



Mayor's Letter

November 15, 2015

HALLOWEEN. It is my favorite time of the year. Based on the amount of happy children and candy distributed (I think they might be related), Halloween was a great success again this year. As he always



does, Councilman Gary Newsome did a great job organizing the event. Many thanks to our hayride drivers and spotters Dan and Jamie Tantalo, Gary and Pat Schroeder, Darrell West, and Sarah Bennett. New to the village this year, the event included community outreach by the Denton County Sheriff's Department. Lakewood Village Neighborhood Watch leaders Joni Lehan and Janie Newsome arranged for the welcome addition to our event. Deputy Sheriff Penny Campbell provided information to parents, the children got glow sticks, and **the hayride even got a police escort through town.** How great is that!

DEVELOPMENT IS COMING. There has been a significant increase in the number of meetings I have had with developers looking at Lakewood Village and our part of the Eldorado Parkway corridor. The combination of a completed Eldorado Parkway, the toll bridge, the easy access to an improving I35, our land availability, the lakefront, and our low taxes, means that we are very attractive. To give you some perspective, we have 175 undeveloped acres at the front of town and Steve Harvey has another 105 acres of land for sale across the street from our entrance. That's 280 acres that are available right now - if you take **ALL of the houses and empty lots in the town today and add it all up, everything you see, it totals 213.4 acres.** In other words, the Lakewood Village we see today, is only about one-third built, or, about 2/3 of the town isn't here yet !

In the last couple of years I have seen concept designs calling for residential lots that were three-quarters acre, 2/3 acre, one-half acre, 1/3 acre, one-quarter acre, 60'x100' (1/7th acre), and even 50'x80' (1/10th acre). I've even seen one project that consisted of 6 to 8 ten story condominium buildings. In the last month alone I have talked with one commercial developer who approached us about a wedding and banquet facility and another developer looking to put in a kennel, both just outside the town in our ETJ. As you can tell from the lack of any new subdivisions, none of these concept plans went anywhere. However, it's just a matter of time. So how will things develop and where are we headed ? The first step is to look and see where we are.

If you had to describe LWV it would be difficult – what is “typical” ? Today I know of two empty lots for sale in the town, one is priced at \$10,000 and the other \$1.2 Million. We have lots in town that are 0.2 acres while others are over 4 acres; we have several houses with less than 1000 square feet and some with over 10,000 sf. Thus, the Lakewood Village paradox: **What we all have in common is that we are all different.** There is no place in the metroplex that has as much variation within such a small area. Planning for development would be easy if the entire town were 1/4 acre lots with only four different model homes, built by the same builder, but that's not us. The things that I like about our town are that we are not “cookie-cutter” – I don't ever see us with row upon row of houses with curbs, gutters, and straight sidewalks, back alleys, and postage stamp yards – you can find that product somewhere else.

SUSTAINABLE COMPETITIVE ADVANTAGE. Although we are not a traditional corporation, there are lessons from business that are helpful in our decision making and planning for the future. As we look ahead, it is important to understand what makes you great – there are many stories of financial disasters where firms make ill-fated changes without understanding the very basis for their success. What is a *sustainable competitive advantage* and how does it apply to Lakewood Village ? Well, let's take things in order. **Sustainable** – Ideally, your strategic plan should be long-lived so you aren't undergoing constant changes, sending mixed signals, and incurring switching and adjustment costs. So for example, unlike some towns, we can't have a growth strategy, because we have water on three sides, Oak Point on the other, and a limited supply of undeveloped space. We can't assume that a constant parade of developers will keep providing us with never-ending permit fees and an ever growing property tax base. That's not sustainable. In our talks with developers, they often get confused as they focus only on the tax benefits of their development whereas nearly all of our concerns relate to town-wide amenities, quality of life improvements, and esthetics. The land is very expensive, so any development will provide significant tax benefits, that's a given. It's the other details that matter most to us.

What about commercial development ? In my opinion, right now, I just don't see it for several reasons. First, we are located on a high-speed spur between I35 and FM720. Our section of Eldorado isn't a destination for anything; there's no reason for you to stop especially after driving past businesses on I35 and Swisher. Second, there aren't enough rooftops to make economic sense for traditional retailers like grocery stores. Third, there isn't going to be a hospital or other draw nearby that would provide a need for professional office space. And finally, the sales tax revenue generated just isn't going to be enough to justify the increased noise, traffic, and head-aches (like handling commercial waste in our sewer plant); in my opinion, it isn't "game-changing" money.

Competitive Advantage. When you look at your competitive situation, some things you can change and others you cannot. So no matter what Plano does, it will never be adjacent to DFW, and Frisco's slogan won't be "the Town on the Lake." When I look at Lakewood Village I see several things that set us apart from our neighbors.

1. LWV is more than a small town, we're a neighborhood. We aren't ever going to be big. If you tripled the numbers of houses we have tomorrow, our population would still only be about half of Oak Point's. That means that you can drive your golf-cart or bicycle anywhere in town and get everywhere without going onto Eldorado. We're all connected. Mobility. **What it means:** No walled off isolated developments, no gates, no private communities, no private amenities, no special ID cards.

2. We're surrounded by a wildlife conservation area. The lakefront land bordering LWV is not recreation space and we aren't going to have sandy beaches, boat ramps, volleyball courts, or snack bars. The land is managed and designated by the USACE as "wildlife" and they aren't going to change it. So we need to stop fighting it and embrace it, I have deer and foxes that come by my house every night. We've all seen the ducks, geese, and the occasional turkey (although not recently) in town. **What it means:** We need to create parks and a trail system that are natural and not manicured that will be beneficial to our citizens, preserve wildlife habitat, and support the USACE and Texas Parks and Wildlife mission. The lake isn't going anywhere, it's up to us to keep the "woods" in LakeWOOD Village.



3. Low Taxes. Our tax rate is less than half of the surrounding communities. This provides us with great financial flexibility and allowed us to borrow money for the roads at one of the lowest interest rates in the Metroplex. **Our lower rates are a direct consequence of our higher home values.** According to DCAD, the 2015 average home value was \$329,082 in Lakewood Village, \$254,093 in Oak Point, and \$210,074 in Little Elm. Theoretically, it wouldn't matter if a new development was fifty \$1,000,000 houses or five hundred \$100,000 houses; either way, the total value is \$50 Million. Obviously, a larger tax base is preferable to a smaller one, however, for us this raises several issues. First, we only have a limited supply of undeveloped land and only a certain number of houses that can be built. Second, entry-level homes are being built in abundance in the surrounding communities, what is in short supply is "move-up" or higher priced housing. Third, we want to encourage housing that complements, not competes with our current established housing. **What it means:** We need to attract builders at relatively higher price points, and, importantly, the town needs to continue to invest in value enhancing capital projects like the concrete roads, parks, and amenities. We need to improve the abysmal state of our internet and telecommunications.

PLANS AND IMPLEMENTATION. We have begun discussions on the various components. At our November meeting, the Town Council discussed a draft Parks Master Plan and a Park Land Dedication Ordinance. The Plan details the locations and integration of a trail system and lakefront parks. The ordinance mandates that all developers must set aside open spaces and parks, and construct trails that meet the Parks Master Plan design criteria. We will consider the adoption of the Plan and ordinance at our December meeting.

Also on the agenda will be a discussion of potential changes to our **Comprehensive Plan**, including the land use assumptions and the thoroughfare plan. I think revisiting our prior assumptions and assessing whether they facilitate our strengths will be beneficial. We will also discuss implementing a strategic plan which would include creating a mission statement, developing a marketing plan and creating a consistent brand.

Following Council approval, on Friday November 13th, I signed the engineering task order with representatives of Kimley Horn (our engineers) for the creation of water impact fees. Texas is a very pro-developer state, and the assessment of impact fees to new development is expensive, very complex, and must follow specific rules laid out by the legislature. Once established the fees will make sure that the existing customers (you and me) don't have to pay for the expansion of our water facilities due to future growth. A key part of the process is forecasting the number of houses and future water needs which depends critically on the land use assumptions in the Comprehensive Plan.

We are engaged in a lot of forward thinking. At the council meeting there will be public hearings where you can tell us your opinions and ideas. If you would rather, you can always email myself or any of the councilmembers with concerns or questions.

THE NEXT REGULAR TOWN COUNCIL MEETING is scheduled for December 10th.

Let's all have great Thanksgiving,



Dr. Mark E. Vargus
Mayor
Mark@lakewoodvillagetx.us