As of 6/15/2022 the stakeholder input period is ongoing and may affect the formulas and information presented in this draft fee calculation methodology.

DRAFT 2022-2023 Commuter Commercial Parkland Fee Calculation Methodology

In 2022 the City Council approved Ordinance XXXXXXXXXX which created a formula to determine the commercial fees required in-lieu of parkland dedication. The Ordinance requires an annual adoption of the parkland dedication fees during the annual fee schedule process. The fee calculation methodologies are established in § 25-X-XXX

The below 2022-2023 fees reflect the Council approved calculation methodology to be adopted annually. Several of the variables in the formula are static from year to year, including the square feet per person and the operations hours. Some of the variables will be reevaluated each year based on publicly available data, such as the occupancy rate and the percent commuter workforce, as well as the fees-in-lieu of parkland land dedication and park development. The only variable in the above formula that is unique to the new development is the total square feet of the development.

Variables	Calculation Factor	Description
Fee In-Lieu of Land		
Parkland Level of Service	96.70 Service Population per 1 acre	Service Population / Park Acres
Park Acres	10,086.32	Park Acres (excludes Metro and District Parks)
City Population	975,321 (2021 Population)	Current City Population
Parkland Cost Factor	$365,653.44 per acre	Average land cost of acres purchased over the last five years
Park Development		
Facilities Level of Service	4,046.98 Service Population per park	Service Population / Number of Developed Parks
Number of Developed Parks	241	Count of all developed parks
City Population	975,321 (2021 Population)	Current city population
Park Development Cost Factor	$1,423,928.42	Cost of developing one Neighborhood Park
Functional Population		
Office Employee Density	300 sq ft /person	U.S. Green Building Council estimate of the square feet per person in LEED BD+C: New Constructionv4 - LEED v4. Appendix 2. Default occupancy counts
Office Occupancy	0.92	Austin area occupancy rates derived from the Chamber of Commerce 'Austin Area Profile' reflecting occupancy by use in Q2 2021
Office Operation Hours	0.238	Office use occurs 5 out of 7 days of the week, and 8 hours a day, equal to 23.8 percent (40 hours out of 168 hours a week) operation occupancy.
Retail Employee Density	550 sq ft / person	U.S. Green Building Council estimate of the square feet per person in LEED BD+C: New Constructionv4 - LEED v4. Appendix 2. Default occupancy counts
Retail Occupancy	0.95	Retail occupancy rates derived from NAI Partners report published in Q2 2021
Retail Operation Hours	0.375	Retail use occurs 7 days of the week, and an average of 9 hours a day for operation, equal to 37.5 percent (63 hours out of 168 hours a week) operation occupancy

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Industrial Employee Density	2,500 sq ft / person	U.S. Green Building Council estimate of the square feet per person in LEED BD+C: New Constructionv4 - LEED v4. Appendix 2. Default occupancy counts
Industrial Occupancy	0.94	Austin area occupancy rates derived from the Chamber of Commerce 'Austin Area Profile' reflecting occupancy by use in Q2 2021
Industrial Operation Hours	0.708	Industrial use occurs 24 hours every day of the week, equal to 100 percent, but is capped to park operation hours from 5 am to 10 pm, 70.8 percent.
Commuter workforce	0.58	Percent of Austin's total workforce population that commutes into Austin from other Jurisdictions

A. Fee In-lieu of Land Formula

STEP 1. *Land Cost Per Service Population = Parkland Cost Factor/Parkland Level of Service*

$$Land\ Cost\ Per\ Service\ Population\ = \frac{365{,}653.44\ per\ acre}{96.70\ Service\ Population\ per\ Acre} = \$3{,}781.32\ =\ \$3{,}781.32$$

STEP 2. *Land Cost Per Sq Ft = (Land Cost Per Service Population / Employee Density) X Occupancy X Operation Hours*

Office – $Land\ Cost\ Per\ Sq\ Ft = \left(\frac{3{,}781.32}{300\ Sf/Employee}\right) \times 92\% \times 23.8\% \times 58\% = \$1.6007$ *Per Sq Ft*

Retail – $Land\ Cost\ Per\ Sq\ Ft = \left(\frac{3{,}781.32}{550\ Sf/Employee}\right) \times 95\% \times 37.5\% \times 58\% = \$1.4206$ *Per Sq Ft*

Industrial – $Land\ Cost\ Per\ Sq\ Ft = \left(\frac{3{,}781.32}{2{,}500\ Sf/Employee}\right) \times 94\% \times 70.8\% \times 58\% = \$0.5838$ *Per Sq Ft*

STEP 3. *Fee in-Lieu of Land = Sq Ft of Development x Land Cost Per Sq Ft*

Office – $Fee\ in\text{-}Lieu\ of\ Land = Sq\ Ft\ of\ Development \times \$1.6007$

Retail – $Fee\ in\text{-}Lieu\ of\ Land = Sq\ Ft\ of\ Development \times \$1.4206$

Industrial – $Fee\ in\text{-}Lieu\ of\ Land = Sq\ Ft\ of\ Development \times \$0.5838$

B. Park Development Fee Formula

STEP 1**:** *Development Cost Per Service Population = Facilities Level of Service / Service Population*

$$Development\ Cost\ Per\ Service\ Population = \frac{1{,}423{,}928.42\ park\ development\ cost\ factor}{4{,}046.98\ Service\ Population\ per\ Developed\ Park} = \$351.85$$

STEP 2: *Development Cost Per Sq Ft = (Development Cost Per Service Population / Employee Density) X Occupancy X Operation Hours*

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Office – $Development\ Cost\ Per\ Sq\ Ft = \left(\frac{351.85}{300\ Sf/Employee}\right) \times 92\% \times 23.8\% \times 58\%$ = \$0.1489 *Per Sq Ft*

Retail – $Development\ Cost\ Per\ Sq\ Ft = \left(\frac{351.85}{550\ Sf/Employee}\right) \times 95\% \times 37.5\% \times 58\%$ = \$0.1322 *Per Sq Ft*

Industrial – $Development\ Cost\ Per\ Sq\ Ft = \left(\frac{351.85}{2{,}500\ Sf/Employee}\right) \times 94\% \times 70.8\% \times 58\%$ = \$0.0543 *Per Sq Ft*

STEP 3. *Park Development Fee = Sq Ft of Development x Land Cost Per Sq Ft*

Office – $Park\ Development\ Fee = Sq\ Ft\ of\ Development \times \$0.1489$

Retail – $Park\ Development\ Fee = Sq\ Ft\ of\ Development \times \$0.1322$

Industrial – $Park\ Development\ Fee = Sq\ Ft\ of\ Development \times \$0.0543$

C: Total Parkland fee-in-lieu + Park Development Fee:
Office – \$1.6007 + \$0.1489 = **\$1.7497** ***Per Sq Ft***
Retail – \$1.4206 + \$0.1322 = **\$1.5528** ***Per Sq Ft***
Industrial/Warehouse - \$0.5838 + \$0.0545 = **\$0.6382** ***Per Sq Ft***

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