



CITY OF FULSHEAR

“FIND YOUR FUTURE IN FULSHEAR”

30603 FM 1093 WEST/ PO Box 279 ~ FULSHEAR, TEXAS 77441

PHONE: 281-346-1796 ~ FAX: 281-346-2556

www.FulshearTexas.gov

CITY COUNCIL:

MAYOR: Aaron Groff

MAYOR PRO-TEM: Kaye Kahlich

COUNCIL MEMBER: Kent Pool

COUNCIL MEMBER: Kevin White

COUNCIL MEMBER: Debra Cates

COUNCIL MEMBER: Lisa Martin

COUNCIL MEMBER: Joel
Patterson

COUNCIL MEMBER: John Kelly

STAFF:

CITY MANAGER: Jack Harper

CITY SECRETARY: Kimberly
Kopecky

CITY ATTORNEY: J. Grady Randle

SPECIAL CITY COUNCIL MEETING

March 17, 2020

NOTICE IS HEREBY GIVEN OF A SPECIAL CITY COUNCIL MEETING OF THE CITY OF FULSHEAR TO BE HELD ON **Tuesday, March 17, 2020 AT 6:00 PM** IN IRENE STERN COMMUNITY CENTER, 6920 KATY FULSHEAR ROAD, FULSHEAR, TEXAS FOR CONSIDERING THE FOLLOWING ITEMS. THE CITY COUNCIL RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME DURING THE COURSE OF THIS MEETING TO DISCUSS ANY MATTERS LISTED ON THE AGENDA, AS AUTHORIZED BY THE TEXAS GOVERNMENT CODE, INCLUDING, BUT NOT LIMITED TO, SECTIONS 551.071 (CONSULTATION WITH ATTORNEY), 551.072 (DELIBERATIONS ABOUT REAL PROPERTY), 551.073 (DELIBERATIONS ABOUT GIFTS AND DONATIONS), 551.074 (PERSONNEL MATTERS), 551.076 (DELIBERATIONS ABOUT SECURITY DEVICES), 551.087 (ECONOMIC DEVELOPMENT), 418.175.183 (DELIBERATIONS ABOUT HOMELAND SECURITY ISSUES) AND AS AUTHORIZED BY THE TEXAS TAX CODE, INCLUDING, BUT NOT LIMITED TO, SECTION 321.3022 (SALES TAX INFORMATION).

"Incidental Meeting Notice: A quorum of the City of Fulshear City Council, Planning and Zoning Commission, City of Fulshear Development Corporation (Type A), Fulshear Development Corporation (Type B), Parks and Recreation Commission, Historic Preservation and Museum Commission, Zoning Board of Adjustment, or any or all of these, may be in attendance at the meeting specified in the foregoing notice, which attendance may constitute a meeting of such governmental body or bodies as defined by the Texas Open Meetings Act, Chapter 551, Texas Government Code.

Therefore, in addition to the foregoing notice, notice is hereby given of a meeting of each of the above-named governmental bodies, the date, hour, place, and subject of which is the same as specified in the foregoing notice."

I. CALL TO ORDER

II. QUORUM AND ROLL CALL

A. JOINT MEETING WITH THE CITY OF FULSHEAR DEVELOPMENT CORPORATION (CDC) AND THE FULSHEAR DEVELOPMENT CORPORATION (FDC)

III. CITIZEN'S COMMENTS

THIS IS AN OPPORTUNITY FOR CITIZENS TO SPEAK TO COUNCIL RELATING TO AGENDA AND NON-AGENDA ITEMS. SPEAKERS ARE ADVISED THAT COMMENTS CANNOT BE RECEIVED ON MATTERS WHICH ARE THE SUBJECT OF A PUBLIC HEARING ONCE THE HEARING HAS BEEN CLOSED. SPEAKERS ARE REQUIRED TO REGISTER IN ADVANCE AND MUST LIMIT THEIR COMMENTS TO THREE (3) MINUTES.

IV. BUSINESS

A. DISCUSSION AND PRESENTATION ON 2020 FULSHEAR DEMOGRAPHIC MINI UPDATE FROM POPULATION AND SURVEY ANALYSTS (PASA)

V. ADJOURNMENT

NOTE: IN COMPLIANCE WITH THE AMERICAN WITH DISABILITIES ACT, THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICE MUST BE MADE AT LEAST 48 BUSINESS HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT 281-346-1796 FOR FURTHER INFORMATION.

I, KIMBERLY KOPECKY, CITY SECRETARY OF THE CITY, DO HEREBY CERTIFY THAT THE ABOVE NOTICE OF MEETING AND AGENDA FOR THE CITY COUNCIL OF THE CITY OF FULSHEAR, TEXAS WAS POSTED ON THURSDAY, MARCH 12, 2020 by 5:00 p.m. IN PLACE CONVENIENT AND READILY ACCESSIBLE AT ALL TIMES TO THE GENERAL PUBLIC, IN COMPLIANCE WITH CHAPTER 551, TEXAS GOVERNMENT CODE.

KIMBERLY KOPECKY, CITY SECRETARY

**AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF FULSHEAR, TEXAS**

AGENDA OF: 3/17/2020 **ITEMS:** IV.A.
DATE SUBMITTED: 2/25/2020 **DEPARTMENT:** Economic Development

PREPARED BY: Angela Fritz **PRESENTER:** Angela Fritz
SUBJECT: DISCUSSION AND PRESENTATION ON 2020 FULSHEAR DEMOGRAPHIC MINI UPDATE FROM POPULATION AND SURVEY ANALYSTS (PASA)

Expenditure Required: N/A

Amount Budgeted: N/A

Funding Account: N/A

Additional Appropriation Required: N/A

Funding Account: N/A

EXECUTIVE SUMMARY

Justin Silhavy, Director of Demographic Projections for PASA, will be on hand to present an overview of the City of Fulshear 2020 mini update, and to answer any questions the EDCs or City Council might have. Additionally, Justin will address how population projections provided by PASA and the upcoming 2020 Census data will be reconciled in the future.

The EDCs initially funded an inaugural demographic study for the City of Fulshear in 2017 to measure the City's population, and to project future residential and population growth based on real-time, on the ground data. The City engaged PASA, a demography firm who already works extensively on the ground in Fort Bend County and the greater Houston area on school district demographic reports and updates, to complete the report.

2020 marks the fourth year of the report which establishes a baseline population and growth projections for the City and its ETJ. These data have become the foundation of planning efforts across the City. The reports are available on the City's website and are utilized and referenced frequently. Additionally, an accompanying Development Overview Map is created.

The report for this year is a "mini" update due to the decennial Census upcoming in 2020. PASA will provide an overview of the report, their population projections, and the context surrounding same at the meeting. They will also provide information regarding how the 2020 Census data will be incorporated into their future work once it is available.

RECOMMENDATION

ATTACHMENTS:

| Description | Upload Date | Type |
|---|-------------|-----------------|
| Fulshear 2020 PASA Report Executive Summary | 3/11/2020 | Backup Material |

EXECUTIVE SUMMARY



Population and Survey Analysts (PASA) has recently completed a Demographic Update for the City of Fulshear, and the findings are summarized below. The Demographic Update included the study of the current population, potential growth based on new housing, and trends occurring in the population throughout the northwest Fort Bend County region. PASA projects population by using forward-looking techniques and does not rely on past rates of change.

OCTOBER 2019 POPULATION ESTIMATE

After evaluating the current population of the City and the City’s Extra-territorial Jurisdiction (ETJ), recent trends in population, projected additional housing occupancies and their resulting household size, and the over-arching economic and employment concerns, PASA has estimated the population inside the City Limits to be 13,969. This represents a population increase of 1,944 (16.2%) from October 2018 to October 2019.

| | |
|-------------------|---------------|
| City | 13,969 |
| ETJ | 17,892 |
| City + ETJ | 31,861 |

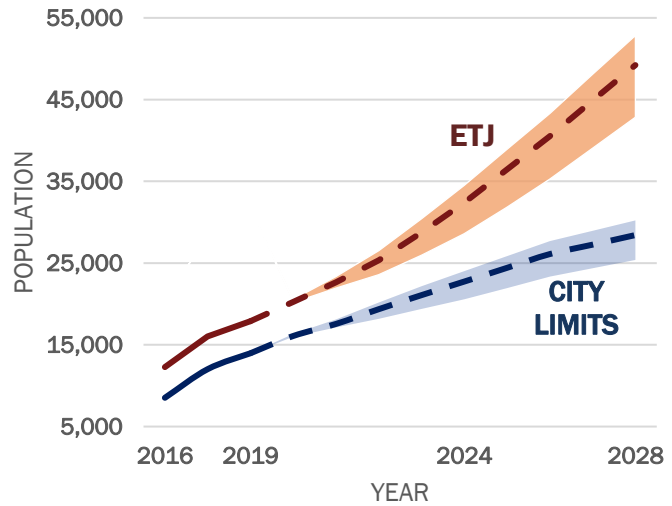
ANNUAL POPULATION PROJECTIONS

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|-------------------|--------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| City | | | | | | | | | | |
| Population | 13,969 | 16,083 | 17,557 | 19,362 | 21,081 | 22,740 | 24,420 | 26,104 | 27,258 | 28,430 |
| Change | | 2,114 | 1,474 | 1,805 | 1,719 | 1,659 | 1,680 | 1,684 | 1,154 | 1,172 |
| Growth | | 15% | 9% | 10% | 9% | 8% | 7% | 7% | 4% | 4% |
| ETJ | | | | | | | | | | |
| Population | 17,892 | 20,269 | 22,642 | 25,344 | 28,740 | 32,400 | 36,455 | 40,520 | 44,879 | 49,221 |
| Change | | 2,377 | 2,373 | 2,702 | 3,396 | 3,660 | 4,055 | 4,065 | 4,359 | 4,342 |
| Growth | | 13% | 12% | 12% | 13% | 13% | 13% | 11% | 11% | 10% |
| City + ETJ | | 36,352 | 40,199 | 44,706 | 49,821 | 55,140 | 60,875 | 66,624 | 72,137 | 77,651 |

Without annexation, growth in the City Limits is expected to decrease from approximately 1,900 annually to 1,172 in 2028. The annual population change within the ETJ is projected to grow larger throughout the ten-year projection period. By October 2020, an additional 2,377 people are projected to live in the Fulshear ETJ. By 2025, the population of the ETJ is projected to substantially increase, expanding by 4,000 annually. Actual annual population growth in the Fulshear City Limits and ETJ is projected to approach 5,500 by the late 2020s.

GROWTH SCENARIOS

PASA takes a “conservative” approach to projecting growth and develops a Low, Moderate, and High scenario of growth for each of the years in the projection period. These scenarios are shown on a graph to the right. The moderate growth scenarios are illustrated with hashed trend lines. In blue, the population in the City Limits is projected to grow to 28,430 by 2028. The population of the ETJ is projected to increase to just under 50,000 in the same period. The shaded portions of the chart indicate the low- and high-growth scenarios for each jurisdiction.



PROJECTIONS BY COMMUNITY

PASA has generated population projections by Planning Unit, neighborhood-level geographies, to aid in long range planning and has then aggregated the data into the boundaries of both master-planned communities and City regions. Population projections of selected communities are included in the following chart:

| Community | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | |
|-------------------|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Cross Creek Ranch | 12,017 | 13,637 | 14,692 | 16,055 | 17,193 | 18,098 | 18,919 | 19,743 | 19,991 | 20,215 | |
| CITY LIMITS | Downtown Area (A03, B02) | 316 | 329 | 329 | 329 | 389 | 480 | 593 | 706 | 854 | 1,014 |
| | Fulbrook on Fulshear Creek | 1,120 | 1,361 | 1,545 | 1,739 | 1,969 | 2,224 | 2,494 | 2,765 | 3,034 | 3,318 |
| | Fulshear Run | 165 | 206 | 251 | 308 | 373 | 490 | 609 | 728 | 802 | 848 |
| | Polo Ranch | 13 | 198 | 388 | 579 | 779 | 987 | 1,207 | 1,427 | 1,660 | 1,906 |
| Churchill Farms | 1,863 | 1,959 | 1,979 | 1,999 | 2,019 | 2,039 | 2,059 | 2,080 | 2,101 | 2,122 | |
| Cross Creek West | 0 | 0 | 0 | 91 | 398 | 861 | 1,473 | 2,085 | 2,928 | 3,931 | |
| Firethorne | 9,287 | 9,860 | 10,222 | 10,657 | 11,090 | 11,375 | 11,532 | 11,692 | 11,858 | 12,033 | |
| Foster Farms | 0 | 0 | 0 | 2 | 15 | 100 | 229 | 358 | 590 | 843 | |
| ETJ | Fulbrook | 781 | 836 | 860 | 886 | 915 | 943 | 961 | 979 | 995 | 1,013 |
| | Fulshear Lakes | 0 | 1 | 82 | 290 | 612 | 1,052 | 1,663 | 2,274 | 2,968 | 3,716 |
| | Harrison Interests Tract | 0 | 0 | 0 | 0 | 0 | 0 | 26 | 52 | 265 | 538 |
| | Jordan Ranch | 1,217 | 1,708 | 2,385 | 3,081 | 3,941 | 4,824 | 5,778 | 6,737 | 7,592 | 8,291 |
| | Tamarron | 4,057 | 4,734 | 5,371 | 6,014 | 6,742 | 7,526 | 8,467 | 9,409 | 9,945 | 10,200 |

PROJECTED NEW HOUSING UNITS

PASA has projected new housing occupancies for the next ten years. These projections are based on interviews with land owners, real estate experts, commercial brokers, and City and County officials. These projections are for the number of new housing units in the entire study area and are not a reflection of the total population expected in each development:

| | Single-Family | Multi-Family | Mixed Use | Age-Restricted | Total |
|-------------------|---------------|--------------|-----------|----------------|--------|
| Jan 2020–Oct 2020 | 894 | 73 | 0 | 68 | 1,034 |
| Oct 2020–Oct 2021 | 1,123 | 88 | 0 | 126 | 1,337 |
| Oct 2021–Oct 2022 | 1,246 | 228 | 0 | 186 | 1,661 |
| Oct 2022–Oct 2023 | 1,569 | 149 | 0 | 132 | 1,850 |
| Oct 2023–Oct 2024 | 1,740 | 99 | 0 | 132 | 1,971 |
| Oct 2024–Oct 2025 | 1,791 | 290 | 5 | 82 | 2,167 |
| Oct 2025–Oct 2026 | 1,740 | 318 | 24 | 69 | 2,152 |
| Oct 2026–Oct 2027 | 1,717 | 333 | 43 | 9 | 2,100 |
| Oct 2027–Oct 2028 | 1,740 | 360 | 55 | 0 | 2,155 |
| Jan 2020–Oct 2023 | 4,832 | 538 | 0 | 511 | 5,881 |
| Oct 2023–Oct 2028 | 8,728 | 1,400 | 126 | 292 | 10,545 |
| Jan 2020–Oct 2028 | 13,560 | 1,937 | 126 | 803 | 16,426 |

PROPORTION OF HOUSING UNITS BY HOUSING TYPE

| Housing Type | 2019 | | 2023 Projected | | 2028 Projected | |
|----------------------------|---------------|-------|----------------|-------|----------------|-------|
| Single-Family | 9,958 | 94.8% | 16,236 | 89.1% | 24,601 | 86.7% |
| Age-Restricted SF + MF | 250 | 2.4% | 953 | 5.2% | 1,268 | 4.5% |
| Multi-Family | 299 | 2.8% | 1,030 | 5.7% | 2,490 | 8.8% |
| Total Housing Units | 10,507 | | 18,219 | | 28,359 | |

*Housing Units in the City Limits and ETJ

HOUSEHOLD SIZE AND HOUSING TYPES

The average household size of neighborhoods in the Study Area can vary dramatically. Neighborhood attributes such as lot sizes, amenities, and lifestyle options impact the number of people residing in individual homes. Conventional suburban residential communities generally have a larger median household size, particularly as the neighborhood ages and a “peak” population develops. Traditional suburban single-family neighborhoods in northern Fort Bend County have a median household size of 3.15 to 3.50. In comparison, estate communities such as Fulbrook and nearby Weston Lakes have a median household size of approximately 2.65 to 2.85 according to the U.S. Census. Exurban communities on the fringes of the Metro Area are often marketed to older, smaller households. These exurban neighborhoods feature larger lots that appeal to retirees.

PASA has estimated household size for each current and future neighborhood by using various data sources to create useful population estimates and projections by Planning Unit. In order to determine household size estimates, census-estimated household sizes by Census Block Group and Census Tract were analyzed as well as Lamar CISD and Katy ISD enrollment counts by neighborhood. Housing styles, apartment bedroom counts, and covenants that restrict youth from living in homes were also considered along with other demographic characteristics of developing neighborhoods. **The weighted mean household size in the Study Area was determined to be 3.15 in 2018.** An overall mean household size was not revised in this mini-update; however, adjustments for individual active were made if deemed necessary.

| Housing Type | Typical Household Size |
|-------------------------------------|--|
| Multi-Family, majority 1-bedroom | 1.55 – 1.85 |
| Multi-Family, majority 2+ bedroom | 1.85 – 2.25 |
| Single-Family, Family Oriented | 3.15 – 3.30 initially; 3.30 – 3.50 at peak |
| Single-Family, Age-Restricted 55+ | 1.65 – 1.80 |
| Single-Family, Acreage/Rural Estate | 2.65 – 2.85 |

Multi-family developments in the western suburbs tend to have a median household size of 1.55 to 2.25 depending on the proportion of one-bedroom apartments to total number of units within each individual property.

PROPORTION OF POPULATION BY HOUSING TYPE

| Housing Type | 2019 | | 2023 Projected | | 2028 Projected | |
|--------------------------|---------------|--------|----------------|-------|----------------|-------|
| Single-Family | 30,864 | 96.87% | 48,318 | 97.0% | 73,084 | 94.1% |
| Age-Restricted SF | 437 | 1.37% | 644 | 1.3% | 1,134 | 1.5% |
| Multi-Family | 560 | 1.76% | 859 | 1.7% | 3,433 | 4.4% |
| Population | 31,861 | | 49,821 | | 77,651 | |

*Housing Units in the City and ETJ

HOUSING OCCUPANCY STATUS

PASA considers vacant housing when creating population projections for such a large study area. The U.S. Census estimates that 6.3% of the existing housing stock in the City of Fulshear is vacant per the 2017 American Community Survey. In the two Census Tracts covering the Study Area, the Survey estimates the vacancy rate to be 5.8%, cumulatively. PASA has assumed a 4% vacancy rate for the Study Area since much of the Area is outside the City of Fulshear but inside the county. Also, PASA does not consider new homes available for purchase to be occupied. New housing communities are surveyed by PASA staff and only occupied homes are counted. Unoccupied, new homes are included in the housing projections for each individual community. As neighborhoods age, PASA assumes vacancies will gradually increase closer to 5% as homes are placed on the market and resold. The housing counts available in this report, however, include totals for all homes completed. These housing counts and projected housing counts include all occupied and vacant homes for completeness so planners can determine the projected number of utility connections annually.

ECONOMIC GROWTH

The availability of large tracts of raw land, affordable housing, and high-quality schools will pull many of Houston Metro's new residents and homebuyers toward Fulshear over the next few decades. PASA's low and high growth scenarios should be considered if any turbulence in the local or national economy were to occur. As was evident during the Financial Recession of the late-2000s, suburban communities can be dramatically affected by an economic slowdown. In the north Dallas suburbs for example, the fast-growing City of Frisco saw housing permits drop 77% in a three-year period from 2006 to 2009.

In December, The Greater Houston Partnership released a dampened employment forecast for 2020. Overall, 42,300 new jobs are projected to be created across the Houston metro area in 2020—approximately half the number of jobs created in 2019. The Energy sector was poised to lose 4,000 jobs while most all other sectors saw gains. These figures were released prior to the price of oil decreasing in the first quarter of 2020.

ENERGY SECTOR OUTLOOK

The oil and gas sector of Houston's energy corporations are grappling with lower commodity prices, lower values of capital investment, and shrinking global demand. Since October 2018, the price of oil has slowly decreased from \$75/barrel. In much of 2019, the price ranged between \$50-60/barrel. The sluggish commodity had already caused local economists to project fewer new jobs in metro Houston in 2019. Also, capital investment in oil and natural gas production has declined by 52% since 2014. From 2018 to 2019, investment declined by nearly 28% in the industry according the Bauer College of Business at the University of Houston. The lack of investment sparked a wave of bankruptcies in 2019.

The price of oil began falling in January 2020 and nosedived this month. On March 9, 2020, oil plunged to \$31/barrel, marking a decline of 41.5% in two weeks. Facing already-sluggish growth, a global decrease in demand for oil due to the COVID-19 outbreak, and a lack of production agreements between OPEC and oil-producing countries, the oil and gas industry in North America now faces potential contraction. At this time, it remains unclear as to whether this very recent price plunge will affect Houston-based companies in the industry. The Houston economy was affected by a similar downturn in 2015 immediately after the fracking boom led to the creation of hundreds of thousands of jobs in metro Houston. Unlike the downturn five years ago, the local economy is not currently in a "catch up mode" meaning a prolonged downturn could have slightly more visible effects on the local economy since the population has not been increasing as rapidly compared to the period between 2012-2015. The west Houston suburbs have always been more affected by the oil and gas sector of the energy economy than any other submarket in Houston due to the proximity to upstream oil and gas corporations located in The Energy Corridor. Any corporate downsizing could have a more pronounced affect to the west Houston economy.

PASA is remaining cautious due to a complete lack of clarity of the oil and gas sector's short-term future. Most economists tend to agree that Houston has a much more diversified workforce today than the early 1990s. Also, the oil and gas sector can function at lower oil prices and maintain stability better today than even 5 years ago. Typically, Houston's office jobs in the oil and gas sector begin to contract 6-12 months after a prolonged drop in the price of

oil. In general, the pace of new home construction is expected to continue as normal through most of 2020, however, PASA's moderate growth scenario does assume a temporary 10-20% reduction in new housing occupancies in the short-term.

MANUFACTURING AND LOGISTICS

As online commerce expands along with the population of Texas and other south-central states, distribution and warehousing will have a larger role in Houston's economy. Fulshear is located near one of the three fulfillment/distribution hubs in Metro Houston, the far west-northwest suburbs. The Interstate 10 Corridor between Katy and Brookshire has seen tremendous growth in industrial development, and more companies continue to expand in the area. The proximity to Interstate 10 and U.S. 290 is proving to be a draw for many retailers and distributors who want central access to Houston and quick access to other parts of the growing region and state including San Antonio and Austin.

Recent industrial expansions in the region include:

- Amazon completed its 1 million-square foot fulfillment center at the northeast corner of Woods Road and Katy Freeway. The company originally planned to hire 1,000 employees to work in the warehouse in southeastern Waller County, just north of Interstate 10;
- Goya Foods expanded its north American Processing Center along U.S. 90 at Woods Road in the summer of 2018, creating 30 jobs.
- Twinwood broke ground on the 650-acre Twinwood Business Park in mid-2018. Located just inside Waller County, along and south of the future Twinwood Ranch Road, MAN Diesel & Turbo is now operating a 137,000-sq. ft. facility in the business park. An estimated 142 jobs will be located at the facility.
- In May 2018, a new 150-acre industrial park named Pintail Crossing was announced and planned along Interstate 10 in Katy. In December 2018, Costco Wholesale Corp. purchased the entire property from Hines Development and is constructing
- Dollar Tree announced in February 2019 plans to construct a 1.2 million-sq. ft. distribution facility in Rosenberg. Within two years, the facility is projected to employ 300-400.
- Ross Dress for Less is now building a 2 million sq. ft. distribution and sorting center along Kingsland Blvd. at Woods Rd. just south of I-10. The center will employ upwards of 1,300.