



Lake Travis Economic Impact Report

Lake Travis Coalition | September 29, 2011

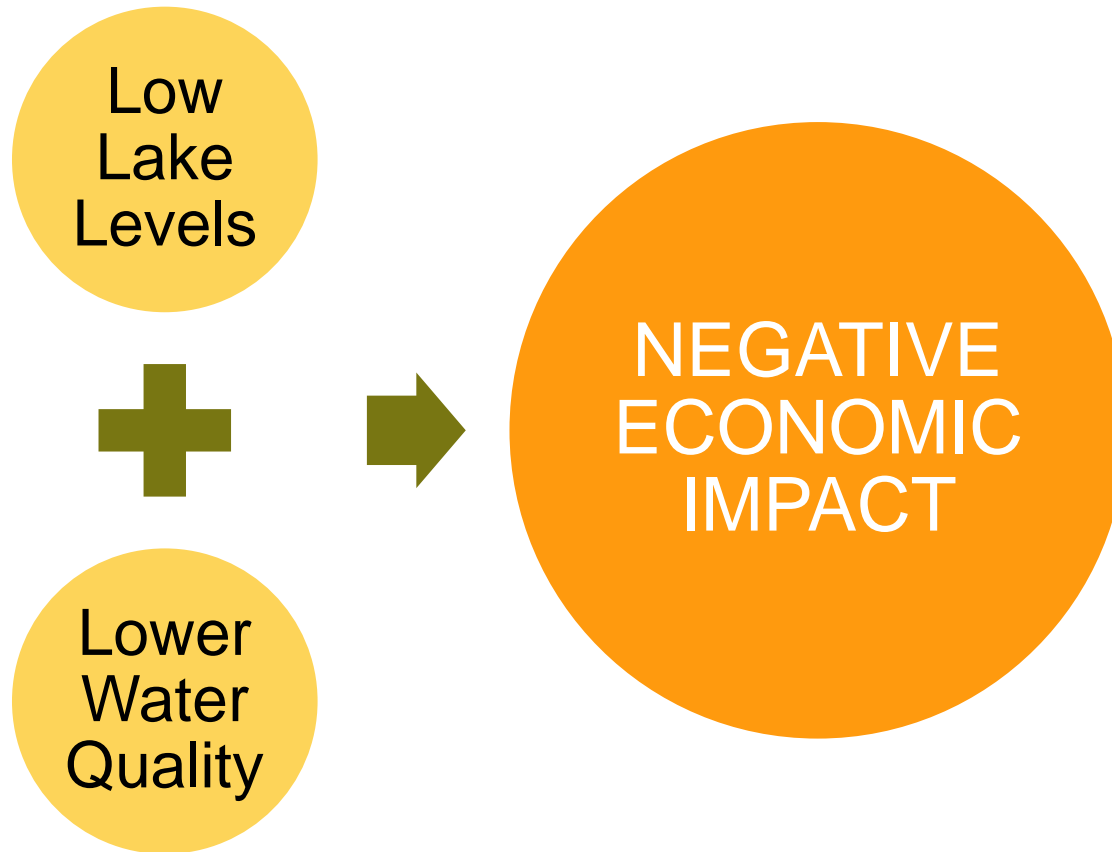




Project Objectives and Background

STUDY OBJECTIVES

WHAT PROMPTED THE STUDY?



Overall Objectives:

- ▶ Determine economic and fiscal impacts of development and spending driven by Lake Travis in base year 2010
- ▶ Quantify the impacts of low lake levels and degradation of water quality

WHAT THE STUDY DOES NOT COVER

LAKE TRAVIS' VALUE AS WATER SOURCE AND AMENITY

Value as a Water Source

- ▶ Municipal
- ▶ Industrial



Value as an Amenity

- ▶ Recreational
- ▶ Quality of Life



Critical components of the region's past and future economic growth

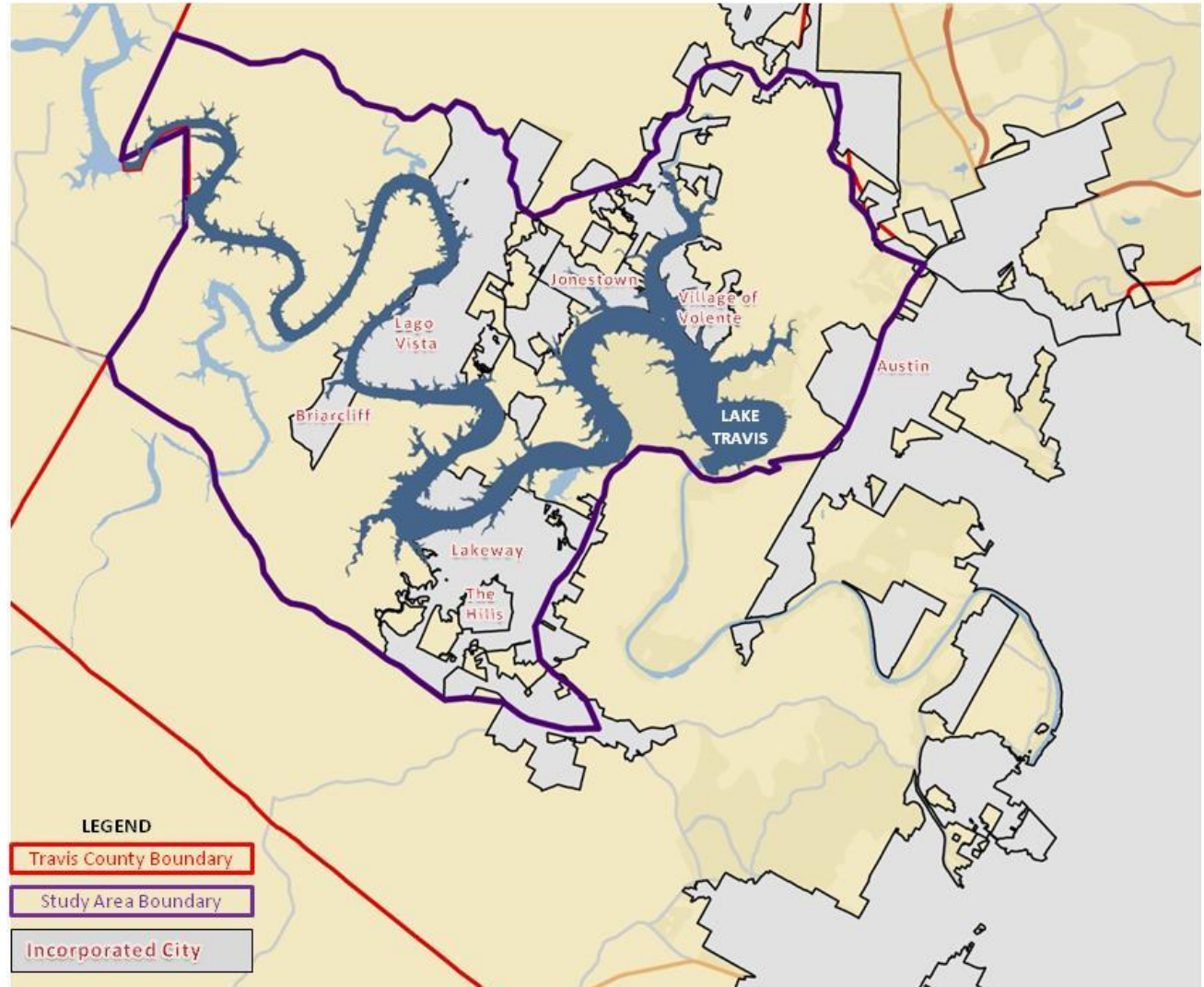


Study Area

STUDY AREA

The Study Area impacts:

- ▶ Travis County
- ▶ Towns/Cities:
 - Briarcliff
 - Jonestown
 - Lago Vista
 - Lakeway
 - Point Venture
 - Volente
 - Austin
 - Village of the Hills
- ▶ Lake area utility and water districts
- ▶ State of Texas



1990 HOUSEHOLDS

LAKE TRAVIS AREA SOMEWHAT SEPARATE FROM AUSTIN



1990 Demographic Snapshot Study Area

- ▶ Population: 12,772
- ▶ Households: 5,413

Lake Statistics

- ▶ 19,000 acres
- ▶ 270 miles of shoreline

1 dot ● = 10 Households

Source: 1990 Census

2010 HOUSEHOLDS

AUSTIN GROWTH PUSHES TOWARDS LAKE TRAVIS



2010 Demographic Snapshot Study Area

- ▶ Population more than triples (+254%)
- ▶ Population: 45,547
- ▶ Households: 18,093

- ▶ 2015 Households (est): 22,079

- ▶ Median Income: \$81,946
- ▶ Average owner-occupied home value: \$347K
- ▶ Median year structure built: 1996

1 dot ● = 10 Households

Source: 2010 Census



Key Conclusions

SUMMARY OF RESULTS OF REVENUE ANALYSIS

2010 Revenue from Existing Development	
<i>Residential Property Tax</i>	\$127,464,788
<i>Commercial Property Tax</i>	\$7,931,730
<i>Land Property Tax</i>	\$23,032,193
<i>Sales Tax</i>	\$45,241,649
<i>Hotel Occupancy Tax</i>	\$1,309,800
<i>Mixed Beverage Tax</i>	\$2,266,700
TOTAL	\$207,246,861

Total 2010 Assessed Property Values: \$8.4 billion

LAKE TRAVIS ECONOMIC IMPACT - 2010

- ▶ **Estimated 2.8 million visitors in 2010**
 - Park visitors
 - Boaters (marina slip renters and private dock owners)
 - Hotel & vacation home renters
 - Second home owners
- ▶ **\$168.8 million in total visitation-related spending**
- ▶ **\$45.5 million in boat sales**
- ▶ **>\$11 million in sales taxes**



View toward Costa Bella Subdivision, Normal Lake Level
Photo Courtesy of Griffin Communication

Total value-add of \$112.6 million and over 1,900 jobs

SPENDING BY STUDY AREA HOUSEHOLDS AND EMPLOYEES OVER 2/3 OF A BILLION DOLLARS

- ▶ **Primary households** and Study Area employees accounted for **\$688 million** in spending
- ▶ This spending supported nearly 5,200 jobs

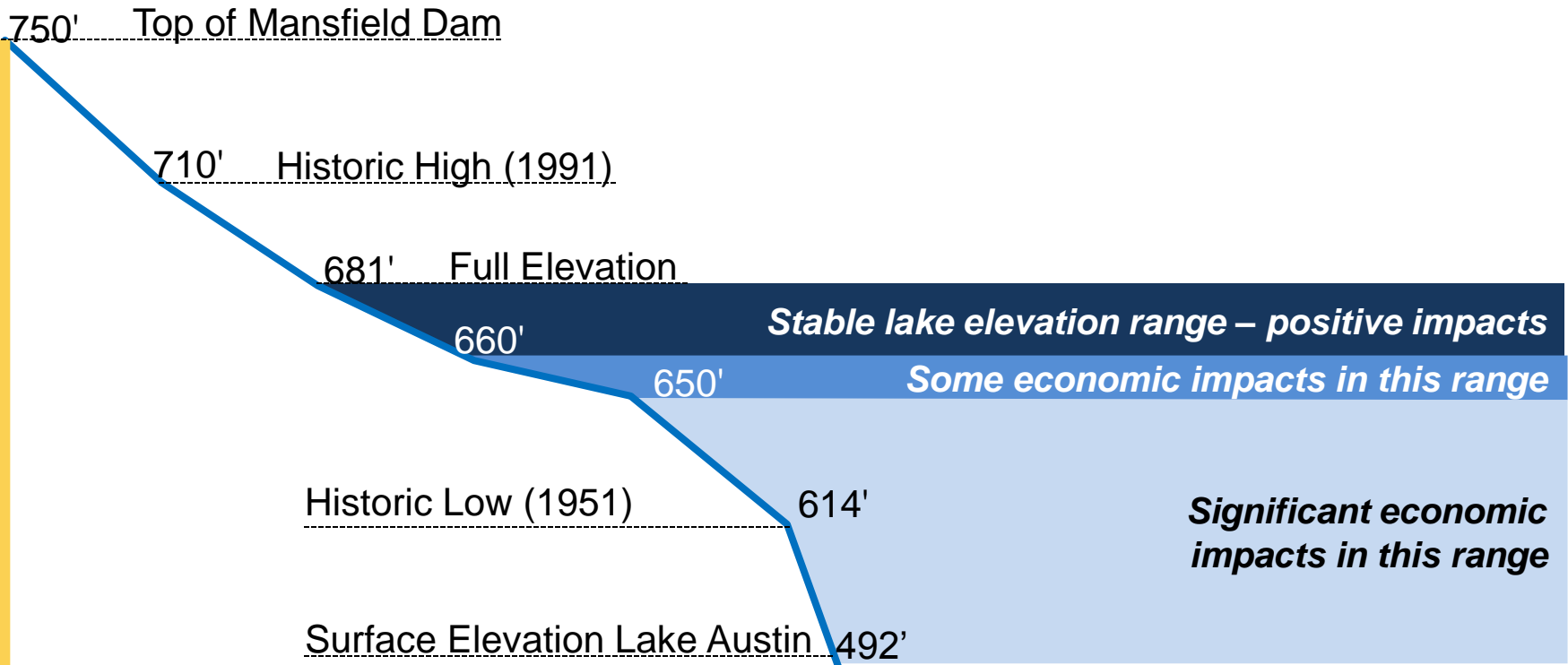


Lago Marina, Full Lake Level



Lago Marina, Drought Conditions

KEY LAKE LEVEL ELEVATIONS



LAKE LEVEL IMPACTS

FISCAL IMPACTS

- ▶ Low lake levels potentially decrease revenues by \$16.4 million to \$21.9 million:
 - Lower tax revenues
 - Potential loss of the “premium”
- ▶ Premiums add 15% to combined value of Study Area residences



Carlos & Charlie's (Lake Full)



Carlos & Charlie's (Drought)

LAKE LEVEL IMPACTS

ECONOMIC IMPACTS

Measure	Stable Lake Levels	Low Lake Levels
Spending	↑ 7-10%	↓ 14-20%+
Jobs	↑ 125	↓ 240
Economic Value	↑ \$7.1M	↓ \$12.6M

If lake levels are persistently low, a 50% drop in visitors potentially results in loss of 580+ jobs and \$33.5 million in economic value



Jones Brothers Cove (Drought)



Jones Brothers Cove (Full Lake)

LAKE LEVEL IMPACTS

BUSINESS IMPACTS – LOWER REVENUES, HIGHER COSTS

Decreased demand for goods and services provided by:

- ▶ Marinas – \$10,000 to \$300,000 to move marinas to deeper water
- ▶ Boat charter companies
- ▶ Scuba operators
- ▶ Restaurants – 20% or more drop in revenues during 2009 drought
- ▶ Other water recreation companies



Walkway to Hurst Harbor Marina & Johnny Fins, Normal lake level



Walkway to Hurst Harbor Marina & Johnny Fins, Drought Conditions

Photos courtesy of Griffin Communication

LAKE LEVEL IMPACTS

UTILITY IMPACTS – HIGHER SERVICE DELIVERY COSTS

- ▶ Cost to move intakes substantial (WCID #17 spent \$350k moving barges in '09)
- ▶ Pumping and water treatment more expensive
- ▶ Ability to generate electricity can be compromised
- ▶ Potable water delivery costs increase or potential service interruptions



Marshall Ford Marina, Main Basin, Drought Lake level



Marshall Ford Marina, Main Basin, Normal Lake Level

Photos Courtesy of Griffin Communication

WATER QUALITY IMPACTS

EXCEPTIONAL WATER QUALITY NOW

Degraded water quality impacts potentially include:



▶ Costs

- Local industries
- Utility providers
- Consumers



▶ Lake visitation and recreation

- Between 5-11% of boaters suggested dissatisfaction with water quality*
- For every 10% drop in boating & visitors:
 - -\$7.1 million net economic impact
 - 122 lost jobs



▶ Property values

- Each 1 meter drop in water clarity potentially lowers values 5-10%
- \$27 million to \$53 million in property value losses



▶ Cleanup costs prohibitive

- Raleigh-Durham region faced with \$1.5 billion cleanup of Falls Lake



* LCRA/Texas A&M survey of recreational boaters (2009)



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