



MEMORANDUM

To: Mayor and Council Members
From: Rosie Truelove, Director, Housing and Planning Department
Date: July 7, 2022
Subject: Staff recommendations for a fee-in-lieu (FIL) option for Great Streets per Council [Resolution No. 20200312-040](#)

This memo is an update on the staff response for [Resolution No. 20200312-040](#) which gave direction to do the following:

- Bring forward a recommendation for creating a fee-in-lieu option for the Great Streets requirement of the Downtown Density Bonus Program for projects unable to provide such streetscapes due to other jurisdictional opposition to their construction.;
- Bring forward a recommendation for establishing a fund into which such fees-in-lieu can be deposited and creating an administrative process for allocating these funds only for the provision of Great Streets within the areas of Downtown included in the Great Streets and Downtown Density Bonus Program boundaries.

Background:

Certain properties in Downtown are eligible to participate in the Downtown Density Bonus Program (the Program) as outlined in [25-2-586](#). In accordance with Program requirements, the applicant is required to execute a restrictive covenant committing to provide streetscape improvements along all public street frontages, consistent with the Great Streets Standards (the Standards).

Properties in the Rainey Street Subdistrict of the Waterfront Overlay (WO) are eligible to participate in the Program per [25-2-739](#). Certain properties in the WO subdistrict have frontage on Texas Department of Transportation (TxDOT) right-of-way (ROW). Where these properties have frontage along TxDOT ROW, the City of Austin has no jurisdiction to require streetscape improvements. Any proposed improvements outside private property on said frontage are to be coordinated with TxDOT.

Two projects seeking Program participation have approached the City with the intent to submit a site development plan showing streetscape improvement not complying with the Standards. These projects have frontage along TxDOT jurisdiction. After discussions with TxDOT, they will not allow Great Street improvements to be installed along their ROW jurisdiction.

Staff Recommendation:

1. Create a fee-in-lieu for properties located along TxDOT frontages that cannot comply with Great Streets standards. At this time, it is estimated the fee would be in the range of \$55-\$60 per square foot of frontage along the TxDOT right of way. This amount is based on the average cost of Great Streets improvements. Given the current market conditions, this fee may be set higher at the time of a Code amendment due to rising construction costs.
2. Adjust the fee for construction periodically, but not more than once per fiscal year, to account for increases in the cost of construction.
3. Staff recommends an additional amount of 10% of the cost for construction (\$5.50-\$6 per square foot) to cover maintenance of any Great Streets improvements, including landscape elements, trash receptacles, benches, bike infrastructure, and streetlights. This additional amount to cover maintenance will be paid up front, not annually.
4. Create a specific fund within the Public Works Department for the deposit of the collected fees. The fund would be used for the design, construction, and maintenance of Great Street CIP projects within the downtown area.
5. A deposit of the fee-in-lieu would be required to be posted to the fund prior to the issuance of a Certificate of Occupancy (CO) for the building.

Next Steps:

Staff will await further direction from the City Council. If the Council adopts an action to move forward with a fee-in-lieu program, staff will work with affected stakeholders as well as the Design Commission, Downtown Commission, and the Planning Commission to draft a proposed Code amendment to be brought back before the Council for adoption.

If you have any questions, please contact Jorge Rousselin, Division Manager, Housing and Planning Department at (512) 974-2975 or Jorge.rousselin@austintexas.gov.

cc: Spencer Cronk, City Manager
Anne Morgan, Acting City Manager
J. Rodney Gonzales, Assistant City Manager
Jerry Rusthoven, Chief Zoning Officer, HPD
Jorge E. Rousselin, Development Services Division Manager, Urban Design, HPD