

THE MESSENGER

Economy Expected to Rebound from 2006

Construction Promises to Bolster Numbers After Sluggish Growth Last Year

By Cecile Satin

Flower Mound's economic growth last year lagged that of 2005, but town officials expect to pick up the pace this year.

Sales tax collections grew at half the rate of 2005, and the number of new businesses fell by 30 percent. But officials say 2006 was a boom year for construction, which should have numbers up in December.

The town collected \$6 million in sales taxes last year, an 8.6-percent annual increase compared to a 19.6-percent increase in 2005. Revenue from sales taxes reached \$4.7 million in 2004.

Eight-eight businesses opened in Flower Mound last year, 26 less than in 2005. The 88 businesses include McDonald's, Starbuck's, TGI Friday's, CVS pharmacy, Western Warehouse, Chase Bank and Bliss Nail Spa.

"We still had a good absorption of new businesses,' economic development director Melissa Glasgow said of 2006. "I anticipate that 2007 will be an even stronger year for new business locations as they fill the new space under construction in 2006."

Such construction includes projects in the Lakeside Business District and along Justin and Long Prairie roads.

A 461,000-square foot resort and hotel broke ground in Lakeside last month.

Robertson's Creek, a 48-acre shopping center at Long Prairie and Dixon Lane opening this month, is projected to create 400 jobs and generate \$1.2 million in taxes. Its stores include Belk, JCPenney, Dick's Sporting Goods, Hobby Lobby, Red Robin restaurant, Sleep Experts, and Life Way Christian bookstore.

Flower Mound is working to bring tenants to new shopping centers in hopes of giving residents "enough opportunities for them to shop locally, and [to] keep the sales tax revenues in town to fund services," Glasgow said.

Also, Glasgow said the town must attract more high-end retailers to compete with Highland Village's shopping, including the Shops at Highland Village and the Marketplace at Highland Village.

"With the stores that have been announced in Highland Village that will come on line at the end of 2007, it will provide a mass of retailers at our doorstep," Glasgow said. "The challenge will be to provide additional opportunities for high-end retailers to come in ... by making them aware, for example, of per capita income spending standards."

The median household income in 2006 was \$116,293 compared to \$95,416 in 2005. The town's population last year was estimated at 65,213 and is projected to grow by nearly 20 percent by 2011.

Glasgow said that demographic continues to attract developers, more of which are eyeing the Interstate 35W corridor and the U.S. Highway 377 and Cross Timbers Road intersection for potential developments.

Officials have said they expect that intersection to become the town's major entry way.

Lack of infrastructure in western Flower Mound has slowed development since the late 1990s, but the town plans to install water and sewer pipelines by next summer.