



Audit Findings on Parkland Dedication Fees

Parks and Recreation Board Meeting

June 25, 2013

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LEGAL JUSTIFICATION FOR PARKLAND IMPACT FEES

In Texas and the nation, courts have ruled it is legal for municipalities to require residential developments to either dedicate land for park purposes or contribute to a special fund to be used for neighborhood parks.

- The parkland or fee requirement is regarded as mitigation for the impact of the additional burden on the park system .
- Ordinance adopted in 1985
- Land Development Code requires land or fees in Sub-division Ordinance. (Code Reference:25-4-212)
- **Applicability:**
 - Sub-dividing raw land, re-platting and site plans
 - Residential land uses only: Single family, multi-family including mixed use



HOW DOES THE ORDINANCE WORK?

- There are five (5) options
 - (1) Donating land ;
 - (2) Fees in lieu of land (most common);
 - (3) Combination of both;
 - (4) Up to 1/2 credit for private park amenities;
 - (5) Special Districts: PUDs & MUDs
- Parkland fee expenditures should benefit the new residents of the sub-division that paid the fees.
- Preferably, Parkland Fees are spent within a one-mile radius of the residential development that paid the fee.
- Exception: If no opportunities exist within the one-mile radius, the fees are spent on the nearest available opportunity.



ORDINANCE DOES NOT APPLY TO

Ordinance does not apply to:

- Commercial properties
- Affordable units within a residential development
- Residential subdivisions with four single family lots or less

Parkland Fees can be used for:

- Land Acquisitions.
- For development of additional facilities on existing parks such as new playscapes, tennis courts, trails, etc...

Parkland Fees can NOT be used for:

- Park maintenance, Operations, Programs, Staffing, or Special Events.



FINDING # 1

- PARD has not complied with the PLD Ordinance requirements for expending fees within five years, which may put unexpended funds at risk.

Action Plan (June/July 2013)

- 1st, clarification on what constitutes 'at-risk'
- Movement and management of Parkland Dedication Funds from CIP Division to Planning & Design.
- Focus on smaller and community initiated projects.
- Staff will develop a set of criteria to prioritize park improvements.
- Staff will be working with Parks Board and Council on amending the current PLD policy based on contemporary needs
 - Possibly revise geographic limitations
 - Clarify how the funds can accrue



FINDINGS # 2

- While during FY 2012, expenditures of PLD Fees have been for appropriate uses and for the intended recipients, PARD's calculation of fee assessments is not always accurate, which puts the City at risk of collecting incorrect amounts from developers.

NOTE: PARD clarified some information that was later retracted from the Auditor's Office but not corrected in their written findings.

✓ Action Plan (June/July 2013)

- PARD is working collaboratively with the Planning & Development Review Department to address this issue. Some process improvements include:
 - Creation of a PARD Standard Form that must be used for all transactions, including corrections to the sites, requiring PARD signature.
 - New training commitments from the Land Use Review Team with a focus on corrections/ modifications of site plans.



FINDINGS # 3

- The PARD Director should develop and implement a plan to make PLD information, including information on the collection, expenditure, and availability of PLD funds, readily available to developers and the public. PARD's website may be one vehicle for making this information readily available.

Action Plan (August 2013)

- **Actively working with our web designer to develop a web-site that includes:**
 - 1. Location of site plans.
 - 2. Show Parkland Improvements.
 - 3. Information on Type of improvements.
 - 4. Process for PARD's consideration for funding park improvements.



FINDINGS #4

Findings 4: The peer city entity comparison performed by the auditors indicated that Austin's dollars per dwelling unit (\$650) is lower than most other city entities.

Action Plan (August/ September 2013)

- Other peer cities fees range from Houston at \$700, El Paso \$1,300, and Minneapolis \$1,500.
- PARD will meet with the Budget Officer and the City Manager's Office to determine the best strategy to increase the fee in the near future.



PLD BALANCES BY ZONE

Zone 1 NW	\$1.8M	Zone 3 N	\$0.3M	Zone 2 NE	\$0.4M
Zone 4 W	\$0.1M	Zone 5 NC	\$0.03M	Zone 7 E	\$0.1M
		Zone 6 SC	\$0.3M		
Zone 8 SW	\$1.8M	Zone 9 S	\$0.8M	Zone 10 SE	\$1.8M

HISTORICAL DATA ON PLD EXPENDITURES 2007-2012

