a greater number of businesses and employees to reduce the reliance on residential properties to form the tax base.

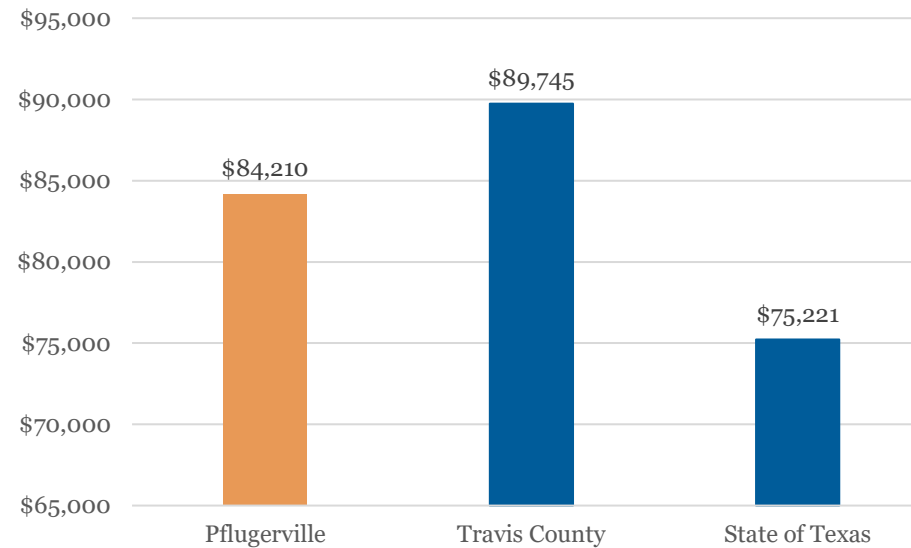
<sup>1</sup> Source: TXP, Texas Comptroller of Public Accounts, Travis Central Appraisal District

**Figure 4.11.** Pflugerville Taxable Property Value (\$Billions)



Source: Travis Central Appraisal District, Williamson Central Appraisal District

**Figure 4.12.** Taxable Commercial and Industrial (Real and Business Personal) Property Value per Worker (2020)

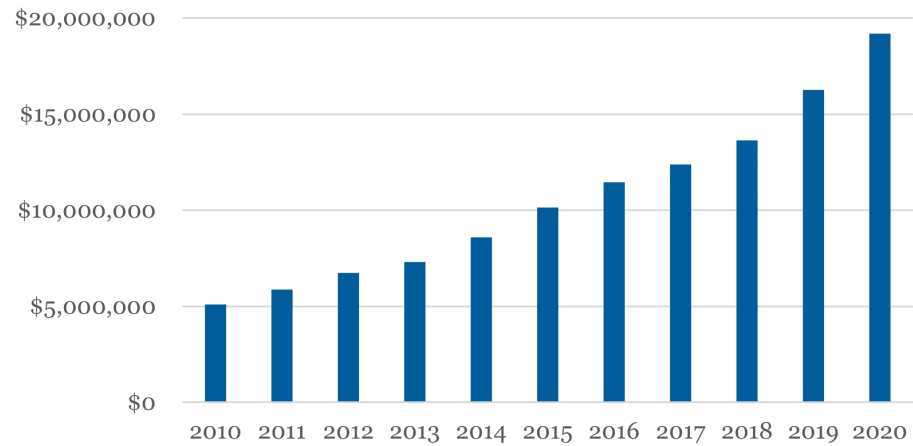


Source: TXP, Texas Comptroller of Public Accounts, Travis Central Appraisal District

Sales tax revenue has also been growing in Pflugerville over the past decade. When a taxable item or service is purchased within Pflugerville, a local sales tax rate of 2.0 percent is levied in addition to the State of Texas sales tax rate of 6.25 percent. For the local sales tax rate, 1.0 percent flows to the Pflugerville general fund, 0.5 percent is directed towards the Pflugerville Community Development Corporation, and 0.5 percent funds the Travis County Emergency Service District No. 2. In some limited geographic areas, the Travis County Emergency Service District No. 2A captures the sales tax revenue instead of the Pflugerville Community Development Corporation.

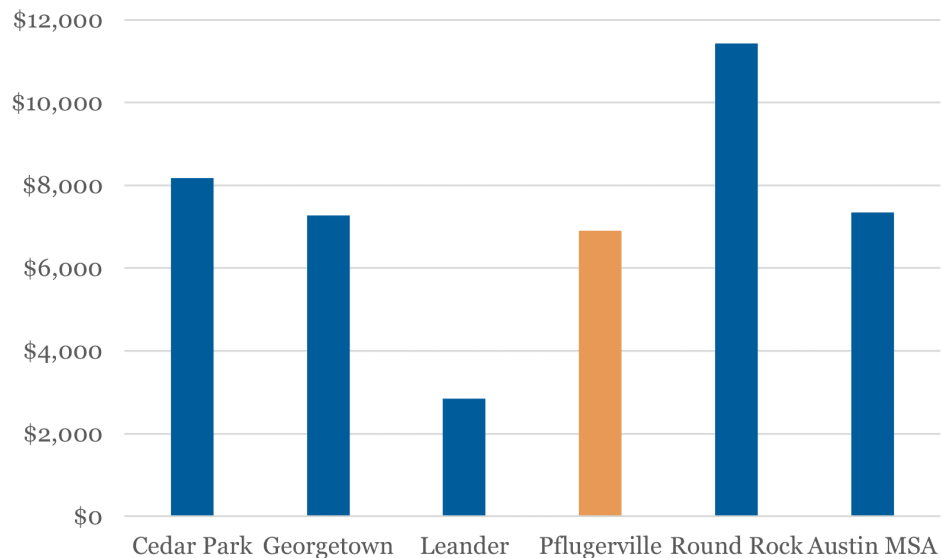
Between 2010 and 2020, sales tax collections increased by 276.0 percent. Much of this increase is linked to overall population growth in the City. While the sales tax revenue growth has been strong, Pflugerville still lags many of its regional peers and the Austin Metropolitan Statistical Area (MSA) in terms of taxable retail sector sales per capita. This creates an opportunity for Pflugerville to position future land use along the SH 130 and SH 45 corridors for destination retail and entertainment attractions to improve sales tax collection and slow leakages. Sales tax leakage is a phrase that describes residents spending money outside of the community because they cannot find the goods or services they want within the community.

**Figure 4.13.** Pflugerville Sales Tax Revenue Collections



Source: Texas Comptroller of Public Accounts

**Figure 4.14.** Per Capita Taxable Retail Sector Sales (2019)



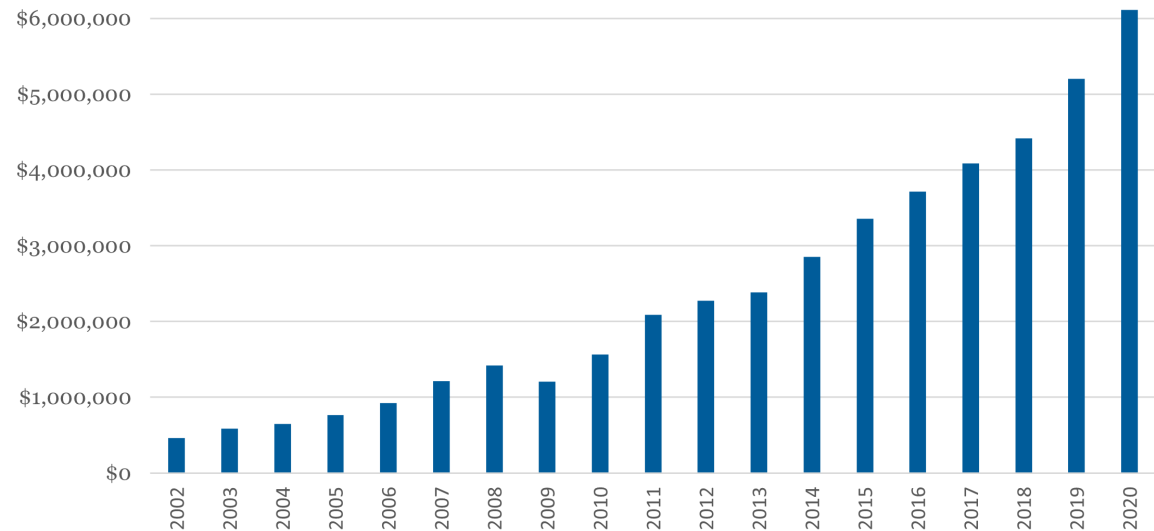
Source: TXP, Texas Comptroller of Public Accounts, U.S. Census Bureau

## PFLUGERVILLE COMMUNITY DEVELOPMENT CORPORATION PFLUGERVILLE CEDS 2.0

The Pflugerville Community Development Corporation (PCDC) is the organization charged with promoting economic development within Pflugerville. PCDC is a 4B economic development corporation funded through a voter approved one-half cent sales tax. PCDC accomplishes its mission by marketing Pflugerville as a desirable place for new businesses to operate. PCDC can use its funds to offer business incentives as well as fund infrastructure such as roads, utilities, and drainage projects. The PCDC also provides funding for parks and recreation projects in the city. In 2020, over \$6.1 million in Pflugerville sales tax revenue was used to fund PCDC.

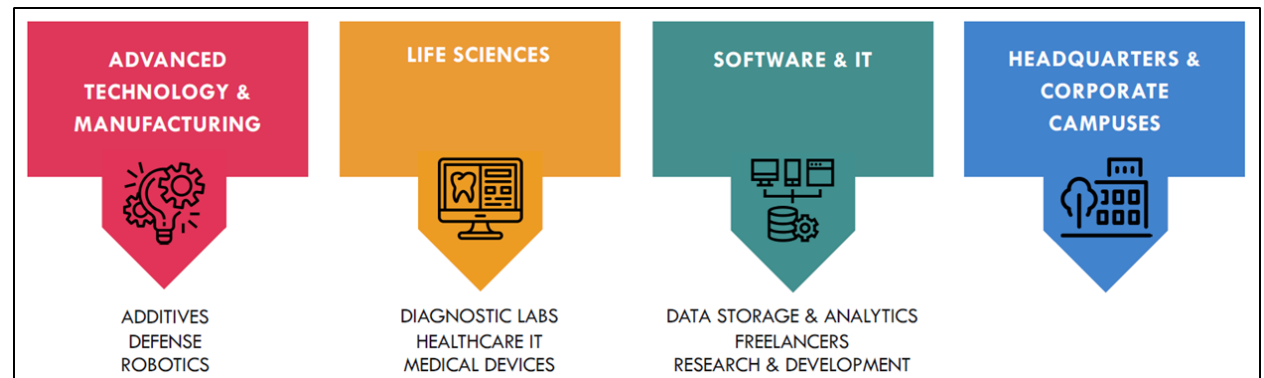
In 2019, PCDC retained a consultant to update the strategic plan that guides the community’s economic development activities. The report named Pflugerville CEDS 2.0 identified the following target industries for Pflugerville. These target industries are appropriate for Pflugerville given the assets available and stakeholder input. Because of the relatively low sales tax per capita in Pflugerville, it might be appropriate to include large sales tax generators (e.g., entertainment complexes and destination retail) as a fifth target industry. For example, Pflugerville’s focus on recruiting destination retail and entertainment attractions in the short-term not only increases local sales tax collections, but it also better positions the community for longer-term office real estate projects.

**Figure 4.15.** Pflugerville 1/2 Cent Sales Tax Collections



Source: Texas Comptroller of Public Accounts

**Figure 4.16.** Target Industries



Source: Pflugerville CEDS 2.0



One of the goals that emerged from the Pflugerville CEDS 2.0 report was that “Pflugerville drives office and industrial development through strategic infrastructure planning and targeted investments.” Two key findings that also emerged from the report is that Pflugerville has 1) a relative abundance of undeveloped land and 2) very few sites that are shovel-ready. The PCDC strategic planning document describes the critical importance of shovel-ready sites when stating, “Site consultants often say that a shovel-ready site with no incentives will win over no sites with plentiful incentives.”

As it relates to office demand, the consulting firm that authored Pflugerville CEDS 2.0 identified community characteristics that office developers and office users currently seek for a new location. These characteristics include:

1. Density of existing office product
2. Proximity to Millennial population
3. Availability of newer apartment complexes/mixed-use developments
4. Public transportation options
5. Walkability
6. Restaurant/amenity availability

Since increasing the overall supply of Class A office space and attracting corporate headquarters remain important economic development objectives, future land use policies should take into account these six characteristics.

## FISCAL SUSTAINABILITY

In 2019, the City of Pflugerville retained a consultant to provide a fiscal land use analysis. The consultant evaluated property tax revenue collections by land use and general fund costs covered by this revenue. The study provided an in-depth analysis into which land use patterns generate the highest return on investment for Pflugerville today and in the future. As it relates to economic development and the future land use map, the study identified two key areas that present the greatest opportunities for Pflugerville to diversify housing and commercial options in a manner that will improve its fiscal health and resiliency. These are the commercial corridors along SH 130 and SH 45 and the historic downtown.

These two areas were also identified by Pflugerville residents who participated in the community survey. The types of businesses that would locate in the downtown area are different from the larger catalytic projects along the highway corridors. It is important that Pflugerville create customized recruitment strategies and incentive programs for each of these areas.

The study concluded with four recommendations for Pflugerville, including:

- Prioritize infill and small-scale development in Downtown to create an authentic, walkable mixed-use live/work/shop/play destination.
- Encourage urban style walkable-mixed use development in the corridors along West and South frontages of SH 130 and SH 45, and along East Pflugerville Parkway.
- Update codes and regulations to support more high ROI development patterns in a variety of contexts including but not limited to downtown, mixed-use commercial corridors and traditional single-family neighborhoods.
- Encourage small/incremental development, especially Downtown.

These four recommendations are similar to the six community characteristics identified in the Pflugerville CEDS 2.0 report that office developers and office users seek. While PCDC works to create shovel-ready office and commercial sites, it is important that Pflugerville focuses on the other elements required to attract these high return on investment development patterns.



# FUTURE LAND USE MAP FISCAL SUSTAINABILITY ASSESSMENT

Building upon the analysis contained in the 2019 Land Use Fiscal Analysis and the updated future land use map, it was possible to estimate the impact of future growth on Pflugerville’s ability to provide services to businesses and residents. The City’s General Fund is the discretionary revenue and spending derived from sources such as property tax, sales tax, franchise fees, and other local charges. Because different land use patterns create varying levels of tax revenue (e.g., sales tax at a shopping center or property tax from an apartment building), it is critical to understand if the future land use map is projected to generate sufficient revenue to pay for similar level of services residents receive today. The analysis focuses on the average revenue by land use category and expenses by “cost unit” served. This approach assumes that future development will generate costs and revenues at the same average rate as the existing service population.

Fiscal sustainability assessments can use a variety of methods to estimate the projected change in General Fund revenue and service costs. For this analysis, the cost of providing services is based on the number of “cost units” served, which are the combination of total residents and Pflugerville-based jobs. In general, as the “cost units” increase, there is a need to hire additional public safety and other government employees. Other City revenues, such as franchise fees, also typically increase as the population and local employment

base expands. For Pflugerville, the “cost units” represents the total population plus 50 percent of the estimated local employment base to account for the less frequent use of public services by employment versus population.

The Figure 4.17 depicts that average General Fund cost per resident and local job. These values were derived using the Fiscal Year 2021 Pflugerville budget of \$37.3 million. The costs associated with Planning & Development Services was removed from the average costs, because the assumption is that development permit revenues offset the bulk of these expenses. In addition, some costs primarily apply to residents such as parks, libraries, and cultural amenities. These adjustments were also made when allocating costs between residents and workers.

When projecting future revenues associated with single-family homes, the taxable value per unit can have a material impact on the forecast. For example, the average value of all existing single-family homes in Pflugerville for tax year 2020 was \$242,835. However, the average value of existing single-family homes built between 2015 and 2019 on approximately 0.20 to 0.25 acres was \$314,831. The \$70,000 difference in taxable value translates into \$224 in additional M&O property tax revenue. As depicted in Figures 4.18 and 4.19, this additional revenue impacts the net return per resident. As cities seek to balance affordability with paying for basic

services, the future land use map provides for a diverse set of housing options for current and future Pflugerville residents.

Figures 4.18 and 4.19 also illustrate that commercial land uses typically have a positive return on investment. This occurs for two main reasons: 1) businesses do not require the same of level of services as residents and 2) some businesses generate sales tax in addition to property tax. The future land use map provides for higher level of commercial, entertainment, and industrial land uses than the status quo.

**Figure 4.17.** Average General Fund Cost Per Resident and Local Job

	AVERAGE COSTS
Resident	\$525
Local Job	\$225

Source: TXP, City of Pflugerville

**Figure 4.18.** Average Taxable Value of All Existing Single-Family Homes in Pflugerville Net Return (2020)

CATEGORY	AVERAGE COST TO SERVE PER RESIDENT	M&O PROPERTY TAX	SALES TAX AT 1%	OTHER GENERAL FUND REVENUE	TOTAL GENERAL FUND REVENUE PER UNIT	REVENUE LESS COST
AVERAGE TAXABLE VALUE OF ALL EXISTING SINGLE-FAMILY HOMES IN PFLUGERVILLE NET RETURN (2020)						
Resident	\$525	\$237	\$107	\$100	\$445	-\$80
AVERAGE TAXABLE VALUE OF SINGLE-FAMILY HOMES BUILT SINCE 2015 IN PFLUGERVILLE NET RETURN (2020)						
Resident	\$525	\$337	\$107	\$100	\$545	\$19

Source: TXP, City of Pflugerville

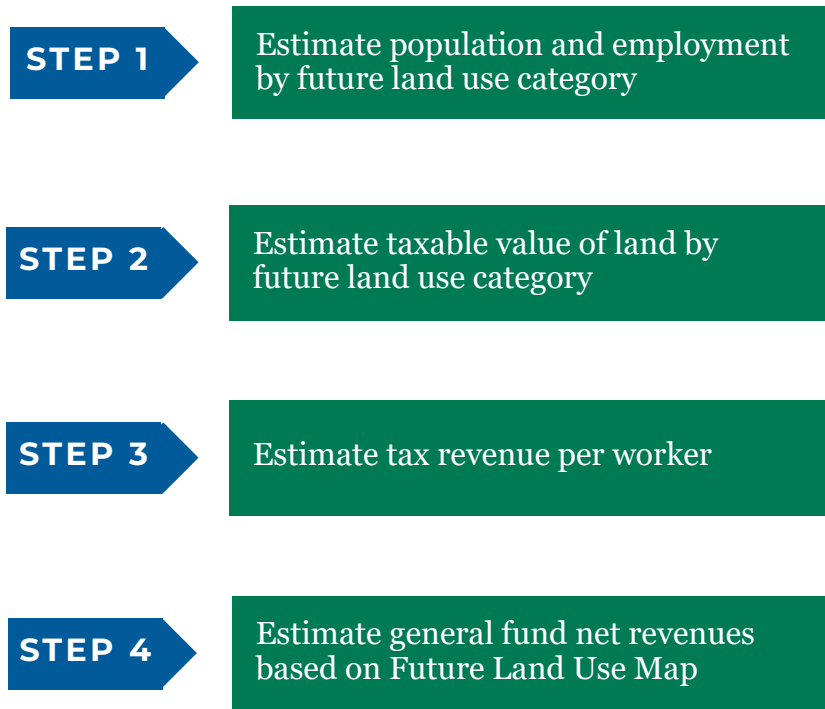
**Figure 4.19.** Pflugerville Net Return for Local Jobs (2020)

CATEGORY	AVERAGE COST TO SERVE PER LOCAL JOB	M&O PROPERTY TAX	SALES TAX AT 1%	OTHER GENERAL FUND REVENUE	TOTAL GENERAL FUND REVENUE PER UNIT	REVENUE LESS COST
Local Jobs	\$225	\$290	\$129	\$100	\$519	\$295

Source: TXP, City of Pflugerville

The following sections describe how the fiscal sustainability assessment was performed.

The first step in the fiscal sustainability assessment was to estimate population and employment by future land use category, as seen in Figures 4.20 and 4.21. These estimates represent full build out of Pflugerville’s City limits and ETJ.



**Figure 4.20.** Estimated Population\* by Future Land Use Category

LAND USE CATEGORY	CITY	ETJ	TOTAL
Rural Residential/ Agriculture	265	24,690	24,955
Suburban Residential	23,830	48,601	72,431
Traditional Neighborhood	9,280	6,535	15,815
Mixed-Density Neighborhood	18,624	5,629	24,253
Mixed-Use Neighborhood	11,798	9,312	21,110
Neighborhood Retail/ Office/Comm.	0	0	0
Mixed-Use Commercial	37,600	11,400	48,999
Innovation Centers	0	0	0
Employment (Industrial Flex)	0	0	0
Industrial	0	0	0
Parks & Open Space	0	0	0
Institutional	0	0	0
Utilities	0	0	0
<b>Total</b>	<b>101,397</b>	<b>106,167</b>	<b>207,564</b>

\* varies slightly from the projected 194,530 population estimate in Chapter 3, Figure 3.21  
Source: TXP



**Figure 4.21.** Estimated Employment by Future Land Use Category

LAND USE CATEGORY	CITY	ETJ	TOTAL
Rural Residential/ Agriculture	0	0	0
Suburban Residential	0	0	0
Traditional Neighborhood	369	260	629
Mixed-Density Neighborhood	506	153	659
Mixed-Use Neighborhood	3,433	2,710	6,143
Neighborhood Retail/ Office/Comm.	17,052	19,488	36,540
Mixed-Use Commercial	18,845	5,714	24,559
Innovation Centers	2,897	2,007	4,904
Employment (Industrial Flex)	19,740	14,087	33,827
Industrial	2,831	0	2,831
Parks & Open Space	0	0	0
Institutional	13,341	703	14,044
Utilities	0	0	0
Total	79,015	45,121	124,136

Source: TXP

The second step was to approximate the average taxable value per Future Land Use Map category using a combination of data from the Travis Central Appraisal District, Williamson Central Appraisal District, City of Pflugerville, and the 2019 Land Use Fiscal Analysis (Figure 4.22). Based on land use density per category and existing similar properties in Pflugerville (ex. multifamily), an average taxable value per acre was determined. These values represent a blended average of older and newer properties.

For each Land Use Category, the number of residential units was defined (ex. 5 dwelling units per acre for Traditional Neighborhoods). A similar approach was used for the commercial and employment land uses (ex. 20 jobs per acre for the Employment land use category). The mixed-use land use categories were defined using a combination of residential dwelling units per acre and employment by land use category.

Once the taxable value per acre was estimated by land use type, the last step was to multiply the average value per acre by the total acreage in the Future land Use Map.

**Figure 4.22.** Estimated Taxable Value by Future Land Use Category

LAND USE CATEGORY	ACRES	TAXABLE VALUE PER ACRE
Rural Residential/ Agriculture	8,273	\$184,318
Suburban Residential	12,006	\$629,661
Traditional Neighborhood	1,498	\$1,194,573
Mixed-Density Neighborhood	1,034	\$2,339,841
Mixed-Use Neighborhood	900	\$3,818,978
Neighborhood Retail/ Office/ Comm.	1,050	\$2,529,960
Mixed-Use Commercial	2,089	\$2,361,157
Innovation Centers	417	\$5,000,000
Employment	1,677	\$2,529,960
Industrial	180	\$1,296,453
Parks & Open Space	6,280	\$0
Institutional	1,121	\$0
Utilities	948	Not estimated
ROW	3,613	\$0

Source: TXP

The third step was to estimate tax revenue per worker, as seen in Figure 4.23. Pflugerville specific sales tax data by industry was obtained from the Texas Comptroller of Public Accounts. Sales tax per worker was used instead of sales tax per resident because Pflugerville and PCDC have a goal of increasing destination retail and entertainment options within Pflugerville. The future land use map accounts for this desired economic development goal.

**Figure 4.23.** Estimated General Fund Revenue by Future Land Use Category

LAND USE CATEGORY	CITY	ETJ	TOTAL
Rural Residential/ Agriculture	\$57,843	\$5,380,036	\$5,437,879
Suburban Residential	\$8,869,593	\$18,089,479	\$26,959,073
Traditional Neighborhood	\$4,012,790	\$2,825,844	\$6,838,635
Mixed-Density Neighborhood	\$6,993,074	\$2,113,776	\$9,106,850
Mixed-Use Neighborhood	\$9,334,601	\$7,375,361	\$16,719,962
Neighborhood Retail/ Office/ Comm.	\$16,809,975	\$19,211,400	\$36,021,375
Mixed-Use Commercial	\$27,189,629	\$8,243,393	\$35,433,022
Innovation Centers	\$5,655,924	\$3,919,162	\$9,757,086
Employment (Industrial Flex)	\$8,827,780	\$6,299,702	\$15,127,483
Industrial	\$831,051	\$0	\$831,051
Parks & Open Space	\$0	\$0	\$0
Institutional	\$0	\$0	\$0
Utilities	\$0	\$0	\$0
ROW	\$0	\$0	\$0
<b>Total</b>	<b>\$88,592,261</b>	<b>\$73,458,154</b>	<b>\$162,050,415</b>

The values shown in the ETJ column represent potential General Fund revenue if the area is annexed by the City, and development adheres to the projected future land uses shown within the Future Land Use Map.

Source: TXP

The final step was to estimate general fund revenues such as franchise taxes and recreation income, as seen in Figure 4.24. To be conservative, transfers and grant revenue were excluded. For every dollar in sales and property tax revenue, an additional 15 cents in other general revenue funds were collected by Pflugerville.

Generally, the proposed Future Land Use Map should generate more general fund revenue than costs (Figure 4.24). This is primarily driven by Pflugerville increasing the percentage of commercial and industrial land uses which leads to greater local employment. Currently, there is 1.0 job per 3.6 residents. In the future, it is projected to be 1.0 job per 1.7 residents. While increasing single-family housing prices produce more property tax revenue, this also creates housing affordability issues. Pflugerville will need to balance growth and affordability to ensure local businesses can attract employees.

**Figure 4.24.** Estimated General Fund Cost by Future Land Use Category

LAND USE CATEGORY	CITY	ETJ	TOTAL
Rural Residential/ Agriculture	\$139,390	\$12,964,894	\$13,104,284
Suburban Residential	\$12,513,459	\$25,521,120	\$38,034,579
Traditional Neighborhood	\$4,956,040	\$3,490,090	\$8,446,130
Mixed-Density Neighborhood	\$9,893,375	\$2,990,441	\$12,883,815
Mixed-Use Neighborhood	\$6,966,503	\$5,498,413	\$12,464,916
Neighborhood Retail/ Office/ Comm.	\$3,829,947	\$4,377,082	\$8,207,028
Mixed-Use Commercial	\$23,976,848	\$7,269,338	\$31,246,186
Innovation Centers	\$650,580	\$450,806	\$1,101,386
Employment (Industrial Flex)	\$4,433,730	\$3,164,009	\$7,597,739
Industrial	\$635,871	\$0	\$635,871
Parks & Open Space	\$0	\$0	\$0
Institutional	\$2,996,467	\$157,848	\$3,154,315
Utilities	\$0	\$0	\$0
ROW	\$0	\$0	\$0
<b>Total</b>	<b>\$70,992,210</b>	<b>\$65,884,041</b>	<b>\$136,876,250</b>

The values shown in the ETJ column represent potential General Fund revenue if the area is annexed by the City, and development adheres to the projected future land uses shown within the Future Land Use Map.

Source: TXP

## POSITIONING PFLUGERVILLE FOR CONTINUED ECONOMIC DEVELOPMENT SUCCESS

The City of Pflugerville and PCDC economic development efforts over the past decade have successfully recruited new companies and jobs. The combination of specific recruitment efforts and geographic location within a growing Central Texas region have resulted in increasing tax revenues and more local businesses. While the future land use map identifies the sites most appropriate for future growth, Pflugerville will need to consider additional public policy initiatives that better position key areas and corridors for economic development projects. The two main obstacles to fiscally sustainable growth going forward are: 1) lack of shovel-ready sites; and 2) limited utility infrastructure in key geographic areas. While these challenges are not unique to Pflugerville, proactive efforts including a commitment of public financial resources might be necessary to achieve the desired results.

## ECONOMIC DEVELOPMENT GOALS AND POLICY STATEMENTS

1. Diversify the tax base to create a sustainable revenue stream to provide high-quality public sector services to residents and businesses.
  - 1.1. Support commercial and industrial development that result in at least 30 percent of the property tax base coming from nonresidential land uses.
  - 1.2 Encourage and promote sales tax generating businesses to locate in Pflugerville to increase taxable retail sales per capita. Partner with large landowners to increase the supply of shovel-ready sites within Pflugerville.
  - 1.3 Develop an incentive program for developers and landowners to promote commercial office sites within key corridors.
  - 1.4 Consider controlling strategic properties (e.g., acquisition or option) that can be master planned to ensure long-term desired development patterns.
  - 1.5 The City and PCDC should collaborate to identify and attract large sales tax generators.
2. Develop offices and other environments that are attractive to innovative, growing companies that have demonstrated agility in responding to market needs and that provide job opportunities aligned to Pflugerville residents.
  - 2.1. Expand the 130 Commerce Center to the south and west.
  - 2.2 Consider anchoring a mixed-use project with municipal facilities, and evaluate using a public-private partnership or master developer arrangement.
  - 2.3 Increase inventory of nonresidential sites that are shovel-ready to be responsive to business recruitment opportunities. Use utility infrastructure to incentivize where appropriate.
  - 2.4 Utilize economic development tools (e.g., TIRZ, 380 agreements, etc.) to recruit high quality mixed-use, commercial, and employment development.

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