

The Flower Mound Messenger

Denton Creek Upgrades May Require New Funding

By Cécile Satin
Staff Writer

Because of slow growth in Lakeside Business District and a financial forecast that shows a potential deficit in 2009, the town may need to boost its income to fund investments into Denton Creek Business District.

Flower Mound officials anticipate new development to generate millions of tax dollars over the next two years, but they are considering new sources of revenues to maintain and upgrade public services while preparing Denton Creek for development.

Town officials have been reluctant to raise property taxes. However, officials said they have discussed increasing the sales tax rate to fund crime control, street maintenance and other costs. Officials have also said that a new town hall, two fire stations with staff and more police officers, among others, are needed.

"Between this year and next, additional expenditures will have to be covered by additional revenues," said Chuck Springer, the town's finance manager. "Challenges will come as the recreation center comes online in the middle of 2008 and [with] the funding of ongoing expenses."

Among those expenses, the town hopes to expand fire and police services as well as town staff in the next two years. In September, the City Council approved a three-year plan to raise staff pay, which is projected to create a budget deficit in 2009.

Also in the next two years, the town plans to service the 2,600-acre Denton Creek with water and sewer, the cost of which is not currently known, officials said.

However, the town has invested \$25 million in the 1,500-acre Lakeside district since 1999 to install water and sewer systems, build Silveron Boulevard, expand Gerault Road and build Lakeside and International parkways to groom the district to attract builders. But development has lagged, and the district has generated only \$2.1 million in taxes, well short of the \$8 million estimated in a 1999 economic impact analysis.

"This value does not include the new building and new construction," economic development director Melissa Glasgow said. "We haven't begun to see the revenue impact for development under construction."

But developer incentives could substantially decrease tax dollars from those new Lakeside properties collected within the next five years. For example, the town waived 70 percent of Hillwood's first five tax bills after building in Lakeside.

Unlike Lakeside infrastructure, Denton Creek roads are expected mostly to be paid for and built by developers, Mayor Jody Smith said.

"The roads will be dependent on what the developers want," Smith said. She added that utilities will be the most expensive Denton Creek project to the town.

Denton Creek, part of 5,000 rural acres west of U.S. 377 that were annexed in 1999, and Lakeside are hoped to insulate the town's tax base from the threat of a decline in the housing market. Property taxes make up 54 percent of Flower Mound's operating budget this year.

Zoning plans proposed for Denton Creek and Lakeside call for a mixture of offices, shops and small homes in a "village" concept. Those building, officials say, will pay off in the long term.

"We are very excited for the opportunity that Denton Creek poses for our long time growth ... It will offer more diverse opportunities for development and generate several million dollars for our tax base," Glasgow said.