Existing Ordinance

ORDINANCE NO. 20070621-027

AN ORDINANCE AMENDING CHAPTERS 25-1 AND 25-4 OF THE CITY CODE AND REPEALING CHAPTER 25-2, SUBCHAPTER E, SUBSECTION 4.3.3.F, PARAGRAPH 5 OF THE CITY CODE RELATING TO PARKLAND DEDICATION; AND ESTABLISHING THE PARKLAND COST FOR EACH DWELLING UNIT.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Chapter 25-1 *(General Requirements And Procedures)* of the City Code is amended to add Article 14 to read:

ARTICLE 14. PARKLAND DEDICATION.

§ 25-1-601 APPLICABILITY.

(A) Except as provided in Subsections (B) and (C), the parkland dedication requirements of this article apply to:

(1) residential subdivisions; and

(2) site plans with three or more dwelling units.

(B) This article does not apply in the portion of the City's extraterritorial jurisdiction that is within Travis County. Parkland dedication for that area is governed by Title 30 *(Austin / Travis County Subdivision Regulations).*

(C) The following are exempt from the requirements of this article:

(1) a plat with not more than four lots designated for a single-family residential use that may be approved without a preliminary plan;

(2) a resubdivision of land that does not increase the number of dwelling units or lots by more than three;

(3) a subdivision for which a preliminary plan was approved after June 30, 1984 and before July 8, 1985;

(4) a subdivision or site plan within a municipal utility district that has a consent agreement and land use plan approved by the City that provides for the dedication of parkland or recreational facilities or the payment of fees instead of dedication of the parkland or facilities; and

(5) a subdivision or site plan for which parkland was previously dedicated or payment made under this title, except for the dwelling units or lots that exceed the number for which dedication or payment was made.

§ 25-1-602 DEDICATION OF PARKLAND REQUIRED.

(A) A subdivider or site plan applicant shall provide for the parkland needs of the residents by the dedication of suitable land for park and recreational purposes under this article.

(B) For a subdivision, the area to be dedicated must be shown on the preliminary plan and the plat and included in the dedication statement. The subdivider shall dedicate to the City all parkland required by this article when a plat is approved.

(C) For a site plan, the area to be dedicated must be shown on the site plan and in a deed to the City. The applicant shall dedicate to the City all parkland required by this article before the site plan is approved.

(D) The amount of parkland required to be dedicated to the City is five acres for every 1,000 residents, as determined by the following formula:

$$\frac{5 \text{ X (Number Of Units) X (Residents Per Unit)}}{1000} = \text{Acres of parkland}$$

(E) In calculating the amount of parkland to be dedicated under this section, the number of residents in each dwelling unit is based on density as follows:

Dwelling Units Per Acre	Residents In Each Dwelling Unit
Not more than 6	2.8
More than 6 and not more than 12	2.2
More than 12	1.7

(F) If the density of a development is not known:

(1) the density is assumed to be the highest permitted in the zoning district, or if the property is not zoned, 24 dwelling units per acre; or

(2) the developer may reduce the assumed density by restricting density in a restrictive covenant enforceable by the City and approved by the city attorney.

(G) The subdivider or site plan applicant shall pay all costs of transferring the parkland to the City, including the costs of:

(1) an environmental site assessment without any further recommendations for clean-up, certified to the City not earlier than the 120th day before the closing date;

(2) a Category 1(a) land title survey, certified to the City and the title company not earlier than the 120th day before the closing date;

(3) a title commitment with copies of all Schedule B and C documents, and an owner's title policy;

(4) a fee simple deed;

(5) taxes prorated to the closing date;

(6) recording fees; and

(7) charges or fees collected by the title company.

§ 25-1-603 STANDARDS FOR DEDICATED PARKLAND.

(A) Land to be dedicated as parkland must comply with the standards in the Comprehensive Plan, the Park and Recreation Action Plan, the Administrative Criteria Manual, and this section.

(B) The director of the Parks and Recreation Department shall determine whether land offered for dedication complies with the standards for dedication.

(C) Fifty percent of acreage in the 100 year floodplain that is dedicated as parkland may be credited toward fulfilling the requirements of this article if the adjoining land within the 25 year floodplain, if any, is also dedicated as parkland. The land within the 25 year floodplain may not be credited toward fulfilling the requirements of this article.

(D) Land identified on the Critical Areas Map maintained by the Watershed Protection and Development Review Department that does not otherwise comply with the standards for parkland dedication may be accepted as dedicated parkland if the director of the Parks and Recreation Department determines that the land will provide recreational or educational opportunities for the surrounding community. In this event, 50 percent of the acreage may be credited toward fulfilling the requirements of this article.

§ 25-1-604 PRIVATE PARKLAND.

(A) The director of the Parks and Recreation Department may allow up to a 50 percent credit toward fulfilling the requirements of this article for privately

owned and maintained park and recreational facilities that are for use by the public.

(B) The director of the Parks and Recreation Department may allow up to a 100 percent credit toward fulfilling the requirements of this article for private parkland in a subdivision or site plan located outside the city limits, if:

(1) the director of the Parks and Recreation Department determines that the private parkland meets City parkland standards; and

(2) the land owner agrees to dedicate the private parkland to the City when the City annexes the land for all purposes.

(C) Private parkland excludes yards, setback areas, and open spaces required by this title.

§ 25-1-605 PAYMENT INSTEAD OF LAND.

(A) The director of the Parks and Recreation Department may require a subdivider or site plan applicant to deposit with the City a cash payment or fiscal security instead of the dedication of parkland if:

(1) less than six acres is required to be dedicated; or

(2) the land available for dedication does not comply with the standards for dedication.

(B) A subdivider must make the deposit before the subdivision may be approved, except that for the portion, if any, of the subdivision that requires a site plan, the subdivider may defer the deposit until after a site plan is filed.

(C) A site plan applicant must make the deposit before the site plan may be approved.

(D) The amount of the deposit is determined by multiplying the number of dwelling units by the parkland cost for each dwelling unit, excluding the affordable dwelling units. The determination is made on the date of the deposit using the most recent parkland cost for each dwelling unit. In this subsection:

(1) The number of dwelling units is:

(a) for a deposit made at the time of subdivision, calculated in accordance with Section 25-1-602 *(Dedication Of Parkland Required)*; or

(b) for a deposit made at the time of site plan, the number shown on the site plan.

(2) The parkland cost for each dwelling unit is:

(a) based on a report by the city manager that analyzes of the costs of acquiring and developing parkland and determines the proportionate share of those costs attributable to new residential development;

(b) approved by council; and

(c) periodically reviewed by the city manager and council.

(3) Affordable dwelling unit means a dwelling unit that is certified by the director of the Neighborhood Housing and Community Development Department as being reasonably priced under the S.M.A.R.T. Housing Program standards adopted by council resolution for rental or purchase by a household earning not more than 80 percent of the median family income for the Austin statistical metropolitan area.

(E) A deposit must be placed in the City's Neighborhood Park and Recreation Improvement Fund. The deposit must be used for the acquisition or improvement of neighborhood parks that will benefit the residents of the subdivision or site plan and that are located in the service area defined by the Parks and Recreation Department.

(F) The City shall expend a deposit within five years from the date it is received. This period is extended by five years if, at the expiration of the initial five year period, less than 50 percent of the residential units in the subdivision or on the site plan have been constructed.

(G) If the City does not expend a deposit by the deadline described in Subsection (F), and the actual number of residential units constructed is less than the number assumed at the time the deposit was calculated, the owner may request a refund. The request must be in writing and filed with the director of the Parks and Recreation Department not later than 180 days after the expiration of the time period described in Subsection (F). A refund is calculated by multiplying the percentage of the reduction in the number of residential units times the amount of the deposit. A refund may not exceed the unexpended amount of a deposit.

§ 25-1-606 SUBMITTAL REQUIREMENTS.

(A) The director of the Parks and Recreation Department may request that the subdivider or site plan applicant provide information relating to proposed parkland to determine whether the proposed parkland complies with this article.

(B) A subdivider or site plan applicant shall provide the information requested under this section.

PART 2. Chapter 25-2, Subchapter E, Subsection 4.3.3.F, Paragraph 5 of the City Code is repealed, and the remaining paragraph renumbered accordingly.

PART 3. Chapter 25-4, Article 3, Division 5 *(Parkland Dedication)* of the City Code is repealed and replaced with a new Division 5 to read:

Division 5. Parkland Dedication.

§ 25-4-211 PARKLAND DEDICATION.

The platting requirement for parkland dedication is governed by Chapter 25-1, Article 14 *(Parkland Dedication)*.

PART 4. In calculating a deposit under Section 25-1-605(B) *(Payment Instead Of Land)*, the parkland cost for each dwelling unit is $650. This dollar amount is based on a report by the city manager that analyzes the cost of parkland acquisition and development and determines the proportionate share of those costs attributable to new residential development. The city manager is instructed to prepare a similar report every three years that includes a recommendation for adjusting the dollar amount.

PART 5. This ordinance takes effect on July 2, 2007.

PASSED AND APPROVED

June 21, 2007 § Will Wynn
Mayor

APPROVED: David Allan Smith
City Attorney

ATTEST: Shirley A. Gentry
City Clerk

City Council Resolution #201408047-093

August 7, 2014

RESOLUTION NO. 201408047-093

WHEREAS, the City of Austin Parkland Dedication (PLD) Ordinance No. 20070621-027 established an initial parkland dedication fee for each dwelling unit at $650, payable at the time of site plan approval, with the dollar amount being based on a report by the City Manager that analyzes the cost of parkland acquisition and development and determines the proportionate share of those costs attributable to new residential development; and

WHEREAS, the PLD Ordinance further instructed the City Manager to prepare a similar report every three years that includes a recommendation for adjusting the dollar amount; and

WHEREAS, the answer to Council Budget Question #43 in June 2014, requesting relevant tri-annual reports since 2007, with subsequent analysis and dedication fee adjustments, indicated the first report and recommendation for Council consideration will be provided by December of 2014;

WHEREAS, in November 2009, the Austin City Council adopted Resolution No. 20091119-068 establishing the policy goal that publicly accessible and child-friendly parks or green space be provided within ¼ mile walking distance of all urban core residents and within ½ mile walking distance of all residents outside the urban core; and

WHEREAS, Resolution No. 20091119-068 also directed the City Manager to create a working group of stakeholders to develop the implementation to reach the urban park goals, concluding in the City of Austin Urban Parks Workgroup report from October 6, 2011; and

WHEREAS, the Urban Parks Work group made several recommendations including allowing public easements on private land as an alternative to dedication of parkland and suggested changes to the PLD fee-in-lieu calculation to index it to inflation to be responsive to land costs in that district and also to tie assessments to the square footage of a unit versus a flat per unit assessment; and

WHEREAS, Council adopted Resolution No. 20120301-051 endorsing the recommendations of the Urban Parks Workgroup report and directed the City Manager to begin work on implementation; and

WHEREAS, a May 2013 Parkland Dedication Audit report identified general compliance with the PLD Ordinance but indicated the parkland dedication fee required by the City is lower than fees assessed by peer entities; and

WHEREAS, the Parks and Recreation Board Recommendation No. 20130723-002 cites the work of Professor John L. Crompton and his *Analysis of Parkland Dedication Ordinances in Texas*, published in the Journal of Park and Recreation Administration in 2010, which provides options and comparisons of assessment levels and methodologies throughout the state along with relevant case law; and

WHEREAS, the Parks and Recreation Board Recommendation No. 20130723-002 supported the audit and, citing *An Analysis of Parkland Dedication Ordinances in Texas* made further recommendations for transparency, assessment methodology, and consideration of Municipal

Utility Districts (MUDs) and Planned Unit Developments (PUDs) while maintaining a consideration of affordable dwelling units; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is directed to develop a method to ensure regular analysis and recommendation for adjustment of the Parkland Dedication fee every three years as indicated in Ordinance No. 20070621-027;

BE IT FURTHER RESOLVED:

The City Manager is directed to report and provide staff's first analysis and recommendation for adjustment of the parkland dedication fee to Council by November 6, 2014.

BE IT FURTHER RESOLVED:

The City Manager is directed to conduct a comprehensive review and make recommendations for revisions to the existing Parkland Dedication Ordinance, including but not limited to:

- Fee calculation and amount;
- Timing of assessment in the development process;
- Application of ordinance to other appropriate uses;
- Opportunities to align existing PLD districts with Imagine Austin Planning areas or other meaningful districting;
- Opportunities to improve transparency of the sources and uses of funding, including the Capital Improvement Visualization, Information and Communication (CIVIC) website;

BE IT FURTHER RESOLVED:

The City Manager is directed to provide a work plan and timeline for developing the recommendations within 60 days.

ADOPTED: August 7, 2014 **ATTEST:** _____ For
Jannette S. Goodall
City Clerk

Memorandum to Mayor and Council

November 19, 2014

MEMORANDUM

TO: Mayor and Council

FROM: Sara L. Hensley, CPRP, Director
Parks and Recreation Department

DATE: November 19, 2014

SUBJECT: Parkland Dedication Fee Methodology Report

On August 7, 2014, City Council passed Resolution No. 201408047-093 directing the City Manager to report on staff's analysis of the parkland dedication ordinance and provide an adjustment recommendation to Council by November 6, 2014. The purpose of this memo is to provide Council a staff recommendation on future parkland dedication requirements for the City of Austin.

History of Parkland Dedication

The Texas Supreme Court in 1984 ruled parkland dedication (PLD) to be constitutionally legal. The regulating laws stipulate that PLD requirements imposed on a developer should be "roughly proportional" to the increased demands of the proposed development on a city's park system, and include, 1) a land requirement; 2) a fee in-lieu alternative to the land requirement; and 3) a park development fee. Dr. John L. Crompton, Distinguished Professor and Regents Professor, Sciences Department of Recreation, Park and Tourism, Texas A&M University is a well-respected leader in the research and analysis of parkland dedication ordinances in Texas. The basis of staff recommendations is derived from consultation and his work as published in "Parkland Dedication Ordinances in Texas: A Missed Opportunity." [1]

City of Austin Parkland Dedication Requirements

The 2007 Parkland Dedication Ordinance No. 20070621-027 is part of the Land Development Code §25-1-601-606 that requires new residential development to dedicate land or pay fees to account for the impact new development creates on the park system. Currently, land is dedicated at 5 acres per 1,000 people or a **flat fee in-lieu** of land is allowed at $650 per dwelling unit. It

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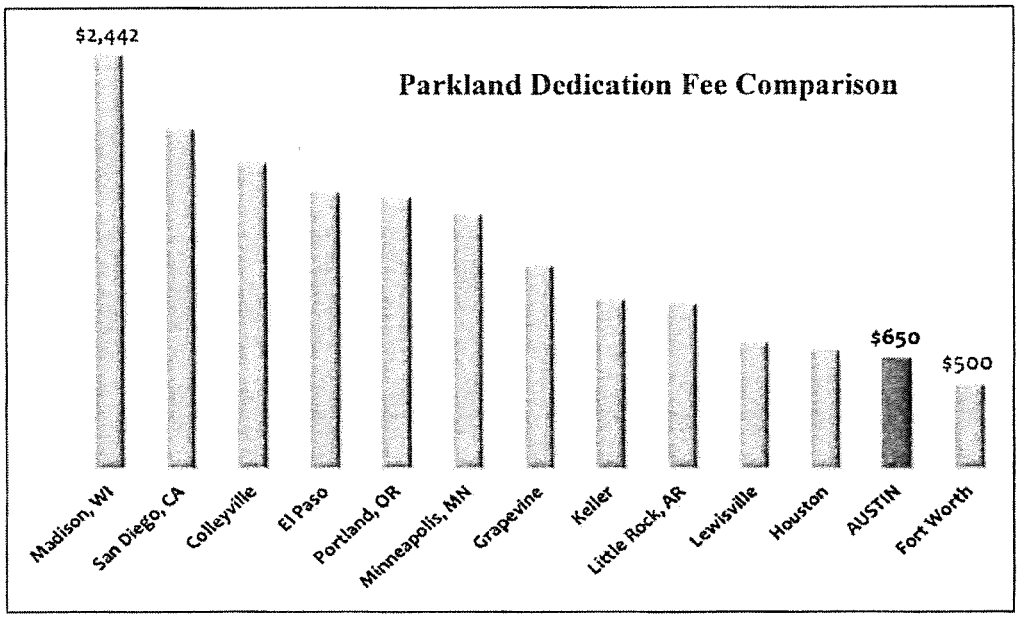
[1] Parkland Dedication Ordinances in Texas: A Missed Opportunity, by Dr. John L. Crompton, http://austintexas.gov/sites/default/files/files/Parks/Parkland_Development/parkland_crompton.pdf

should be noted that this fee has remained the same for the last decade and therefore, has not kept pace with the costs of parkland acquisition or development.

In analyzing the current fee structure, staff compared our parkland dedication fee structure to other cities in Texas and the nation. As the chart illustrates below, Austin's fee is lower than most cities surveyed.



Note: Dallas does not levy PLD fees. San Antonio's fee is based on variable property values plus a $250 park development fee making it difficult to compare to Austin's flat fee.

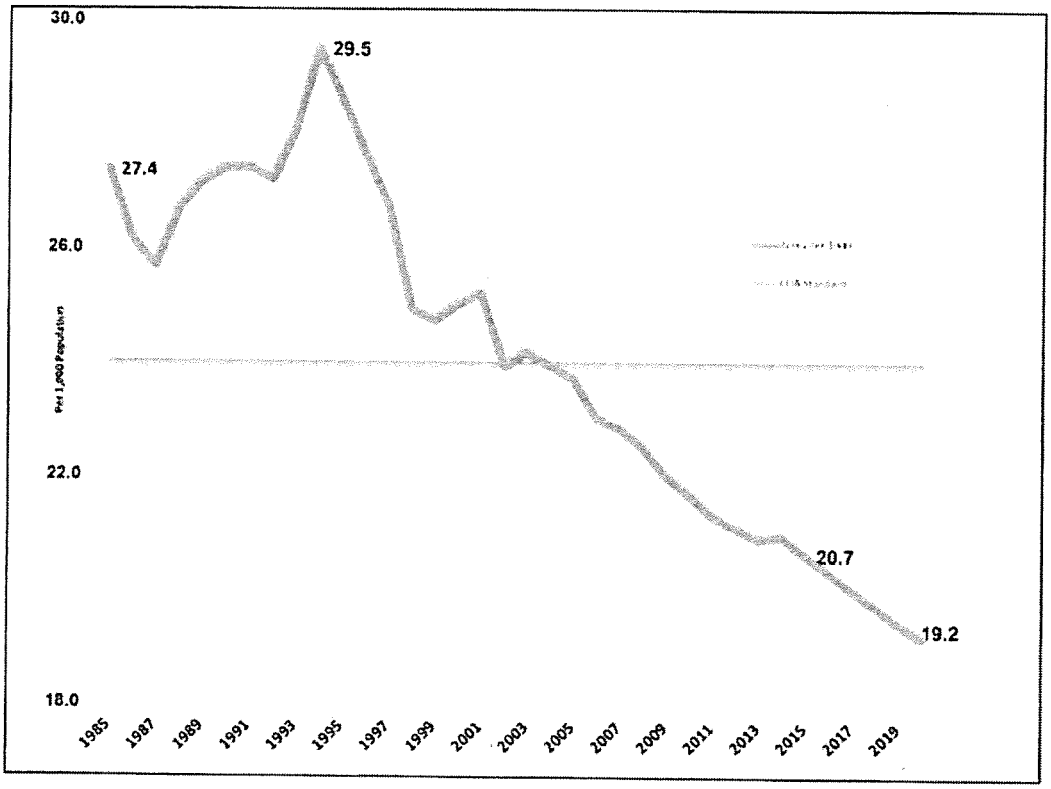
Staff also completed an analysis of current costs for land acquisition and park construction, and found that the current parkland dedication fee has not kept pace with increasing costs of acquisition and park development.

The Parks and Recreation Department (PARD) goal is to provide 24 acres of parkland per 1,000 residents. The City of Austin park acreage per 1,000 residents has steadily declined due to the population growth from a high of 29 acres in 1994 to 20 acres in the last 20 years. In 2009 City Council passed Resolution No. 20090111 19-068 related to accessible family friendly parks. The goal requires acquiring parkland within ¼ mile of all residents in the urban core and ½ mile within the suburban core. While some gains have been made toward this goal with parkland dedication fees, bond funding has become the primary funding source for park land acquisition.

Because the current parkland dedication fee is inadequate and parkland acquisition bond funding has declined over the past 15 years, the acreage per resident is projected to decline, making it

difficult to meet Council's goal for creating accessible family-friendly parks within ¼-mile of neighborhoods in the urban core, or PARD's goal of 24 acres/1000 residents as Austin's population continues to increase.

Total Acres per 1,000 residents, 1985 to 2020



National Recreation and Park Association (NRPA) standards, PARD facility assessments and public comments indicate that the quality of life of existing residents is reduced as new residents move into the denser neighborhoods when no addition to the existing parkland acres or park facilities is made. For example, several neighborhoods experiencing growth, including 45th and Bull Creek; Crestview; Highland; Far West, and East Riverside are in need of additional park facilities, however, the current parkland fees do not provide the PARD adequate revenue to purchase acreage or add amenities in these areas to fulfill demands.

Dr. Crompton emphasizes that there are two mechanisms for cities to compensate for the demand created by new residents: 1) through increased taxes to pay for the new demand (through bonds), or 2) through parkland dedication fees that ensure new development pays for new park demands, thereby maintaining Austin's quality of life over the years to come.

On the other hand, when cities fail to implement one of the two mechanisms listed above, the quality of life for that city declines as the existing park system becomes over-burdened. Staff

consulted with Dr. Crompton on PARD's proposed parkland dedication methodology as presented below to ensure that the following recommendations are consistent with best practices.

Community Input to Date

After formulating preliminary PLD recommendations, PARD invited key stakeholders to a round table session to present the recommendations and gather input. The groups invited to the discussion were Real Estate Council of Austin, the Austin Apartment Association, the Greater Austin Builders Association, the Downtown Austin Alliance, the Executive Board of Austin Neighborhood Council, members of the Parks Board and the Community Development Commission. Due to a low turnout, a second round table discussion is planned prior to the December Parks and Recreation Board meeting.

Staff Recommendations

Staff recommendations are driven by the desire to maintain the current level of park service for Austin residents through access to pocket parks (typically less than 1 acre), neighborhood parks (typically less than 30 acres), and greenbelts that provide for connectivity of our park system. Current code only requires land or a Flat Fee In-Lieu of Land, but does not require a Park Development Fee to cover the cost of improvements to the land or park amenities for public use.

Recommendation 1: Land Requirement. Staff recommends the PLD code be amended to require 9.4 acres per 1,000 residents.

> Rationale: Currently the City of Austin provides 1 acre per 106 residence or 9.4 acres per 1,000 residences. To ensure the City of Austin maintains its current quality of life, staff recommends the PLD ordinance be amended to require a minimum of 9.4 acres per 1,000 (instead of 5 acres per 1,000).

Recommendation 2: Three-Tiered Fee In-Lieu of Land Structure. Staff recommends that Council approve a revised PLD Fee structure that shifts the City's requirements for residential development from the outdated $650/per dwelling unit flat-fee that applies regardless of the intensity of the development. Affordable dwelling units as certified by the Neighborhood Housing and Community Development Department will remain excluded from this requirement. Staff recommends a Three-Tiered Fee In-Lieu of Land structure as defined in the rationale below:

> Rationale: The average cost of land acquired by PARD is $39,000 per acre or $368 per resident.[2] Best practices for PLD Fee-in-Lieu structure as described in Crompton's model takes into account the impact to the local park system based on the level of intensity (or number of new people) of the residential project.

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[2] The PLD Fee In- lieu of Land is derived as follows: $39,000/ 106 people per acres = $368 per person.

Tier 1: Low Density – with 2.8 people per household: $368 X 2.8 = **$1,030**
Tier 2: Medium Density – with 2.2 people per household: $368 X 2.2 = **$810**
Tier 3: High Density – with 1.7 people per household: $368 X 1.7 = **$626**

Recommendation 3: Add a Three-Tiered Park Development Fee. Staff recommends that the City adopt a new Three-Tiered Park Development fee to cover the costs of making improvements to undeveloped land for public purposes, as follows:

Tier 1: Low Density Fee-In-Lieu of Land $1030 + a Park Development Fee of **$521** = **$1,551**
Tier 2: Medium Density Fee-In-Lieu of Land $810 + a Park Development Fee of **$410** = **$1,220**
Tier 3: High Density Fee-In-Lieu of Land $626 + a Park Development Fee of **$317** = **$943**

Rationale: The Austin park system is comprised of 8,201 acres of pocket and neighborhood parks and greenbelt which serves an estimated 865,504 residents. The current level of service for these parks equates to 1 park acre per 4,306 people.[3] The average cost for developing these parks is $800,000 which includes the cost of park design and construction of site work, infrastructure, and basic park amenities including a pavilion, playscape, and picnic facilities.

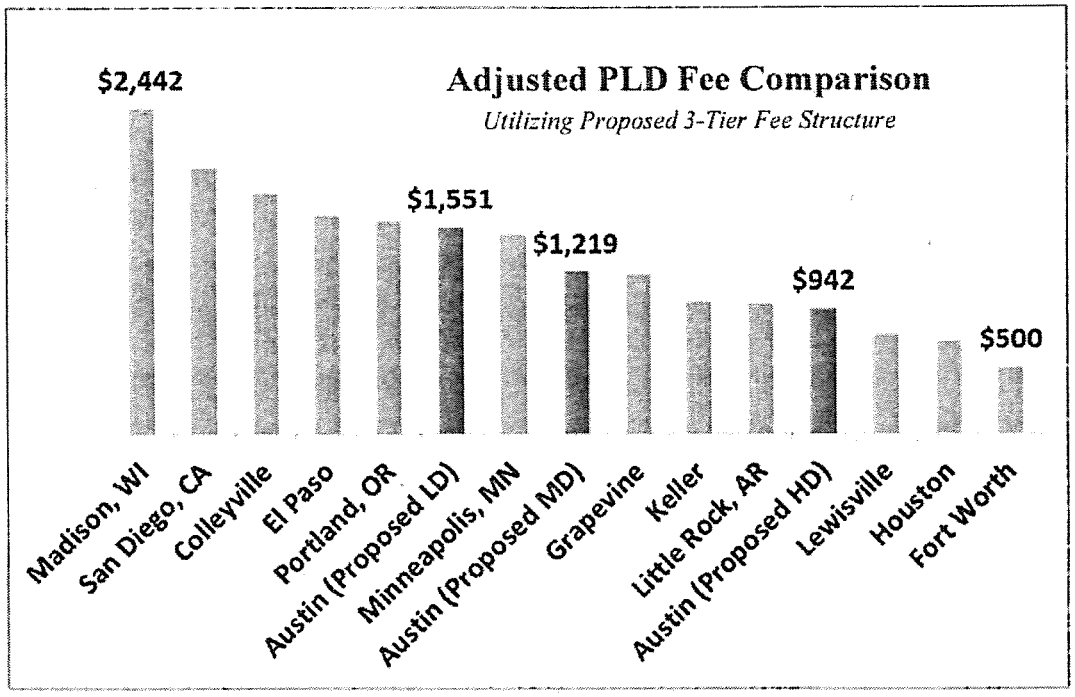
Recommendation 4: Incorporate the PLD Fee Structure into the Annual Fee Adoption Process. The PLD Fee Structure should be considered during Council's annual fee schedule adoption process. On an annual basis, PARD will determine the sufficiency of parkland by calculating the number of acres per 1,000 residents, the average cost of land acquisition and development, during the prior year, then make PLD Fee adjustment recommendations to Council for adoption.

Rationale: An annual review process will ensure that the City of Austin's PLD fee structure keeps pace with the fluctuating costs of land acquisition and park development.

Impacts of Proposed PLD Fee Changes

Should Council adopt the recommendations detailed above, Austin will be better equipped to address the demands for parks as the city grows. This new PLD Fee structure, if implemented, will be commensurate with the actual cost of parkland acquisition and development verses a flat fee. See Comparison Proposed Fee chart below.

[3] The current level of service is one developed park acre per 4,306 people. Cost of development per person is derived by calculating $800,000 / 4,306 = $186 per person to develop an average neighborhood park.



*[NOTE: **LD**=Low Density; **MD**=Medium Density; **HD**=High Density]*

Timing of PLD Fee Assessment in the Development Process

Staff is not recommending a change to the current ordinance language that requires assessment of parkland dedication at the time of residential subdivision and site plan application. However, staff is recommending that CodeNEXT revisions include pre-conference requirements with applicants on parkland dedication to ensure that applicants consider park configurations earlier in the design processes.

Explore Application of the Ordinance to Other Appropriate Uses

Staff is not recommending that parkland dedication requirements be applied to commercial development due to the difficulty in demonstrating that commercial employees generate additional demand for parks. Instead, there is a direct relationship between hotel occupants and park use, therefore, hotel-motel tax revenue should be considered in the future to offset that increased demand.

Align Existing Parkland Dedication Districts with Imagine Austin Planning Areas

The Parks and Recreation Department continues to align its planning processes with Imagine Austin principles on a daily basis through the Green Infrastructure and Healthy Communities priority programs and building blocks. However, Imagine Austin does not have any geographic boundaries with which to align the Department's Long-Range Plan. In its next Long-Range Plan update the Department may consider special planning for areas identified in Imagine Austin as centers and corridors. Currently, staff is working with the citywide teams on specific plans for centers and corridors (For example, Burnet-Anderson Corridor Plan).

Improve Transparency of the Sources and Uses of Funding

A Parkland Dedication webpage http://www.austintexas.gov/department/parkland-dedication was created to share information about the Ordinance. This page includes information about current projects, available funds, and how the funding is allocated. The use of the Capital Improvement Visualization, Information and Communication (CIVIC) website, the City's Public Information link to current and planned Capital Improvement Program project information and related maps is under staff review.

Next Steps- PLD Revised Fee Structure Implementation Plan

November 18, 2014	Presented PLD final recommendations for discussion and possible action.to the Parks and Recreation Board at its Special Called Meeting on November 18, 2014. The Parks and Recreation Board voted 6-0 to support the proposed parkland dedication fee adjustment.
December 2014	Conduct a final roundtable session with key stakeholder groups for comment and feedback.
October 2015	Amend *Chapter 25-1-602 DEDICATION OF PARKLAND REQUIRED* to align with staff recommendations, including updating the city's required amount of parkland to be dedicated for every 1,000 residents from 5 to 9.4 acres.
October 2015	Implement the new PLD Fee Structure as approved by Council

Should you have any questions pertaining to these recommendations, please contact Ricardo Soliz, Division Manager PARD Planning & Development at (512) 974.9452.

cc: Marc A. Ott, City Manager
Bert Lumbreras, Assistant City Manager
Greg Guernsey, Director, Planning & Development Review Department
Cora Wright, Assistant Director, Parks and Recreation Department
Ricardo Soliz, Planning & Development Division Manager, Parks and Recreation

City Council Resolution # 20141211-219

December 11, 2014

RESOLUTION NO. 20141211-219

WHEREAS, core principles of the *Imagine Austin Comprehensive Plan* envision Austin as a healthy community, with nature integrated into the city and growth being compact and connected; and

WHEREAS, the City Council in Resolution No. 20091119-068 established the goal that publicly accessible and child-friendly parks or green space be provided within ¼-mile walking distance of all urban core residents and within ½-mile walking distance of all residents outside the urban core; and

WHEREAS, the parkland dedication requirement for new development is intended to offset the increased demand that growth places on the City of Austin's park system; and

WHEREAS, the City of Austin's Parkland Dedication ("PLD") requirements, adopted by Ordinance No. 20070621-027, requires new residential development to dedicate land at 5 acres per 1,000 people, or pay a $650 fee-in-lieu of dedication for each dwelling unit; and

WHEREAS, the fee in-lieu amount is based on a report by the City Manager that analyzed the cost of parkland acquisition and development and determined the proportionate share of those costs attributable to new residential development; and

WHEREAS, the fee has not changed since 2007, resulting in the City's PLD fee ranking among the lowest in the state and the country; and

WHEREAS, in response to Council Resolution No. 20140807-093 staff issued the Parkland Dedication Fee Methodology Report ("Report") on November 19, 2014, which concluded that the existing PLD fee does not cover costs for

acquiring and developing parkland and that the current formula for determining the amount of land required to be dedicated is insufficient to maintain the current quality of life; and

WHEREAS, Professor John L. Crompton, a Texas expert on Parkland Dedication ordinances, advised the Parks and Recreation Department that a fair PLD fee should maintain existing residents' level of park service and be based on a per person assessment method; and

WHEREAS, adjustments recommended in the Report include the following:

- Increasing the dedication requirement from 5 acres per 1,000 residents to 9.4 acres per 1,000 residents;
- Replacing the $650 per dwelling unit PLD fee with the following 3-tiered structure based on density levels established in City Code Section 25-1-602(E):

  Tier 1: Low Density with 2.8 people per household: $368 x 2.8 = $1030 per dwelling unit

  Tier 2 Medium Density with 2.2 people per household: $368x 2.2 = $810 per dwelling unit

  Tier 3 High Density with 1.7 people per household: $368 x 1.7 = $626 per dwelling unit; and
- Adding a Park Development Fee based on the following 3-tiered structure to cover cost of making public improvements to undeveloped land:

  Tier 1: Low Density: Fee-In-Lieu of Land $1030 + a Park Development Fee of $521 = $1,551

Tier 2: Medium Density: Fee-In-Lieu of Land $810 + a Park Development Fee of $410 = $1,220

Tier 3: High Density: Fee-In-Lieu of Land $626 + a Park Development Fee of $317 = $943; and

WHEREAS, the Report also recommended that the PLD fee structure be incorporated into the annual fee adoption process and that the Parks and Recreation Department ("PARD") make an annual determination as to the sufficiency of these values, the ensure that the PLD requirements keep pace with the fluctuating costs of land acquisition and park development; and

WHEREAS, PARD has organized a series of round table discussions with the development community that allows staff to gather input on the new methodology for calculating parkland dedication fees; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Council initiates amendments to City Code Chapter 25-1, Article 14 (*Parkland Dedication*) and directs the City Manager to develop a proposed ordinance implementing Report's recommendations regarding PLD fee-in-lieu, Park Development Fee, and the Land Dedication requirement. The City Manager is directed to continue gathering stakeholder input and return with the draft ordinance for Council consideration by April 30, 2015.

BE IT FURTHER RESOLVED:

The City Manager is directed to develop a proposed ordinance that implements the staff recommendation to integrate PLD fees into the Annual Fee Adoption process in anticipation of the 2015-2016 Council budget and to present

the ordinance for Council consideration soon enough to allow for integrating these changes into the FY15/16 budget cycle.

BE IT FURTHER RESOLVED:

The City Manager is directed to report to the Council with the following additional information in preparation for the FY15/16 budget:

- exploration of options for PLD requirements to apply to commercial development including hotels; and
- further study of the timing of payment of PLD fees during development process, to include peer city practice information and impacts of different timing options.

ADOPTED: December 11, 2014 **ATTEST:** Jannette S. Goodall

Jannette S. Goodall
City Clerk

Written Feedback from Stakeholders

RECA
REAL ESTATE COUNCIL
OF AUSTIN

January 27, 2015

Ricardo Soliz and Randy Scott
Parks Department
City of Austin
200 South Lamar Blvd
Austin Texas 78704

Dear Mr. Soliz and Mr. Scott-

On behalf of the Real Estate Council of Austin (RECA), thank you for making time to brief our policy committee on the proposed changes to the Parkland Dedication Ordinance, including the addition of a Parkland Development Fee, increased fee-in-lieu costs and an increase in dedication of land requirements. We are pleased to be able to provide feedback to you.

First and foremost, we acknowledge the value and importance of public parkland and the impact on the quality of life for all Austinites. However, we must express our concern about this very substantial increase in fees. RECA is focused on increasing the affordability of homes in Austin, and we must caution you strongly that this increase is problematic. It is a substantial increase in and of itself, but when layered with the other fee increases and costly regulations that the City is considering and has implemented, it becomes a significant factor in the end cost of housing. Furthermore, the increased land dedication of 9.4 acres per 1,000 residents is nearly double what the current ordinance requires. Requiring nearly double the amount of on-site land dedication will also impact the project's affordability and ultimately the end user, the resident.

RECA would also like to urge the City to provide detailed information about the factors that are considered in the City's decision to require land or fees- we're aware that geography is part of this decision, but not the only factor. Knowing whether the city will require land dedication or a fee-in-lieu in an area will help developers with their feasibility analysis and allow for them to analyze the number of units, site planning and overall financial viability of the project. Detailed information about where the fees are spent and what they are used for should also be provided. Developers should be able to see how the fees benefit the ultimate buyer or renter of the development.

We remain concerned about the capacity of the City to maintain the parks that already exist, as well as the disproportionate use of various city parks. It is concerning to us that some parks are rarely if ever used, and that PARD's perpetual under-funding for parks maintenance means that these fees are not well-spent.

Lastly, the City also has Open Space dedication and/or fee-in-lieu requirements for most projects. There are provisions for Community Open Space and Private Common Open Space (generally residential projects and site plans over 2 acres are required to provide Open Space equal to 5% of the gross site area). This requirement is separate from the Parkland Dedication requirements, and in terms of quality of life for Austin residents, it seems to us that these two items are providing similar benefits.

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We believe a closer analysis should be completed to understand how the combined Open Space and Parkland Dedication requirements impact projects' viability and affordability and whether we are actually meeting the needs of Austin residents when you look at the combined and cumulative impacts of Open Space and Parkland Dedication.

Again, thank you for the opportunity to provide this feedback. We appreciate the relationship we have with the City of Austin and the Parks and Recreation Department.

Sincerely,

Melissa Neslund,
Chair, RECA Policy Committee

Heidi Gerbracht
Vice President of Public Policy

Parkland Dedication Ordinance (PLD) FAQs

1. **Will affordable unit still be exempt from PLD fees?**

   Yes. All affordable units that are "certified affordable" by the City of Austin Neighborhood Housing Department will continue to be exempt from PLD fees.

2. **Will the proposed ordinance amendment impact commercial projects?**

   No. Commercial projects will not be required to comply with the PLD Ordinance.

3. **Will park improvements, funded by the property owner, be counted towards credit for PLD requirements?**

   Yes. The cost of improvements open to the public and pre-approved by the Parks and Recreation's Planning and Development staff can be subtracted from the parkland dedication fee owed.

4. **At what stage in the development process is land dedicated to the City in regards to meeting the PLD requirement?**

   Land is dedicated at final plat for single-family subdivisions and at site plan for multi-family projects. Land to be dedicated in single-family subdivisions should be shown on the preliminary plan.

5. **Who decides whether land or fee is required?**

   The Parks and Recreation staff determines whether land or fee will be used based on the need for land in that area of the City and ETJ. Areas desired will be depicted on a Deficient Parkland layer on the Development Viewer in the future.

6. **Can a combination of land and fees be accepted to satisfy the PLD requirement?**

   Yes. The Parks and Recreation staff would have to approve the combination proposal. Combinations can include amenities constructed also.

7. **How can the city justify building new parks, when it struggles to find money to properly maintain and operate those they have?**

   New parks raise surrounding property values, yielding more tax revenue to the city. This increased tax revenue can be used to operate and maintain more park acreage. It is the prerogative of Council to decide each year whether or not to fully fund the maintenance and operation of parks.

8. **Will an increase in PLD fees increase the cost of housing?**

   Parkland dedication requirements are not likely to lead to any increase in the price of a new home. The imposition of a parkland dedication fee effectively changes market forces and reduces the value of the land to be sold.