



## MEMORANDUM

**TO:** Mayor and City Council

**FROM:** Robert Spillar, P.E., Director,  
Austin Transportation Department

**DATE:** September 22, 2020

**SUBJECT: Resolution No. 20200312-040 - Assessment of a Fee-in-lieu option for Great Streets Requirements (CIUR 2244)**

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Resolution No. 20200312-040 directed the City Manager to bring forward a recommendation to create a fee-in-lieu option for the Great Streets requirement of the Downtown Density Bonus Program. Such an option would provide an opportunity for developments to fulfill the required elements of the Downtown Density Bonus Program when they would be otherwise restricted from doing so because of site constraints or because of jurisdictional opposition.

### Assessment Outcome

ATD will continue to support the lead department in this request and in pursuit of future policy goals regarding the Great Streets program. In response to this CIUR, the Austin Transportation Department (ATD) recommends the use of a fee-in-lieu option for developments required to provide Great Streets streetscape improvements, but which are unable to do so due to TxDOT right-of-way, site constraints, or jurisdictional opposition. Such a fee-in-lieu option would be the sole discretion of the City of Austin. An annual evaluation of Great Streets equivalent cost estimates could be kept on record by ATD or another department for use in calculating a development's required fee-in-lieu total. ATD has the capacity and expertise of project identification and implementation to then return the fee-in-lieu collected funds into viable capital improvement projects.

### Background

ATD has experience and established procedures for the assessment, collection and management of fee-in-lieu funds which are applicable to this resolution. Through the adoption of the Transportation Mitigation Ordinance (20170302-077), ATD has been able to require an applicant to construct or *fund* all or a portion of system improvements necessary to mitigate traffic impacts. While the presumptive aim of the Transportation Mitigation Ordinance is to have off-site improvements constructed with site developments, this is not always feasible due to funding gaps and physical construction limitations, among many other complicating factors.

Given these conditions, ATD employs a fee-in-lieu structure to accommodate the required off-site mitigation for private developments. Cost estimates for identified improvements are either provided by the development applicant and verified through staff engineers, or estimates are prepared by staff. A memo is then sent to the applicants outlining a line item list of required fee-in-lieu amounts. Instructions are provided for payment and funds are collected into a general account

by ATD. The funds are then available for up to 10 years to be used for project constructions according to each memo's earmarked improvements. ATD continues to refine and streamline methods of fee-in-lieu collection to make it as convenient as possible for applicants. This fee-in-lieu funded account has become a critical resource to ATD project implementations.

### **Challenges and Needs**

ATD recognizes three potentially significant challenges and needs in the establishment of a fee-in-lieu program for Great Streets:

1. Identification and analysis of alternative locations for Great Streets improvements in order to create a project prioritization process.
2. Set of streetscape design criteria established for alternative improvements where Great Streets cannot be provided. These alternative improvements should meet the intent of the Great Streets program of providing aesthetically pleasing, cohesive, pedestrian oriented design elements in the downtown core adjacent to the subject development.
3. Monitoring and tracking the fee-in-lieu collections would need to be addressed. This would include audits for when, where, and how funds have been allocated, along with management of the collected funds.

**CC:** Spencer Cronk, City Manager  
Gina Fiandaca, Assistant City Manager