

Parkland Dedication - Planning Commission Recommendations - PARD Staff Responses

#	Proposed Amendment	PARD Staff Response
1	Add parkland dedication / fee exemption for small businesses - need to define size of "small business" - 5,000 SF suggested via stakeholder feedback	<p>Neutral - This has a minimal impact on the outcomes of the ordinance. Staff recommends tying the minimum requirement to the functional population, so if a commercial development was small enough to produce less than 1 whole functional population, it would be exempt (4,256 sf for retail, 3,827 sf for office, 10,463 sf for industrial, 5,885 sf for hotel).</p> <p>It may open the ordinance to legal scrutiny as not all developments are treated equally, unless it can be shown that there is no impact on parkland by new commercial development less than 5,000 sq ft. Would likely also exempt any commercial space proposed with VMU developments as well as most fast-food chains (average McDonalds is 4,000 sq ft, average Chipotle is 2,580 sq ft). PARD staff asks to consider whether the exemption apply if the critical connection or greenbelt gap is identified on site.</p>
2	PARD staff shall reassess ordinance efficacy on an annual basis, and present findings to PARB and PC, including an annual evaluation and update of the estimated telecommuting rates in the Austin metro area.	<p>Partially for - many of these elements will be updated annually, such as the parkland cost factor, park development cost factor, and hotel occupancy in the existing formula, and now the occupancy rate and percent commuter will be updated annually in preparation for the annual budget using sources and methods outlined in the proposed ordinance. The existing formula takes the impacts of covid/ hybrid work from home schedules into account by only counting residents of outside jurisdictions that physically work in Austin, which automatically removes the population of residents of outside jurisdictions that work from home. The impact of covid will continue to be accounted for on an annual basis. PARD does not recommend having this codified but added to the recitals of the ordinance.</p>
3	Consider allowing partial credit for parkland within the 25-year floodplain if it can be activated safety as determined by the Director.	<p>Opposed - The code already allows for 50% credit toward land that is otherwise deemed unsuitable for park development at the Director's discretion under 25-1-603 D.</p>

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4	In the case of mixed-use developments, collect the higher fee of the two assessed for residential and commercial uses	Opposed - The impact of a new mixed-use development is the combined impact of the commercial and residential portions of the proposed development. Both the commercial and residential portions of the development will bring new unique park users with impacts on the level of park service provided to the community. If commercial developments within mixed-use developments do not have the same requirements as standalone commercial developments, this may open the ordinance to increased scrutiny as not all developments are treated equally.
5	Use a 10-year average to calculate the cost of acquiring parkland in the formula	<p>Neutral - A ten year average would result in a more significant lag in land values, resulting in lower fees that do not reflect the true cost of parkland acquisition, as well as a greater need to subsidize impact of new development on parkland with general obligation bonds.</p> <p>This recommendation exceeds the scope of City Council direction to extend parkland dedication requirements to commercial developments. A ten year average for calculating the cost of acquiring parkland for the city could be explored in an amendment to the Parkland Dedication Operating Procedures without affecting the existing residential ordinance.</p>
6	The cost or the square footage of public exterior activity amenities provided in commercial projects shall be subtracted from the overall parkland dedication or fee requirement.	<p>Neutral - The parkland dedication ordinance and Parkland Dedication Operating Procedures already contemplate allowing park credit toward other types of open space such as fire lanes and water quality ponds so long as they are designed with recreational value. If the proposed publicly accessible community benefits meet parkland dedication standards, and are within a parkland easement, then the costs associated with developing those community benefits are already eligible for up to 100% credit in the code today. The distinction is in the type of easement used to convey they property- a park easement must be used to ensure the benefit remains open to the public and protected in perpetuity.</p> <p>May be difficult to justify credit for improvements to land if it is not to be dedicated as parkland to the city. The city may not expend parkland funding on properties that are not dedicated as parkland, including through the crediting of parkland dedication fees against streetscape and other non-park improvements.</p>

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7	Exempt Commercial developments in projects with a Master Development Agreement or a Master Development Agreement in negotiations as of August 1, 2022 for the development of City-Owned property	Neutral - Projects with MDAs still have impact to parkland. Previously negotiated MDAs could not have new requirements imposed in a way that could impact the existing contracts.
8	Exempt all income-restricted affordable units from the residential parkland dedication fee	Neutral - Income restricted affordable units are currently calibrated with certain development incentives, such as FAR bonuses and other fee waivers. A re-calibration may need to occur if fees are waived for these units. Could de-incentivize participation in SMART Housing, which is the only fee waiver program. Income-restricted units still have an impact on parkland.
9	create a parkland credit toward area target ratios based on public realm amenities and publically accessible privately owned open space - credit determined by pard	Neutral - publicly accessible space dedicated through public recreation easement is eligible for up to 100% credit toward dedication requirements
10	Insert, “ 5) art galleries, art workshops, theaters, and live music venues (pending Resolution No. 20220728-094) as defined in Section 25-2-4”	Neutral - This has a minimal impact on the outcomes of the ordinance, but may open the ordinance to increased scrutiny as not all developments are treated equally, unless it can be shown that there is no impact on parkland by new commercial developments with art gallery, art workshop, theater and live music venue uses. Note that only new proposed square footage is subject to parkland dedication; art workshops moving into existing buildings would not be affected by commercial parkland dedication.

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11	Insert, “Parkland dedication and fee-in-lieu assessment is set at the time of site plan submission and the assessment does not change throughout the development process, unless the project substantially changes in nature.”	For - Vesting the fee rate at time of SDP submittal might provide more certainty in the financing for developers and reduce workload for staff at the end of September issuing fees prior to Oct 1. Vesting fees to SDP submittal could also be performed by City Council by adding language to the budget adoption ordinance.

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12	Insert, “All fees should be collected before certificate of occupancy is issued.”	<p>Opposed - It is not feasible to collect fees at certificates of occupancy, and very challenging to collect at building permits. Staff is not currently able to follow a single project through the individual building permits and certificates of occupancy, as this would result in many additional application reviews. Collecting fees at building permit may disincentivize land dedication, because the land requirement would occur at the time of site plan, not the time of building permit. Applicants may push to satisfy requirements with fees rather than land in order to delay the requirement. Parkland dedication fees would be vested to the time of site plan issuance, which may be 1-3 years prior to the actual fee collection. This creates uncertainty in PLD budget projections as well as a lag in value of the fees with respect to parkland acquisition costs. Currently, fees are collected when they are issued at site plan, and the fees are set annually to reflect the value of land. The fees are meant to be collected and spent within a time frame connected to the current land value. Changing fee collection to building permit would de-couple the fees from the current land value, since the fees would have been levied using a park cost factor from years prior. This would restrict PARD’s ability to purchase parkland or build park infrastructure, Effectively, PARD would be using yesterday’s fees to buy parkland today.</p> <p>There will be a lag in the collection of PLD where effectively we won’t have any PLD coming in for a few years. This would result in a maximum of \$51 million in deferred revenue through 2025. Delaying the parkland dedication fee collection to certificate of occupancy (six years) would result in a maximum of \$121 million in deferred revenue through 2028. This is based on only \$2.86 million coming in annually from PLD Subdivision fees for 3-6 years, as opposed to \$28.7 million projected to be collected between PLD Commercial, Subdivision and Site plan fees annually.</p> <p>On average it takes PARD 3-6 years from acquisition to final construction to provide parkland to new developments with fees collected from a site plan or subdivision. At this time parks can be provided for the residents of new buildings at generally the same time as the CO is issued. If fees are collected at building permit, this delay’s PARD’s ability to use the funds from the new development to acquire and build park infrastructure by 1-3 years, effectively delaying when the impact of the new residents on parkland is addressed. This means longer periods of parkland deficiency in areas that are densifying the fastest.</p>
13	Prioritize use of commercial parkland dedication funds to adopted park or trail vision plans and allow use of the funds in broader geographic areas than the residential parkland dedication ordinance.	Neutral - this is consistent with what we do today, so long as the funding remains within the park planning area.

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14	In the annual assessment consider modifying formulas to account for users who live in Austin but work outside the park service area and look at other park users not accounted for.	<p>This is already accounted-for in the current formula using the latest American Community Survey data.</p> <p>There are 73,792 workers living in Austin and working outside of Austin. These workers would be residents of Austin, with access to Austin’s park system and addressed through residential requirements. The number of employees working in Austin (those residing in the city and outside) according to the same survey is 747,394, however, the 73,792 is not part of that sum, since they work outside of Austin. They are counted as residents. The use of other jurisdictions’ park systems by those workers during their workday is not something we can affect. Note that Hutto, for example, also has a commercial parkland dedication requirement</p>
Planning Commission Direction		
15	Explore opportunities to integrate parkland with bus and rail transit stops along transit corridors	For - PARD already considers adjacency to transit stops as part of a holistic urban planning approach to determining park locations.
16	Consider adjusting or developing a unique parkland dedication formula for hotels in order to assess their unique usage	Neutral - PARD staff have proposed a formula that assesses unique usage in the proposed ordinance.