



Westlake, TX

Economic Development Plan Report

December 13, 2024



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Executive Summary

The Town of Westlake engaged Baker Tilly to develop an economic development plan to support the Town's vision and goals and ensure high-quality business development. The plan is intended to guide the Town's economic development strategy and the supporting municipal policies and tools leveraged to realize desired development. This report presents the Town's demographic and economic baseline and the resulting impacts on the Town's growth, revenues, and other factors. It provides details on economic and demographic trends, the current development composition of the Town and its regional development context in the northern Dallas-Fort Worth-Arlington, TX metro area, community and stakeholder perspectives, and economic development policies and tools, and recommends a set of potential growth opportunities in line with the Town's current conditions and perspectives and future economic development goals.

The Town of Westlake has been largely insulated from regional growth trends due to its rural character, high home values, and relatively slow rate of new development. Residents prize the Town's semi-rural character and aesthetic quality, as well as its open space, and place a high priority on maintaining these features. Most of the Town's remaining developable land is owned by a single developer – Hillwood – and presents creative opportunities for redevelopment. Currently, the Town lacks significant retail development and is dominated by large single-family residential lots and large corporate campuses.

The Town has a significant opportunity in the success of its corporate campuses and its large swaths of remaining developable land. Furthermore, the relatively high rates of regional population growth present an additional opportunity to leverage regional demand. The layout of developable land across the Town presents a unique opportunity to use highly visible parcels on the Town's edge to promote Westlake's unique character through flagship developments, while maintaining the semi-rural quality and high aesthetic standards of the Town.



A mixed landscape in Westlake that includes the Westlake Academy, Deloitte University, and open space. (Baker Tilly photo)

The report concludes with a set of 11 strategies for the Town to realize its goals of supporting new construction and development, maintaining and enhancing community identity and sense of place, and effectively managing the development services process to move at the pace of business. Key considerations for economic impact include:

- Create a balanced approach for the Town's future by leveraging developable land to generate new tax revenues while preserving community character;
- Harness the market potential of new household creation in the northern portions of the DFW metroplex to support new housing development in limited portions of the Town;
- Collaborate with the large corporate campuses to support new development that creates a symbiotic relationship between the spending demand of employees and the delivery of new retail amenities in mixed-use projects; and,
- Leverage visibility and access along Highways SH 114 and SH 170 to implement a placemaking initiative that elevates Westlake as a community of choice.

Economic Strategy Baseline

Community Economic Baseline

Westlake's demographic and economic profile paints a picture of a slow-growing, affluent town with a commercial development pattern of mainly office developments like corporate campuses (on which it primarily depends for its local employment base) with limited retail, and a residential pattern of single-family homes on relatively large lots in large planned developments.

Demographic Context

Westlake has a population of nearly 2,000. However, due to the large corporate campus presence in the Town (to be discussed in further detail in the following sections), its daytime population is significantly higher than its permanent resident population. This daytime population is expected to continue to increase, with various sources estimating anywhere between 40,000 to 60,000 by 2040. Westlake is insulated from broader population trends in the region due to its high property values as well as low growth in residential development versus surrounding communities, which have seen relatively significant increases in population.

Westlake's land area is roughly 7 square miles. The Town is surrounded by three major highways (SH 170, SH 114, US 377) and is located on the northern edge of the Dallas-Fort Worth metroplex. Westlake is roughly 30–60 minutes by car to downtown Dallas or downtown Fort Worth. Dallas was the 9th largest city in the country in 2022, and Fort Worth was the 13th largest; the region is among the fastest growing metropolitan areas nationally, with the Dallas-Fort Worth-Arlington, TX metro area having the highest numeric population increase in 2022, and neighboring Little Elm being the 5th fastest growing city nationally in 2022.

Most residents are married (~78%), while 15.4% are never married, 5.8% are divorced, and 1.1% are widowed. The population has a very high level of educational attainment (71.5% of those 25+ have a bachelor's degree or higher). There are 497 employed residents, suggesting that a fair amount of households are single income; over 60% of female residents aged 20–64 are not in the labor force. Most employed residents work in management, business and financial operations, healthcare, and sales and related occupations. The Town's racial makeup is 78.4% White, 11.8% Asian, and 7.9% two or more races, with small percentages of other races. About 28% of the population is aged 19 or under. The median household income is \$250,001.

About three-quarters of workers work within their county of residence (Denton or Tarrant), while 21% work outside of the county but in-state. The working population is roughly split between those who drive to work and those who work from home. About half of those who travel to work have a commute longer than 30 minutes, suggesting that these individuals may work in Dallas.

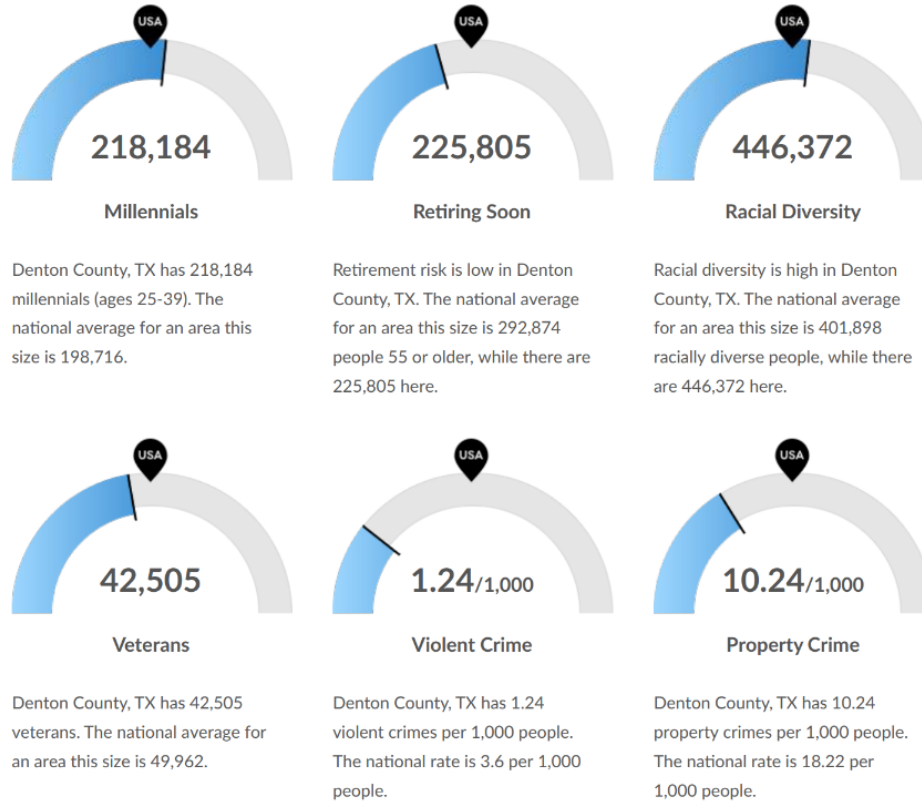
Regional Context

Westlake sits at the border of Denton and Tarrant counties; Denton County's population increased by 17.8% since 2018 and is projected to grow by 15.9% by 2028. Tarrant County's population increased by 4.6% since 2018 and is projected to grow by 4.4% by 2028. Jobs in Denton County also increased by 23.7% in the same time frame, far faster than the national average job growth rate, and are projected to grow by 14.8% by 2028. Jobs in Tarrant County increased at a slower pace of 10.3% since 2018 and are anticipated to grow by 8.4% by 2028. The county migration charts shown below indicate that most population movement in the two counties is intra-regional; however, Dallas County trends show significant in-migration from other parts of the country like Orange County (California), Los Angeles, Pittsburgh, and Chicago. This could indicate a potential pattern of new residents to Texas, establishing households in Dallas and migrating to surrounding counties in future years, perhaps contributing to the growth trends in Denton and Tarrant counties.

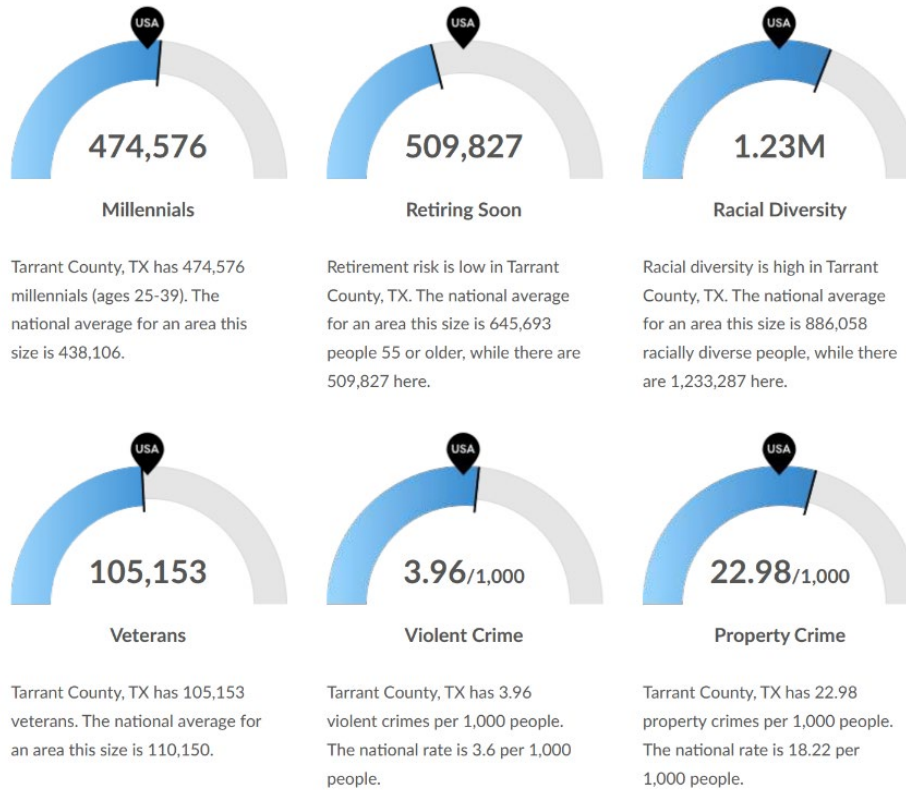
Denton County's educational attainment is higher than the national average, with 32.1% of residents holding a bachelor's degree; 22.3% of Tarrant County residents have a bachelor's degree. The largest

industries in 2023 in Denton County were government, retail trade, health care and social assistance, accommodation and food services, and professional, scientific, and technical services; the fastest growing industries were government, finance and insurance, transportation and warehousing, health care and social assistance, and wholesale trade. For Tarrant County, the largest industries were health care and social assistance, government, and retail trade; the fastest growing industries were transportation and warehousing, professional, scientific, and technical services, and health care and social assistance.

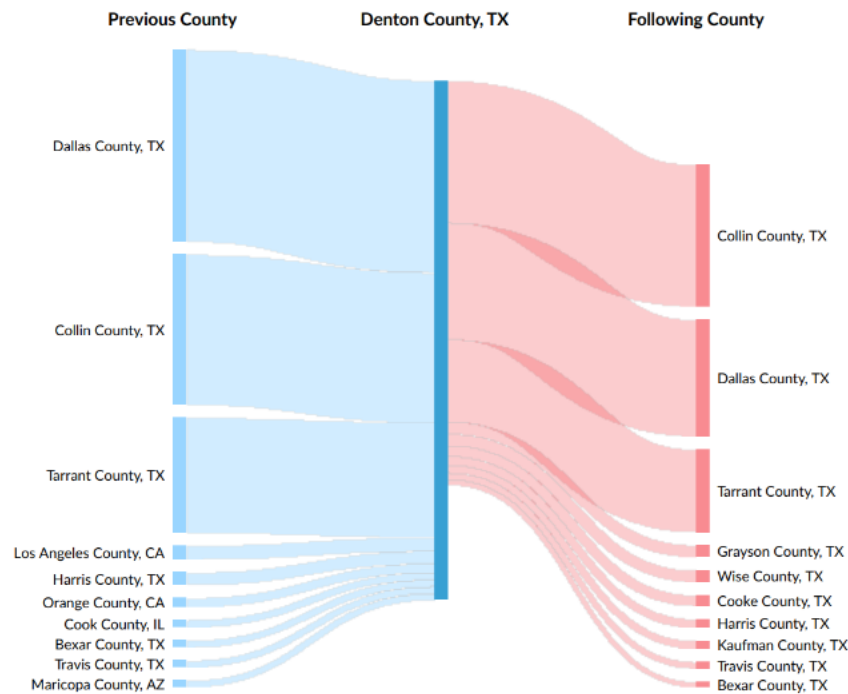
Westlake has lower levels of racial diversity versus Denton and Tarrant counties overall.



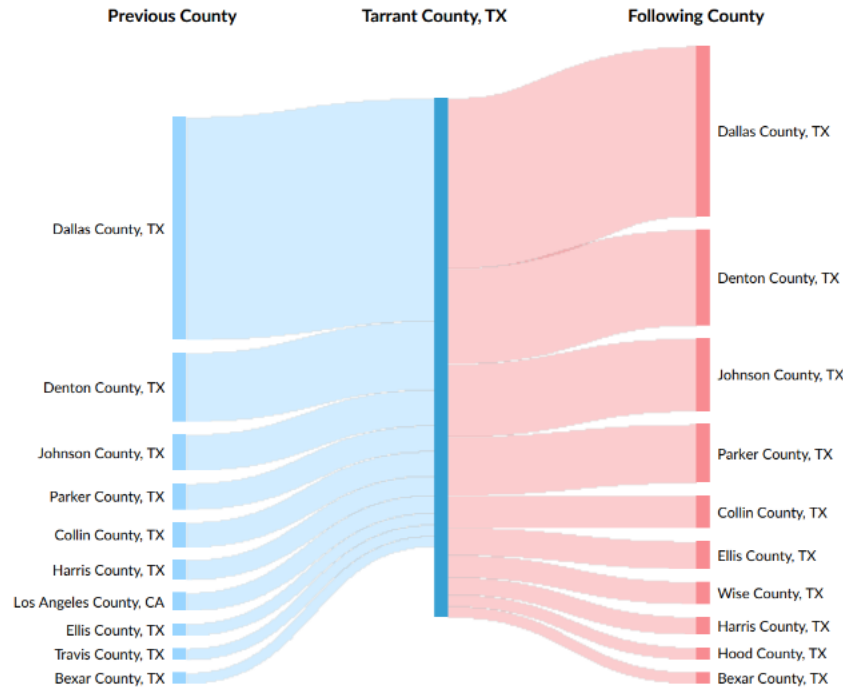
Denton County characteristics. (Lightcast)



Tarrant County characteristics. (Lightcast)



Denton County Migration Patterns. (Lightcast)



Tarrant County Migration Patterns. (Lightcast)

Core Economic Elements

Westlake's resident population of less than 2,000 is one segment supporting Westlake's local economy. Westlake's economy also has two additional potential demand segments – the large daytime population (driven by corporate campuses) and regional populations. Though data figures were not available for this report, stakeholder input indicates that employees at corporate campuses in the Town do not currently visit local businesses to a significant degree (later sections of the report will discuss a lack of retail development in the Town). Dining, shopping, and recreation attractions for the regional population are largely located in surrounding communities, including Southlake, Roanoke, and Keller.

The table below shows the growth in the number of households in the communities surrounding Westlake over the past 10 years. In particular, Trophy Club and Roanoke have seen significant growth during this period, representing an increased source of regional demand that continues to grow (based on county-wide population projections noted in the previous section). Though surrounding communities have also developed their commercial real estate footprints to serve this growing demand, Westlake has an opportunity to draw some of this demand to new businesses within the Town.

Table 1. Total Households in Surrounding Communities, 2012-2022 (American Community Survey, 5-Year Estimates)

City/Town	2022	2017	2012	% Change 2012-2022
Keller	16,052	14,949	13,360	20.15%
Roanoke	3,620	2,743	2,679	35.13%
Southlake	9,298	9,126	8,202	13.36%
Trophy Club	4,536	3,907	3,001	51.15%
Total	33,506	30,725	27,242	22.99%

The table below shows the Town's largest employers as of 2022 (as listed in the Town of Westlake's 2022 Annual Comprehensive Financial Report [ACFR]). Roughly 75% of employment in the Town is located at corporate campuses.

Table 2. Westlake Major Employers and Number of Employees (Town of Westlake 2022 ACFR)

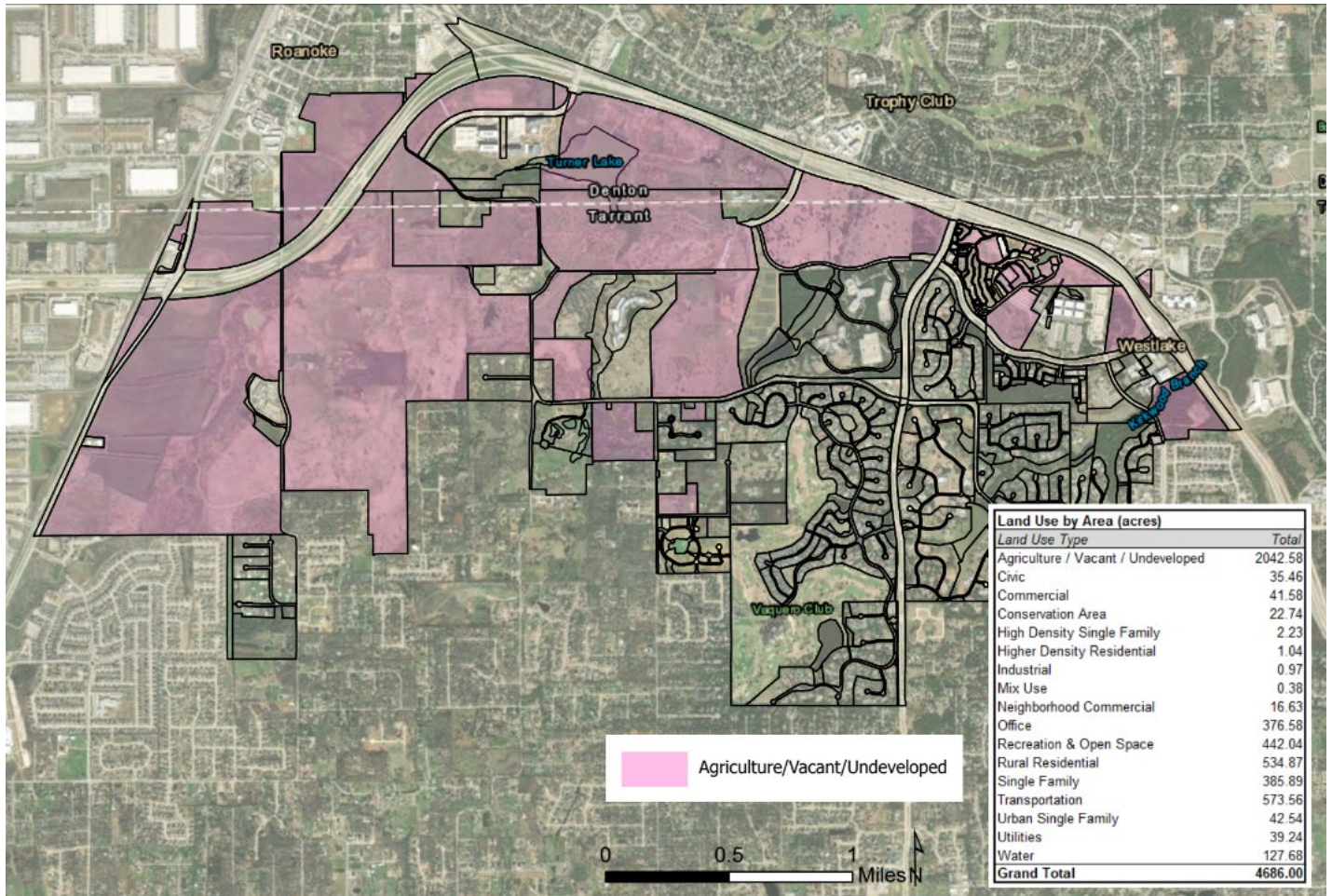
Employer	Employees	Percentage of Total Town Employment
Schwab	7,000	42.44%
Fidelity Investments	4,765	28.89%
Goosehead Insurance	677	4.11%
Core-Mark	584	3.54%
Robinhood	500	3.03%
Deloitte University	500	3.03%
Kiewitt	400	2.43%
Solera Holdings	261	1.58%
Defi Solutions	214	1.30%
Sound Physicians	194	1.18%
Verizon	164	0.99%
Levi Strauss	150	0.91%
Town of Westlake/Westlake Academy	142	0.86%
All Other Businesses	941	5.71%

Household Profile

Westlake has 435 households and 472 housing units. The household breakdown is 92% family and 8% nonfamily, with 46.7% of households being 2-person families and 31.9% being 3-4-person families. Only 77 households have one or more individuals over 65 years of age. Owner-occupied housing is roughly evenly split between mortgaged and non-mortgaged homes. The median home value (owner-occupied) is \$2 million. Only 11 of the 435 occupied housing units are renter-occupied. These rental units are mostly rented for over \$3,500/month, with three renting between \$1,500-\$1,999/month. Nearly all of the housing stock is single, detached units, with 12 units being single, attached. The housing stock is fairly new, with a median built year of 2010. The majority of householders moved in between 2010 and 2017. Most households have multiple vehicles (2-3). All vacant units except two are sold but unoccupied. The Town has a small amount of relatively more affordable workforce housing – 43 units have a value below \$500,000.

Land Development

A simple calculation based on an approximation of the “developable” acreage in the Town (excludes waterways, conservation areas, and utilities) shows that the Town is approximately 55% developed. Of the developable land available, roughly 75% is owned by Hillwood, a Dallas-based developer with experience delivering a variety of development types, from master-planned developments incorporating everything from industrial to residential to commercial developments in urban settings.



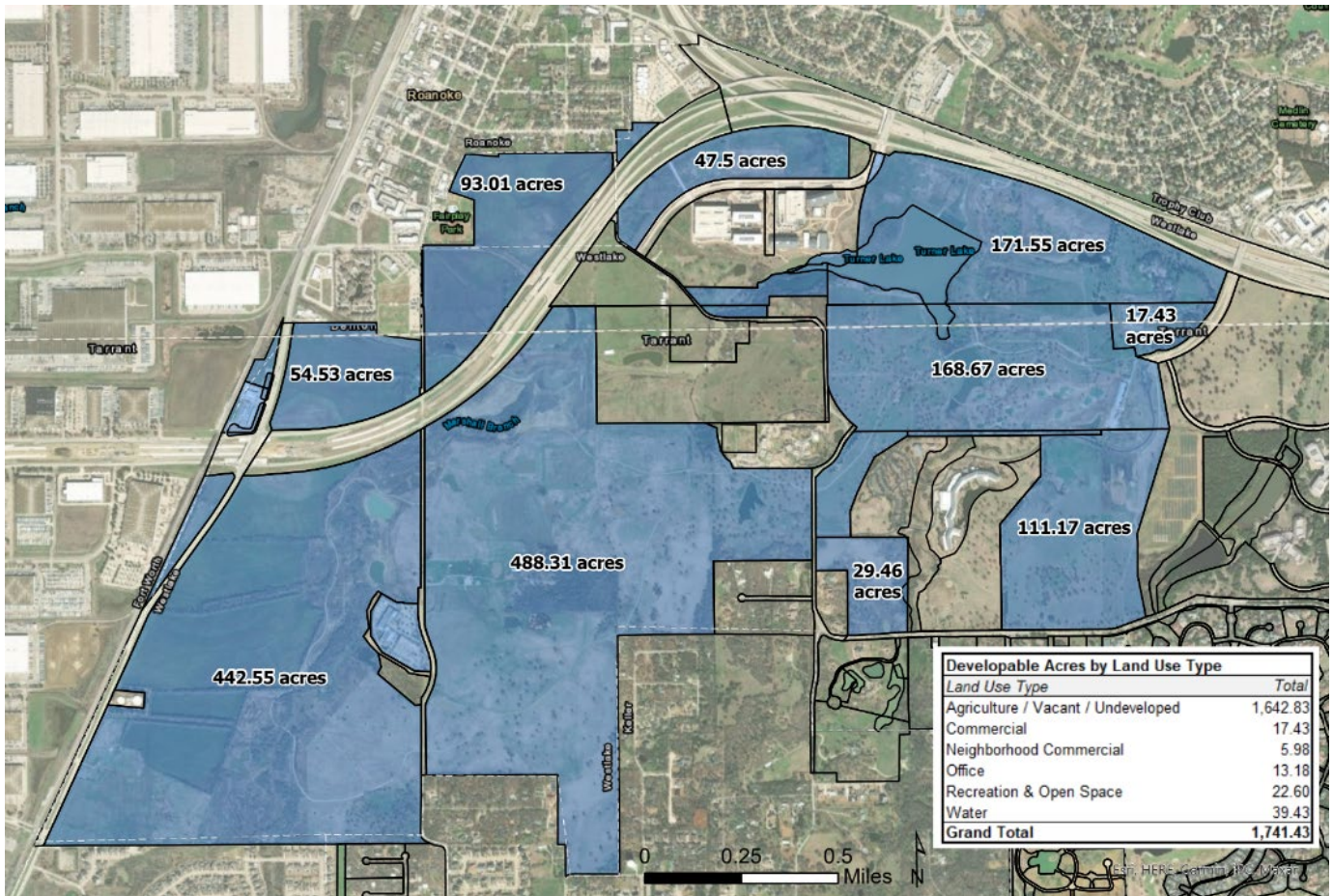
Map of all developable land in the Town of Westlake (identified as Agriculture/Vacant/Undeveloped) (Town of Westlake, Existing Land Use Dataset, 2022)

The above map reinforces the current abundance of agricultural land and open space (over half of Westlake's land area), which is one of the Town's distinguishing features. The next most prevalent land uses are rural residential/single-family, transportation corridors, and offices (largely corporate campuses).

As shown on the map below, Hillwood holds large plots of contiguous land, presenting a broad range of development options. Hillwood has expressed an interest in developing 2-4 additional corporate campuses, but additional plots of developable land would remain available – in particular, highly visible parcels along the highways that border Westlake. Notably, the land north of Highway 170 that lies within the boundaries of Westlake is broadly thought to be part of Roanoke due to its physical separation from the rest of the Town and is therefore seen differently by Town residents.



Vacant Westlake parcels north of Highway 170; City of Roanoke to left. (Baker Tilly photo)



Map of Hillwood developable land ownership in the Town of Westlake
(Town of Westlake, Existing Land Use Dataset, 2022)

Though a significant number of acres are classified for future land use planning as “vacant” or “undeveloped,” there are limitations to the feasibility of full development across much of this acreage – for example, the Circle T Ranch, agricultural grazing land, and green space. Given these realities, the land with the highest revenue-generating potential is likely those parcels situated along Highways 170 and 377, including the parcels north of 170 which border Roanoke.

Core Development Types and Patterns

The table below demonstrates that both existing and forthcoming real estate in the Town are dominated by offices, as seen in Westlake’s major corporate campuses for Deloitte, Charles Schwab, and Fidelity. The market, largely through the land deals executed by Hillwood, has favored corporate campus development in the Town, which has been a development type amenable to resident and leadership priorities. Notably, the Town has little retail space, as discussed later in this section, which is a segment with the potential to generate significant revenues for Town operations.

The Solana and Entrada developments have brought specialty and hospitality to the Town, including existing and proposed hotel space and event venues.

Table 3. Westlake Property Breakdown (CoStar)

Property Type	Building Status	Rentable Building Area
Health Care		7,788
	Existing	7,788
Hospitality		464,047
	Existing	244,297
	Final Planning	96,000
	Proposed	123,750
Office		4,685,711
	Existing	4,182,534
	Proposed	481,758
	Under Construction	21,419
Retail		154,766
	Existing	115,766
	Proposed	9,000
	Under Construction	30,000
Specialty		741,559
	Existing	741,559
Total		6,053,871

Residential

The Town is dominated by single-family homes situated on large lots within master planned developments, which are clustered in the southeast section of the Town, leaving relatively large chunks of developable land to the north/northwest. Westlake currently has three major residential developments in process, which consist of ultra-luxury single-family residences surrounded by wooded areas, consistent with the Town's emphasis on preserving and incorporating aesthetic open space into every development. These new developments are adjacent to activity centers like Solana and the Vaquero Golf Club.

Town residents are generally opposed to new multi-family development that may typically be incorporated into town center-style developments, and the Town indeed has very little multi-family residential development. However, some multi-family residential development has occurred in Entrada, including townhomes and condominiums.

Destination Commercial and Amenities

Westlake's two flagship multi-use developments are Solana and Entrada, which are both located in the northeastern part of the Town. Entrada is an 85-acre master-planned community that will feature over 1,000,000 square feet of office, retail, hotel, entertainment, and over 300 residential units with a mix of villas, townhomes, and condominiums. Entrada, like all developments in Westlake, has high architectural standards and will be designed to emulate the Catalonia region of Spain. The Entrada development has been paused for almost 10 years but has recently begun to progress under the leadership of a new town council. Solana Business Park is a mixed-use campus with offices, retail, and a Marriott hotel.

Circle T Ranch, a 2,500-acre multi-use development underway, is located in the northern portion of the Town at the intersection of State Highways 114 and 170. The development will bring retail, restaurants, and other amenities to the areas near Westlake's corporate campuses.

When seeking dining options, residents of Westlake visit restaurants on the north side of SH 114 (in the planned community of Trophy Club), as well as the neighboring communities of Southlake and Grapevine to the east. Additionally, downtown Roanoke (which borders Westlake to the north of the highway interchange) is a regional draw with restaurants and entertainment. Downtown Dallas is a draw for arts attractions.

Office

The corporate campuses of Deloitte, Charles Schwab, and Fidelity are clustered in the north/northwest section of the Town. Corporate campus development is a favored model in the Town, and Hillwood has expressed interest in developing additional corporate campuses on parts of its Circle T Ranch land. Westlake's corporate campuses serve as a major contributor to the Town's economic potential, making its daytime population exponentially larger than its permanent resident base. Several other companies also occupy office space in Westlake, including some of the companies included in the largest employers listing for the Town.

Industrial

Westlake currently has no significant industrial real estate space.

Competitor and Peer Community Context

Though none of the communities bordering Westlake are directly comparable, Southlake, which borders Westlake to the southeast, is its closest competitor. Southlake is roughly three times the size of Westlake by land area, and its population was nearly 32,000 in 2023 (nearly 25x the population of Westlake). The assessed value of all property in Southlake was \$10.85B in 2023, while the most recent 2022 data for Westlake show \$1.82B in assessed value. Sales tax revenues were almost \$48M in 2023, while Westlake's sales tax revenues totaled \$11.5M in 2022 (Westlake's sales tax revenues in a typical year are roughly \$7–8M). On a per-household basis, sales tax revenues were just over \$5,000 per household in Southlake, and over \$26,000 in Westlake (or roughly \$18,000 in a typical year). Per capita personal income was about \$80,000, just over half of Westlake's per capita personal income.

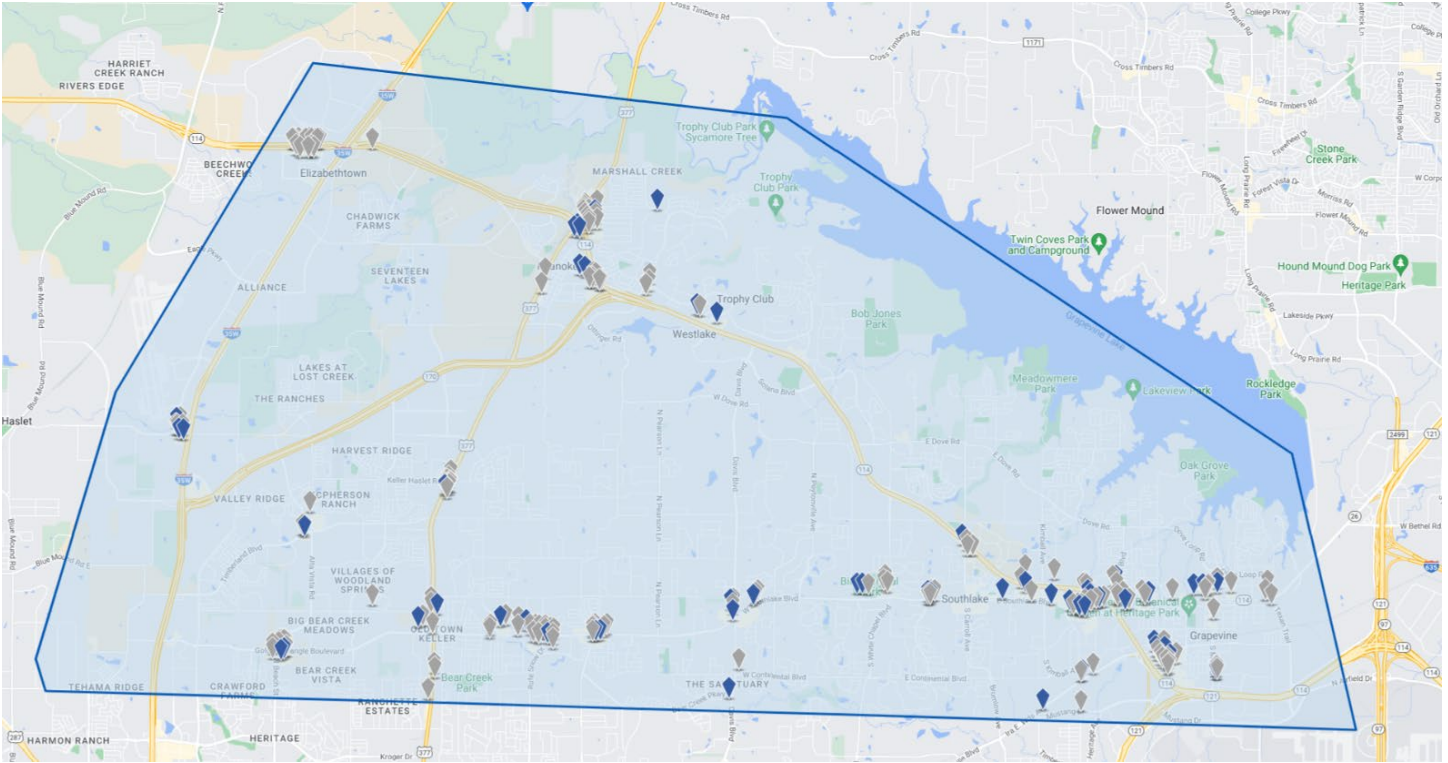
Roanoke, which is adjacent to Westlake to the northwest, is roughly the same size as Westlake by land area, with a 2023 population of 10,628. Assessed value of all property in Roanoke was \$3.35B in 2023. Sales tax revenues were \$18.75M in 2023. Per household sales tax revenues were just over \$5,000. Per capita personal income was about \$52,000 in 2023.

When scanning the MSA as a whole, Highland Park, Texas, located near downtown Dallas, emerges as a potential peer community in terms of its aesthetic character/high design standards and the significant wealth of its residents. Highland Park is roughly 1/3 the size of Westlake by land area and has a population of 8,719, nearly 5x the size of Westlake's; total assessed property value was \$7.4B in 2023; sales tax revenues were \$6.6M in 2023. Per household sales tax revenues were just over \$2,000.

These competitor and peer community statistics demonstrate Westlake's economic growth potential in terms of real estate development and commercial revenue-generating activity through increasing the intensity of development in the Town. In particular, Highland Park is an example of a wealthy community that has preserved its aesthetic character while promoting a high intensity of commercial activity combined with tight development patterns.

Retail Context

As demonstrated by the financial data above, Westlake's neighboring communities have significantly more retail development than Westlake. The map below clearly shows the pattern of retail establishments in Westlake and surrounding communities. The majority of retail in the region is clustered along major transportation corridors in Southlake, Grapevine, Keller, and Roanoke.



Map of retail properties in and around Westlake (Blue=on the market; Gray=unavailable) (CoStar)

This observation is reinforced by the table below, which shows Southlake and Grapevine having the highest amount of rentable building area for retail properties in the search area. Retail currently comprises less than 10% of total taxable sales in Westlake.

The Town's existing retail space is concentrated in the Solana and Entrada developments and includes businesses like restaurants, a CVS, salon and nail shops, and Starbucks.

Retail development in neighboring communities includes additional daily amenities like grocery stores, convenience stores, and gas stations which are not convenient to access for Westlake residents, as well as large concentrations of restaurants, shops, and other retail types.

Table 4. Comparison of Retail Rentable Area in Westlake and Neighboring Communities (CoStar)

Community	Retail Rentable Building Area
Grapevine	1,060,218
Southlake	1,055,827
Keller	797,546
Roanoke	789,582
Westlake	154,766

Revenue Growth

Increasing the tax base to generate additional revenues is a major priority for both Town leadership and residents, with the Town facing deferred maintenance requirements for its infrastructure. The Town's economic development prospects present a major opportunity to bring in new revenues largely in the form of sales tax.

The construction industry was a significant contributor to taxable sales during 2018-2020, which have since declined in volume. Sales tax revenues have a relatively volatile pattern year-over-year due to one-time bumps from new developments like data centers, demonstrating Westlake's historical revenue boosts due to one-time sales tax and fee revenues from new developments. Development in the Town is slowing, along with associated fee revenue, and will continue to drop off as the amount of developable land in the Town is reduced.

In this fiscal environment, the Town must balance the imperative for increased tax revenues with the Town's desire to preserve its low-intensity land use patterns. Typical large revenue producers like high-intensity development centers and big box retail stores are not present in Westlake.



Vaquero Golf Club, historically a top sales generator in Westlake. (Baker Tilly photo)

Community and Stakeholder Perspectives

While preparing the economic development plan, the team spoke with Town employees, residents, and the developer community. Town employees who provided input included the Mayor, Town Manager, Deputy Town Manager, and Planning Director. The team held two public meetings which included local businesses, as well as a workshop with the Town Council.

A multi-day site visit was also held during plan preparation, which included a community tour via automobile and helicopter of Westlake and surrounding communities, and conversations with Hillwood and members of Town leadership.

Westlake has also conducted past large-scale planning efforts – most notably through a 2015 Comprehensive Plan – but the Town largely relies on short-range planning efforts.

Previous Planning Efforts

Westlake's most recent comprehensive planning effort was completed in 2015. Though the plan is not recent, the goals and sentiments of the Town and its residents appear remarkably similar to those expressed today, evidencing that the Town has long been committed to preserving its semi-rural character and way of life.

Stakeholder Interviews

Interviews with Town employees revealed that many roles that may typically be handled by separate employees are often centralized in a single employee. Economic development activities are currently handled by the Deputy Town Manager.

Town leadership anticipates a small amount of future population growth, estimating an additional 500 to 1,000 residents over the next five years. This is largely due to the Town's desire for measured intentionality in its growth, as was emphasized by residents in public meetings. Westlake leadership sees a potential for some multi-family development to support the Town's growth and revenue needs but understands the importance of maintaining the Town's character and low-density development pattern. They identify the Town's large daytime population due to its corporate campus presence as a competitive advantage and major opportunity for growth and suggest that the Town explore ways to attract and retain young professional employees in the community.

Certain portions of Hillwood's highway-adjacent land ownership in the Town have been noted as a potential regional destination opportunity, with other off-highway areas remaining locally oriented. Leadership is focused on the need to boost revenues through sales tax as opposed to property tax. Town leadership expressed the same priority on preserving view corridors as residents, and noted that town center-type developments could also serve as open, communal spaces to complement Westlake's prized green spaces.

The Town's development is mostly governed by Planned Development (PD) Districts, which according to Town leadership has made it difficult to foster a cohesive identity for Westlake. Town leadership also noted that the Town has lagged in commercial development relative to nearby towns and currently lacks a clear long-term vision for its economic development, complemented by supporting policies and procedures.

Town leadership also suggests that Westlake could leverage its corporate presence to support entrepreneurship and innovation, noting that boosting commercial development to bring more people into interactive spaces in the Town could support this goal.

Public Meetings

Westlake residents and business owners attended two in-person public meetings at the end of September 2024, also attended by council members and the Mayor. Attendees answered poll questions about the Town's strengths, weaknesses, successes, and best features, as well as attendees' desires for

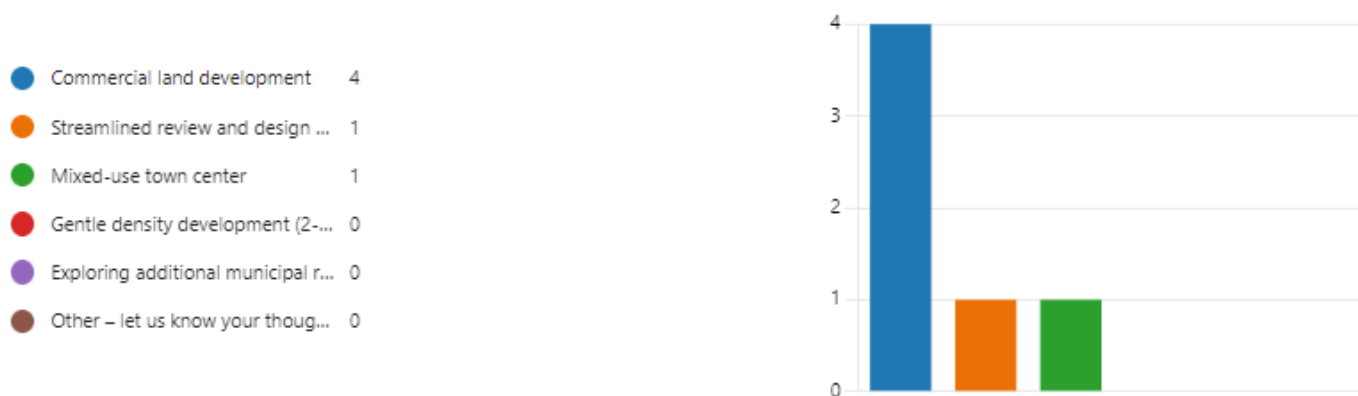
the Town's future. Town leadership noted that citizens had not often been asked to contribute to the Town's vision and direction, making resident input critical to inform the Town's economic development plan.

Several questions during the meetings asked about the Town's strengths and features residents love about Westlake. In response to these questions, attendees repeatedly emphasized the centrality of Westlake Academy to the Town's identity and success. Features like "architecture," "beauty," and "open space" were also commonly emphasized. In particular, residents emphasized the importance of not only open space in general but of the view corridors across the Town strategically highlighting key developments. A recent accomplishment contributing to the Town's strength is the change in Town leadership – several residents expressed renewed confidence in Town leadership since the new mayor took office, citing a perceived stabilization of government. Several also mentioned the attraction/expansion of corporate campuses like Charles Schwab and Deloitte.

When asked about their vision for the Town's economic future, residents largely answered with "sustainability" over the long term, with a focus on financial sustainability, demonstrating that residents are aware of the Town's financial challenges due to deferred maintenance needs and infrastructure upgrades. The graphic below shows that residents see a need for more commercial development in the Town to boost revenues. Residents' most frequently cited priority for the next five years was substantially increasing the Town's funding and handling infrastructure maintenance requirements. Several residents seemed to express a preference for funding infrastructure needs through impact fees rather than tax increases. Residents also emphasized the need to preserve the Town's character by pursuing growth intentionally and mindfully and keeping the Academy at the center of the Town's priorities. Residents want to be able to live and play within the Town limits, citing a desire for things like restaurants and grocery stores. One resident noted a lack of options for the Town's substantial daytime population to eat outside of office buildings. Residents want to see well-placed commercial development to support Town revenues, but they repeatedly emphasized a careful consideration of where certain types of businesses are placed within the community. Town leadership and residents would prefer high-end commercial development, including luxury boutiques and high-end restaurants. One resident expressed a desire to use the 170 corridor (particularly north of 170, which residents state has a different "feel" than the rest of Westlake) to maximize tax revenue – overall, a preference for town center, mixed-use type development in select locations throughout the Town, plus lower-end commercial north of 170 emerged as a trend.

What opportunities exist that might drive greater economic development and ongoing revenue sources for the Town?

[More Details](#)



As shown below, most residents favored a mixed-use, town center style for commercial development, with attention paid to the aesthetics of the architecture. One resident pointed out the existence of "home away from home" commercial centers in nearby towns filled with boutiques and other businesses people might visit on a day out.

What is your vision for the Town's economic future?

[More Details](#)

- Gentle density residential (2-3 st... 1
- Destination mixed-use commerc... 4
- Corporate campuses 1
- Technology, light-manufacturing 0
- Other – let us know your thoug... 0

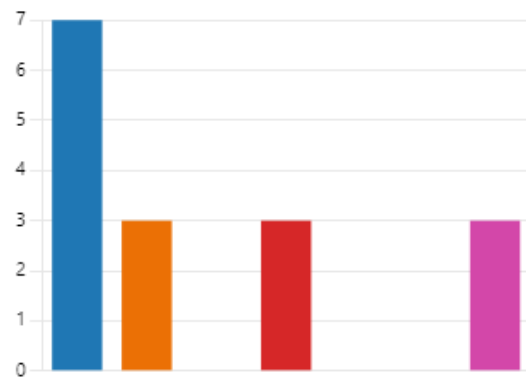


Residents also expressed a strong priority for finishing Entrada and potentially turning this into a town center over the next five years. Restaurants of all types and destination recreation were also desired development types; most residents expressed that they would not like to see lower-end developments like convenience, quick-trip, or big box retail in the Town. One resident also expressed opposition to entertainment venues.

What types of businesses / what type of development would you like to see in Westlake?

[More Details](#)

- Town Center (Mixed-use, retail, ... 7
- Restaurants (Fast casual, sit-dow... 3
- Entertainment (Concert venue, c... 0
- Destination Recreation (Income ... 3
- Convenience and Quick Trip Ret... 0
- Big Box Retail (e.g., Target, Wal... 0
- Other – let us know your thoug... 3



1	anonymous	Restaurants and Town Center
2	anonymous	it depends on the area - near core Westlake (around Davis and Solana) — limit to high end retail or commercial, plus SBUX-esque retail and services - near Schwab south of 170 — higher end retail / mixed use - north of 170 "stub" - mass market, gas stations, fast casual, etc.
3	anonymous	Getting a business like an HEB along the 170 corridor would be great, but careful consideration should be given to longevity and success.

Most residents said they would not like to see additional residential development; however, when asked what types of development would be acceptable (beyond single-family detached homes), residents said brownstones/townhomes may be appropriate, depending on quality and how these properties age.

Questions geared toward business owners revealed that they were drawn to Westlake based on being hired by developers building in the Town. The proximity to Dallas/Fort Worth International Airport was also

mentioned. Meeting attendees also favored using additional incentive programs for business development.

Community Survey

As part of the strategic planning process for the Town of Westlake, Baker Tilly developed and deployed multiple surveys to obtain input from community members and Town/Academy employees, as well as from the economic development/real estate community. The survey questions were developed by Baker Tilly and were refined following discussions with the Westlake project team.

The community survey was advertised on the Town's social media pages, website, and through email communications with community groups. The survey was open from October 2-18, 2024. A total of 130 community members responded to the survey. This represents nearly an 80% confidence interval, using a sample size based on the 2022 population estimate of 1,840 for the Town.

An email invitation was also sent to employees on October 2, and this survey closed on October 18, 2024. A total of 82 employees (53% of Town and Academy employees) responded to the employee survey. Although we received only two survey responses from the economic development/real estate community, this information is supplemented by insights gathered during the site visit.

The survey generally revealed similar patterns when compared to the public meeting surveys, emphasizing the fact that preserving the look, feel, and experience of the Town is front-of-mind for many residents and community members. Maintaining open spaces, vistas and well-designed buildings and landscapes is of high importance to Westlake residents. There is recognition of the importance of economic impact and a desire to maintain the high-quality standard of the Westlake experience in the coming years.

Desired Development Types

When asked about the types of future economic development preferred in Westlake, 42% of survey respondents from the community prefer "restaurants (fast casual, sit-down, high-end/boutique, etc.)" as the primary type of new business to develop; this is followed by "town-center development, including mixed-use, retail, housing, amenities, etc. (25% of respondents). Town of Westlake and Academy employees expressed similar views.

Table 5. What types of business / what types of development would you like to see in Westlake?

Question 2. What types of businesses / what types of development would you like to see in Westlake? (Respondents were given two choices)	Community	Employees
Restaurants (Fast casual, sit-down, high-end/boutique, etc.)	109 (42%)	43 (34%)
Town Center (Mixed-use, retail, housing, amenities, etc.)	66 (25%)	29 (23%)
Other options selected by survey participants		
Other	27 (10%)	19 (15%)
Entertainment (Concert venue, cinema, etc.)	27 (10%)	12 (10%)
Destination Recreation (Income-generating sports and recreation attractions)	17 (7%)	11 (9%)
Convenience and Quick-Trip Retail (Gas stations, dry cleaning, etc.)	12 (5%)	2 (2%)
Big Box Retail (e.g., Target, Walmart, Costco, etc.)	2 (1%)	9 (7%)
Totals	260	125

Types of Development Not Desired

Conversely, survey respondents were asked about the type(s) of businesses that should not be developed in Westlake. Both residents (44%) and employees (42%) are averse to "big box retail (e.g., Target, Walmart, Costco, etc.)." "Convenience and quick-trip retail (gas stations, dry cleaning, etc.)" was

the next highest percentage among the respondents; community members (28%) and employees (26%). Respondents noted that these types of businesses are located close by in neighboring communities to explain why these businesses are not desired in Westlake.

Table 6. What types of businesses do you NOT want in Westlake?

Question 3. What types of businesses do you not want in Westlake? (Respondents were given two choices)	Community	Employees
Big Box Retail (e.g., Target, Walmart, Costco, etc.)	108 (42%)	47 (39%)
Convenience and Quick-Trip Retail (Gas stations, dry cleaning, etc.)	69 (27%)	29 (24%)
Other option selected by survey participants		
Destination Recreation (Income-generating sports and recreation attractions)	31 (12%)	6 (5%)
Entertainment (Concert venue, cinema, etc.)	19 (7%)	13 (11%)
Other	16 (6%)	16 (13%)
Town Center (Mixed-use, retail, housing, amenities, etc.)	17 (6%)	6 (5%)
Restaurants (Fast casual, sit-down, high-end/boutique, etc.)	0 (0%)	4 (3%)
Totals	260	121

Future Economic Vision

Community and employees, Town Council and Town leaders have a distinct vision for the economic future of Westlake. When asked about an economic vision for the future, survey respondents provided themes summarized in the table below.

Table 7. What is your vision for the Town's economic future?

#	Community Themes	Employee Themes
1	Bring middle- to high-end shopping, restaurants and retail.	Support development and infrastructure.
2	Selectively attract new businesses that still preserve small-town charm.	Identify ways to better fund Westlake Academy and increase amenities around the Town.
3	Bring more local quality restaurants and high-end amenities.	Increase revenue with the addition of restaurants and retail.
4	Avoid introducing additional taxes.	Leverage the Academy as a "selling point."
5	Continue financial support to Westlake Academy.	Continue to develop and expand the Westlake Academy campus.
6	Address the Entrada development by strategically sourcing the right businesses.	

Internal Policies and Procedures

Westlake's policies, procedures, and tools surrounding economic development are not well documented, developed, and controlled. The Town's economic development operations could be further professionalized, and staff capacity is limited with individuals serving in multiple roles.

In order to implement the vision and goals the Town identifies via this economic development planning effort, a suite of economic development policies, procedures, tools, and supporting human resources will need to be developed to support the Town's economic vision in a consistent, strategic, and transparent manner.

Economic Development Tools and Best Practices

The Town of Westlake does not have policies or SOPs governing its use of economic development tools, including incentives. However, the Town has executed economic development agreements on an ad-hoc basis. Past agreements have, for example, waived land dedication obligations and trail construction requirements in exchange for charitable donations, and granted tax abatements.

The Town has used commercial/industrial tax abatement reinvestment zones for its corporate campuses. The Town approved an ad valorem tax abatement and reimbursement of sales taxes generated by construction for at least one campus expansion. It is unclear whether the Town implements a "but for" test for the award of incentives, which would dictate that incentives should only be used in situations where they are a deciding factor for companies making investment decisions.

The Town has generally not pursued incentives for small businesses, but both Town leadership and residents have expressed a willingness to consider creating such a program.

The Town also demonstrates a concern for sustainability. Town Code includes certain land dedication requirements for dedicated parks or reserved public open space in connection with nonresidential developments, meant to ameliorate or eliminate environmental impacts, buffer adjoining land uses, and prevent undue concentration of paved areas.

As mentioned, zoning is typically implemented via Planned Development (PD) Districts. The Town has expressed a willingness to simplify its zoning requirements to reduce barriers for developers.

Strengths, Weaknesses, Opportunities, and Threats (SWOT)

When analyzing the economic, demographic, and real estate factors outlined in this report, as well as community and stakeholder perspectives, the Baker Tilly team has identified the following strengths, weaknesses, opportunities, and threats for the Town of Westlake's economic development efforts.

Strengths

- Strong resident civic involvement with a healthy awareness of Town's fiscal situation
- Large tracts of developable land remaining in the north/northwest area of the Town, which allows for creative possibilities
- New Town leadership, with increased professionalization
- Strong Town aesthetic/natural beauty
- Corporate anchors bringing a large daytime population

Weaknesses

- Small resident population which must be supplemented by other sources of demand
- Low population growth potential
- Lack of a long-term vision for economic development
- Lack of internal infrastructure, like comprehensive policies, procedures, and tools for economic development
- Opposition to certain commercial development types that could generate large tax revenues
- Opposition to multifamily development that could attract and retain young professionals
- Need for professional Town staff to support leadership and implement programs
- Lack of amenities for daytime population
- Need for new revenue to maintain fiscal sustainability of Town operations
- Planned Development zoning districts present barriers for developers

Opportunities

- Leveraging the daytime population as a distinct demand group to support additional commercial development
- Implement development types strategically throughout different areas of the Town to define Westlake's identity and maintain the semi-rural character of the community

Threats

- Competing communities have taken advantage of historical regional growth through commercial development, which may present competition to the success of development in Westlake that attempts to attract a regional audience
- Mobility of corporate anchors
- Working through timeline and decision-making delays for development

Strategic Priorities and Action Agenda

Westlake's unique position on the suburban edge of the Dallas-Fort Worth metroplex positions it well to leverage the ongoing economic activity and reinvestment being driven by new housing construction and job creation. Because the Town holds a key asset in a substantial amount of developable land, it can strategically position itself and craft a customized approach for its economic development efforts. This approach can be framed as a mutually beneficial balance of value capture and value creation by investing in its economic strengths and capitalizing on regional market activity. With respect to the Town's need for fiscal sustainability and economic resilience, a core set of strategies can guide future decision making and the prioritization of projects for the benefit of the community.



Charles Schwab campus and adjacent highway-abutting developable land. (Baker Tilly photo)

To be successful in a strengthened position of economic resilience, the Town will need to pursue simultaneous strategies to achieve goals of supporting new construction and development, maintaining and enhancing community identity and sense of place, and effectively managing the development services process to move at the pace of business. These strategies have a primary market focus of economic diversification, while the community perspective seeks to maintain the Town as a desirable place to live. Within this dynamic, real estate development can be used as a vehicle to elevate the Town into a position of improved fiscal strength. Westlake has an opportunity to leverage demand from its existing businesses as well as households in the surrounding region. Key considerations for these strategies include:

- Create a balanced approach for the Town's future by leveraging developable land to generate new tax revenues while preserving community character;
- Harness the market potential of new household creation in the northern portions of the DFW metroplex to support new housing development in limited portions of the Town;

- Collaborate with the large corporate campuses to support new development that creates a symbiotic relationship between the spending demand of employees and the delivery of new retail amenities in mixed-use projects; and,
- Leverage visibility and access along Highways 114 and 170 to implement a placemaking initiative that elevates Westlake as a community of choice.

Table 8. Strategies Matrix for Economic Diversification

No.	Action	Components & Considerations	Relationship Building
Economic Development			
1	Prioritize development sites along highway corridors to pursue a mixed-use development approach.	<ul style="list-style-type: none"> • Focus development on the visual line-of-sight of Highways 114, 170, and 377. • Leverage the highway's visual element to co-brand the projects with Westlake, the developer, and major tenants. • Highway development sites offer an advertising opportunity for the Town to distinguish itself in the market. 	<ul style="list-style-type: none"> • Coordinate future development and land use planning decisions with Hillwood. • Build relationships with real estate brokers to anticipate tenant needs and guide future projects.
2	Leverage the employees and visitors of existing corporate campuses to drive demand for new development.	<ul style="list-style-type: none"> • Employees of major corporate users present opportunities for value creation in the Town's economy. • New development that responds to employee demand creates value capture for economic diversification. • New projects should focus on delivering uses that appeal to employees before, during, and after work. 	<ul style="list-style-type: none"> • Build relationships with the existing corporate users to identify future development opportunities that align with their needs. • Conduct a survey of existing employees to determine potential levels of demand for new uses.
3	Strategically position the Town as a prime location for the new construction of corporate campuses.	<ul style="list-style-type: none"> • Delineate future land use districts that can accommodate corporate campuses. • Publish design guidelines and details about the development review process for future users and Hillwood. 	<ul style="list-style-type: none"> • Coordinate with Hillwood to manage expectations and receive updates about potential new projects. • Establish development review standards with Town staff and elected officials to anticipate future projects. • Publish details about future land use management for Town residents to review and understand.
4	Focus new development efforts on projects that will drive tax base diversification.	<ul style="list-style-type: none"> • Focus on projects that will support and strengthen Town revenue sources from sales tax and ad valorem tax. • Align land use management decisions with the need for additional tax revenue. • Consider different development patterns that create a higher density of tax base, including mixed-use buildings, walkable districts, and big box stores. 	<ul style="list-style-type: none"> • Establish a review procedure for Town staff and elected officials to estimate potential new taxes derived from proposed projects. • Align future land use management and development services review with potential anticipated projects.

No.	Action	Components & Considerations	Relationship Building
5	Emphasize an increase in the intensity of development patterns to support the financial viability of projects for both developers and the Town.	<ul style="list-style-type: none"> Dense design patterns support a mix of uses and can create multiple revenue sources for project pro formas. Density can be measured with lot coverage and dwelling units per acre. New development patterns can focus on mixed-use programming that includes housing, retail, amenities, and entertainment. Housing can include luxury multi-family and condos in the form of townhomes, brownstones, and stacked flats. Development impact fees can cover the additional infrastructure and other costs incurred by the Town as a result of new developments. 	<ul style="list-style-type: none"> Coordinate with Hillwood to align their housing prototypes with Town design standards. Clarify Town design standards internally with staff and elected officials to directly manage expectations with developers and remove ambiguity from the decision-making process.
Community Building & Identity			
6	Develop placemaking priorities for key locations in the Town to establish activity centers and a visual identity.	<ul style="list-style-type: none"> Identify future development areas in the Town and align land use management goals and decisions with those locations. Leverage future development at key locations to create activity centers and focal points. Focus on branding opportunities along the highway corridors to create visual prominence for the Town. Consider mixed-use, walkable districts with a higher intensity of development at key locations, which can be anchored by big box retail, hotels, or another large user. 	<ul style="list-style-type: none"> Align future land use management decisions with a higher intensity development pattern at certain locations. Align Town staff and elected officials to future land use decisions and how a development services review will consider potential anticipated projects.
7	Develop a common design standard and aesthetic for the Town to guide developers and their proposals.	<ul style="list-style-type: none"> Develop and publish design standards to manage expectations about the visual aesthetic of new development and how projects will be reviewed by Town staff and elected officials. Clarify acceptable use types and space programming layouts to manage building massing and density. Balance aesthetic expectations with project economics to not over-design a project and make it infeasible. 	<ul style="list-style-type: none"> Align Town staff and elected officials on design standards and their role in the development review process. Publish the design standards for easy access by developers and residents.
8	Create opportunities and events to engage the community in civic spaces.	<ul style="list-style-type: none"> Integrate public gathering spaces into new development to host community activities. Co-brand these civic spaces with the developer and tenants to market the Town. Consider developing a regular schedule of activities to offer community gathering opportunities. 	<ul style="list-style-type: none"> Coordinate with developers to encourage the incorporation of public space into projects. Leverage Town staff to assist in managing community events. Coordinate with the Metroport Chamber to host events.
Town Development Services			

No.	Action	Components & Considerations	Relationship Building
9	Publish materials that describe the Town's development review process to assist developers in managing new projects.	<ul style="list-style-type: none"> Develop and publish online materials that establish a step-by-step guide that outlines the development review process. Leverage the guide to manage expectations of developers and clearly communicate Town regulations. The guide should remove ambiguity from the decision-making process and establish clear guidelines. 	<ul style="list-style-type: none"> Coordinate with Town staff to develop the guide. Publish the guide on the Town's website and regularly maintain it for accuracy.
10	Develop and maintain a standard process to review incentive requests for developers and corporate users for financial assistance.	<ul style="list-style-type: none"> If the Town wishes to expand its incentive offerings, it should establish a standard process for reviewing requests. The standard process should include application materials, a scoring or evaluation rubric, and a standardized review and approval/denial process. Potential incentive offerings should be structured and offered to companies in a substantially similar way. Ambiguity and arbitrary decisions should be removed from the process. 	<ul style="list-style-type: none"> Coordinate with Town elected officials about their willingness to offer incentives. If Town elected officials support the idea, work internally with staff to build the processes and procedures.
11	Conduct ongoing community engagement about new development and capital infrastructure to help guide decision making.	<ul style="list-style-type: none"> Continue to maintain existing community engagement efforts with Town residents about new updates. Conduct focused engagement efforts for potential new projects to solicit feedback about proposals. 	<ul style="list-style-type: none"> Designate Town staff to manage the engagement efforts. Provide regular updates to Town elected officials about feedback received. Consider using an online tool, like Social Pinpoint, to make feedback publicly available.

Conclusion

The Town of Westlake has a significant opportunity to promote its unique character and brand while bringing in additional Town revenues and providing for the needs of its residents. These opportunities will be best leveraged through partnerships with existing stakeholders in the Town, including corporate campus partners and major landowner Hillwood, in alignment with the Town's priorities and resident preferences. The Town should also think of its regional context as a contributor to its goals and growth; leveraging demand from continued regional household growth in combination with the corporate campus daytime population within Westlake's bounds will contribute to a strong economic base.

The Town has demonstrated a strong priority on balancing the maintenance of Westlake's natural beauty and community identity with the need for strategic growth in areas that will both enhance this identity and bring in new Town revenues. The strategies recommended in this report effectively balance these dual priorities, supported by a robust internal infrastructure and suite of tools to achieve both ends.