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PARKS AND ENVIRONMENT WORKING GROUP RECOMMENDATIONS

March 7, 2024

Table of Contents

I. Introduction

This document provides recommendations from the Parks and Environment Working Group to identify park amenities to leverage tourism funding for park-specific projects that can benefit parks and environment in our community.

The document was prepared as a collaborative effort of the appointed members of the Parks and Environment Working Group which currently includes Commissioners Ronan and Cannatti, and also includes community/stakeholder representatives Molly Alexander (formerly, Downtown Austin), Hanna Cofer (The Trail Conservancy), George Cofer (formerly, Hill Country Conservancy), Clark Hancock (Save Barton Creek Association), Kayla Reese (Austin Parks Foundation), Ted Siff (Shoal Creek Conservancy), Chuck Smith (Pease Park Conservancy), and Scott Joslove (Texas Hotel and Lodging Association).

A. Directive from Tourism Commission

On February 20, 2020, the Tourism Commission appointed the Parks and Environment Working Group look into (1) Chapter 351 funding options for using hotel occupancy tax funds to benefit parks and/or environment, (2) Chapter 334 funding options for using hotel occupancy tax funds to benefit parks/environment, (3) park amenities to leverage tourism funding for park-specific projects, and (4) Palm Park HOT funding options.

On May 10, 2021, the Working Group presented a set of recommendations for Topics 1-2 that were adopted by the Tourism Commission for recommendation to Council. However, the Working Group did not address Topics 3 or 4. Accordingly, the Working Group has not been closed since these topics remained to be addressed.

B. Overview of Working Group Recommendation Process

With discussions initiated on July 26, 2022, the Working Group has worked virtually to explore Topic 3 for the purpose of identifying park amenities to leverage tourism funding for park-specific projects. This topic is not limited to the hotel occupancy tax funding constraints provided by Chapters 351 and 334 of the Texas Tax Code, but should explore other funding sources. While there was an interruption in their work in late 2022, the Working Group has since worked collaboratively to identify and recommend a number of potential funding sources, starting with funding opportunities identified in the 2019 final recommendation and report from the Urban Land Institute (ULI) on the proposed expanded partnership and transfer of operation of the Ann and Roy Butler Hike-and-Bike Trail at Lady Bird Lake to The Trail Conservancy (which can be accessed at https://thetrailconservancy.org/wp-content/uploads/2019/12/ULI-ASP_Final-Report_AustinTX_2019-1.pdf). Based on the expertise and insight of the Working Group appointees with experience at Austin Parks Foundation, Barton Springs Conservancy, Downtown Austin, Hill Country Conservancy, Pease Park Conservancy, Save Barton Creek Association, Shoal Creek Conservancy, Texas Hotel and Lodging Association, and The Trail Conservancy, the ULI Report recommendations were expanded and enhanced.

C. Overview Description of Parks and Environment Funding Opportunities

An overview listing of fundraising opportunities for parks and environment projects identified by the Working Group is listed below, and a detailed statement of recommendations is attached at Exhibit A.

1) Parkland Dedication Funds

2) Hotel Occupancy Tax (HOT) or Hotel-Motel Taxes
3) Deferred Maintenance Funds
4) Bond Funding (General Obligation Funds, General Revenue Funds)
5) Tax Increment Financing (TIF)
6) Public Improvement Districts (PID)
7) Nonprofit Partners
8) Revenues and Earned Income
9) Philanthropy
10) Public/Private Partnerships (PPPs)
11) Other Government Spending
12) A Well-Managed Volunteer System
13) Community Endowments & Donor Advised Funds
14) National Funding Opportunities
15) State Funding Opportunities
16) Local Funding Opportunities

Exhibit A -- Parks and Environment Working Group Recommendations Identifying Park Amenities to Leverage Tourism Funding for Park-Specific Projects

The following fundraising ideas are based on the 2019 final recommendation and report from the Urban Land Institute (ULI) on the proposed expanded partnership and transfer of operation of the Ann and Roy Butler Hike-and-Bike Trail at Lady Bird Lake to The Trail Foundation (which can be accessed at https://thetrailconservancy.org/wp-content/uploads/2019/12/ULI-ASP_Final-Report_AustinTX_2019-1.pdf). With the ULI Report as a starting point, the Working Group added additional details and ideas based on the experience of their experience and expertise.

A. Funding Toolkit: A Starter Kit

The following tools are currently available to the city of Austin.

1. Parkland Dedication Funds

An application of a developer impact fee concept to direct funding toward parks and open space. Usually a fee per housing or hotel unit is paid into a fund that must be spent on parkland acquisition or capital improvements for existing or new parks within a specific radius. Austin collected $6.95 million in Parkland Dedication Fees from October 2017 to September 2018. As reported here, the State of Texas enacted HB 1526 on June 10, 2023 which will dictate how local parkland dedication ordinances can be used in Austin. The new law will reduce the effectiveness of Parkland Dedication by reducing the land dedication requirements from 9.4 acres per 1,000 new residents to 0.73 acres per 1,000 new residents in the high-density urban core. Prior to passage of HB 1526, the City of Austin collected over $38 million in Parkland Dedication fees between 2016 and 2021, but the Austin Parks and Recreation Department estimates that the new law will cause at least a 100-acre deficit in the park system by 2030.

House Bill 1526 included the formulas which set the PLD fees and the City of Austin has no discretion to change or alter these formulas or the calculated fees. You can read more about the detailed fees at the city's website.

The new law makes the fees due at the certificate of occupancy, when the development is complete, creating a lag between when the fee is set and when the City would actually see any revenue. The impact is that due to the multi-year lag between fee assessment and fee payment, the fees are now effectively frozen for ten years, instead of being tied to the increasing cost of land, which we know is going up faster than the consumer price index. This means that, in the future, there will be a disconnect between the fees the city receives for permits approved years ago, and the value of the land the city would now be ostensibly attempting to buy with those fees.

The land acquisition/accepting parkland from developers aspect of PLD has also been challenged by the law, resulting in the following changes.

(1) Land area for parkland dedication is capped throughout the city at 10% of the gross site area (previously land dedication was capped at 15%, only in the urban core.)

(2) The value of the land to be dedicated must be determined and then compared to what the parkland fee would be. Further, the new law requires that the value of land in the CBD be divided by 40, and in the Urban area to be divided by 4. This means that the fees are effectively discounted by a factor of 4 or 40, effectively slashing what the City can require. Those density factors significantly limit the times that onsite dedication could be required. If the value of the land to be dedicated exceeds the parkland fee, the City would be required to pay the landowner the difference. In practice, the City will do these calculations for all potential land dedication cases, and will not likely be paying developers for land in any parkland dedication cases. This is where the .75 acres per 1,000 residents in the urban area and .075 acres per 1,00 residents in the CBD numbers you may have seen on the City website or on our blog. Those percentages of acreage is compared to the 9.4 acres per 1,000 residents that was under the previous PLD ordinance.

Another serious concern is that in the CBD and urban areas (where land values are highest), it will be very rare that the developers will be required to dedicate land as part of the development, and will instead pay fees. Those fee revenues that the developer would then pay won't actually be enough for the city to purchase land in the areas needed for parks. Our prediction is that in 10+ years when a lot of the CBD and Urban Core are fully developed, there will be less parkland within easy access of a much denser city.

So with the lag time of fee collection, the loss of agility in acquiring land in the urban core, and the cost to purchase land, it is clear that this law is harmful to Austin's park system. We are looking at a shortfall of 100+ acres of parkland from what we were previously expecting in the next 6 years.

2. Hotel Occupancy Tax (HOT) or Hotel-Motel Taxes

Increasingly, cities are allocating a portion of fees collected through hotel room taxes to parks and recreation departments. Usually, the funds are restricted to projects that tourists and visitors to a community will visit or benefit from. Austin allocates funds for specific historic preservation sites in parks. From October 2017 to September 2018, over $1 million was spent on historic restoration projects. Hotel occupancy tax usage regulations and guidelines are approved by state legislatures and governors and are subject to conditions and regulations placed on them by state authorities and subject to local approval by city and county governments.

As reported by Scott Joslove (President/CEO of Texas Hotel & Lodging Association), there are seven categories under Texas state law that apply to the City of Austin related to expenditure of local hotel taxes.

1. Convention Center Related Expenditures
2. Registration of Convention Delegates
3. Advertising and Promotion of the City and its Vicinity
4. Promotion of the Arts
5. Historical Restoration and Preservation Activities
6. Tourism Related Directional Signage for Area Attractions
7. Shuttles of hotel guests between area hotels and Area Attractions

While none of the above categories envision or would generally authorize an expenditure of local hotel tax for general parks related facilities or general parks programs, an exception would be applicable if the park program expenditure also fit into one of the other eligible programs (e.g., promotion of the arts, historical restoration or preservation) and the expenditure also directly promoted tourism and the hotel and convention industry as required by Chapter 351 of the Texas Tax Code.

For example, the Tourism Commission has previously recommended that Council use HOT funds to fund a park visitor information/education center since this fits into the state's "visitor information center" category of permissible HOT funding, namely "the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of … visitor information centers." However, the Texas legislature amended the definition of "visitor information center" in 2023 to require that HOT funds can only be used for a building or a portion of a building <u>that is primarily</u> used to distribute or disseminate information to tourists. As a result, HOT funds may not be used "to acquire a site for, construct, improve, enlarge, equip, repair, staff, operate, or maintain any part of a building or facility that is not primarily used to distribute or disseminate tourism-related information to tourists."

In addition, HOT funds could be used to pay for professional research on accessing HOT funds to benefit parks and environmental projects in our community if it related to an eligible use of local hotel tax within one of the above noted statutory categories. As an example, Pease Park Conservancy was awarded a $250,000 Heritage Preservation Grant in 2024 to fund the interpretation of Black Austin history in Pease Park. The grant will advance both historical preservation and tourism.

3. Deferred Maintenance Fund

Approved by Austin City Council, funding is typically generated from a special allotment often from excess or unspent surplus funds to provide financial resources to address deferred maintenance needs.

4. Bond Funding

There are two primary bonding mechanisms: general obligation (GO) bonds and general revenue (GR) bonds.

a. **General Obligation Bonds:** The GO bonds are usually the result of a public election organized and managed by the city, county, or state for specific park and recreation improvements. GO bonds are sources of funds for many cities and counties for parkland acquisition, capital improvements, and capital replacement of amenities. Often bonds can be passed and used for multiple projects that serve multiple needs. For example, transportation bonds may be used to build or improve trails, paths, or sidewalks, among other "alternative" transportation improvements.

With a "General Obligation" Bond, the governmental unit, generally a city or county, is obligating its full faith and credit, to pay the holder of the bond. While there is some limited flexibility in how the funds can be used, GO bonds approved by City and Travis County voters -- at least for the last few decades -- have been backed by a "contract with the voters" that pledges how the bond funds will be used. For example, here's the City's Contract w the Voters for the 2016 GO bonds. Here's the similar one for the City's 2018 GO bonds. In addition, each separate bond proposition is authorized by a specific state statute that allows the local government to issue debt for that purpose. In addition, the Texas Attorney General must approve the wording of a bond election initiative to ensure that it is tied to a specific state statute authorizing the specified bond use.

As reported here, Austin's interim City Manager (Jesús Garza) stated in 2023 that there will be no bond elections before 2026 because the city has "an enormous amount of unissued debt – $1.8 billion." In light of the State's changes to parkland dedication funding rules, the decision to postpone any parks bond elections should be revisited with City Staff, including any permanent City Manager selected by Council. However, there are also considerations weighing in favor of waiting until 2026.

One idea worth considering is to identify, prioritize, and expedite spending from existing, authorized bond funds that have already been approved by Austin voters, but not spent yet.

b. **General Revenue Bonds:** GR bonds are uncommon but are usually from an in-come-based utility entity, including electric or other power, water, or others. Funds may be spent by other agencies on parkland to provide amenities or improvements central to their own missions and ensuring that they honor the GR bond backers, which are usually the rate payers for power, water, and other services. For example, a local water utility could restore a stream or riverbed and banks in a park if the river or stream contributes to the water supply. Transportation or public works agencies could provide a path through a linear park if that route is used by pedestrians and cyclists commuting to and from business centers.

5. Tax Increment Financing (TIF)

One or more government entities allocate a portion of present and future property taxes to be dedicated and invested in paying for public realm improvements in a specific area, often called a TIF district. Improvements can range from flood control, streets and streetscapes, parks, and public transpor-tation to smaller incremental services. Usually the improve-ments are funded through GR bonds and paid back through TIF allocations over a period of 10, 25, or 50 or more years.

While there would be significant challenges with creating a new, large TIF to benefit adjacent parkland, there are some notable examples of existing TIFs that should be considered:

- After creating the Waller Creek TIF in 2007 to build the Waller Creek Flood Diversion Tunnel, Austin City Council amended that TIF in 2018 to fund more than $100MM in Waterloo Greenway improvements. Here's the city's description and here's Waterloo Greenway's description.
- In addition, the Seaholm TIF was created to fund, among other infrastructure, new public spaces in the Seaholm District. The Shoal Creek Conservancy, along with DAA and the Trail Conservancy are trying to get the City Council to use Seaholm TIF funds for additional public space improvements.
- And, if it ever gets fully authorized the South-Central Waterfront TIF will, among other public infrastructure, fund for new parkland and improvements to the Butler Trail, etc.
- But, aside from these examples, using the Texas Tax Increment Financing Act to generate capital for park projects in the core of the city would require the Council to reallocate property taxes revenue from the General Fund to specific projects.

6. Public Improvement Districts (PID)

A public improvement district is a defined geographical area established to provide specific types of improvements or maintenance, which are financed by assessments against the property owners within the area. Other cities call these areas business improvement districts (BIDs). As detailed here, the City of Austin supports two kinds of PIDs:

- A “development” PID is a special purpose district created to help spur economic development by providing a means to finance the costs of infrastructure that benefit and promote the development within a geographic area of Austin. These costs are borne by the property owners within the PID boundaries who receive special benefits from the public improvements. Austin’s development PIDs are managed by the Financial Services Department.
- A “maintenance and operations” PID is a special purpose district that allows property owners with a geographic area to enhance services and public improvements that benefit the properties located within the PID boundaries. M&O PIDs are an economic development tool commonly used to support commercial business districts and promote growth. M&O PIDs are funded through a special assessment on real property within the District. The City’s Economic Development Department manages M&O PIDS.

In 2020, Austin City Council adopted Resolution No. 20200220-015, the City of Austin PID Policy, to set policies governing development and M&O PIDs formed in the future. Among other requirements, a “development” PID and a “maintenance and operations” PID must be requested by more record property owners representing more than 50% of the appraised value of taxable real property liable for assessment under the proposal. In addition, a “development” PID cannot overlap with boundaries of another “development” PID.

Austin has already created the Austin Downtown Public Improvement District (aka, the Downtown Austin Alliance, of DAA). The boundary of the Downtown Austin PID includes Republic Park, Waterloo Greenway, Brush Square, Wooldridge Square, Republic Square, the Old Bakery, some portions of the Hike and Bike Trail and I believe some edges of Shoal Creek. Today the DAA Foundation holds the public, private, parks partnership agreement with the City of Austin to manage, operate and program Republic Square. The DAA funds a large portion of the Republic Square budget predominately funding the operations and maintenance of the park. The DAA has an MOU with Waterloo Greenway and dedicates dollars from the PID to help fund the operations and maintenance of this series of parks. The organization has the ability to fund other organizations that support parks development, enhancements, etc. within the boundaries of the PID. In addition, the Downtown Austin Alliance (DAA) has supported the Republic Square Park not just recently, but for the two decades of advocacy to get it to its current state.

While there are other PID’s in Austin (e.g., the South Congress PID and the E. 6th Street PID), it is not clear if there are parks located within the boundaries of these PIDs. The E. 6th Street PID was created prior to the new PID policy.

One important factor to consider is that any new PID should not overlap with these PID boundaries since property owners would not likely support overlapping PIDs.

Under Texas state law, former Sen Watson passed the "Save Muny" bill in 2019 that provides property owners near Lions Municipal Golf Course the right to tax themselves for Muny's benefit by creating a "Save Historic Muny District" which provides the authority to issue bonds for the primary purpose of preserving the land used for the historic Lions Municipal Golf Course as a golf course, publicly available parkland or a combination of those uses.

7. Nonprofit Partners

Nonprofits serve a critical role in acquiring funds from a variety of grant-making foundations; national, state, and local public agencies; individual donors; and sources of community support. Nonprofits can pursue philanthropic gifts from many sources that public parks agencies cannot. Working in partnership with public agencies, nonprofits can secure more funding for worthy projects than could be obtained working separately. Nonprofit organizations usually have agreements with the public parks agency that owns the public parks and can share in revenues from concessions, events, and programming if fees are collected.

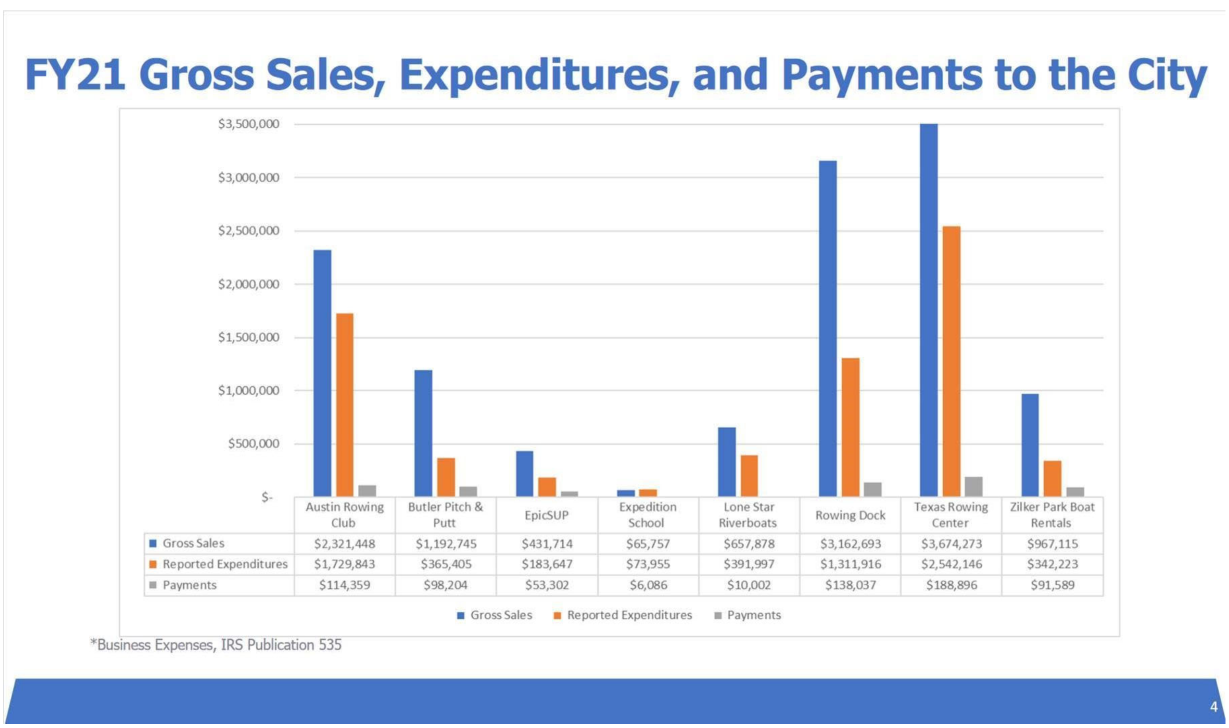
In recent years, the City of Austin has worked to establish a "Community Parknerships" program with defined partnership levels (Parknership A-D) to specify the different rights and responsibilities for non-profit organizations, conservancies, community groups and businesses which partner with the Parks and Recreation Department (PARD) to enhance and improve parks, increase recreational and cultural opportunities and preserve natural areas in Austin.

8. Revenues and Earned Income

There are a variety of revenues and earned income opportunities. Event and usage fees can be collected for use of specific facilities (recreation centers, exercise classes, picnic shelters, or other reservable facilities such as barbecue/grilling areas, portions of picnic areas, camping spots, and others). Generally, all revenues from usage fees go back into the city's general fund, which pays for a majority of a city parks and recreation department's budget, among other things like public safety, public health, and libraries. In some cases, usage fees can be restricted for use in a specific park or for the parks system as a whole, but this restriction is still uncommon. Some fees in some parks are waived if the neighborhood is historically marginalized or neglected or otherwise underserved.

Fees generated from concessions including, but not limited to, food trucks, beer gardens, wine gardens, ticketed events, and craft fairs for locally made items, are considered earned revenue. Food trucks and other mobile concessions have greatly changed how contracts and agreements are created, how fees are collected, and how long a given vendor is permitted to stand in a specific location. Traditional approaches for concessions in parks were often multiyear contracts for limited seasons and usually were a percentage of total sales and subject to government agencies reviewing and approving the concession vendors' books.

As documented in PARD's 2021 Concession Report and shown below, privately-run park concession operations can generate significant gross sales (e.g., over $3M), but such operators typically make payments to the city that are a small fraction of gross sales and which are generally put into the city's general fund. We discussed the idea of creating a non-profit concession model where a concession is run by a nonprofit so that "profits" from operations could be invested by the nonprofit back into the park (as opposed to the general fund). Preferably, any such "nonprofit operator" approach should be structured to pay employees or staff a living wage. While there would be no intent to displace existing concession operators, the 2019 ULI Report identified a number of different park concession opportunities, including "event and usage fees can be collected for use of specific facilities (recreation centers, exercise classes, picnic shelters, or other reservable facilities such as barbecue/grilling areas, portions of picnic areas, camping spots, and others)" and earned revenue fees generated from concessions including, but not limited to, food trucks, beer gardens, wine gardens, ticketed events, and craft fairs for locally made items.



When structured with nonprofit partner organizations, concession arrangements can generate revenue that is restricted for use in a specific park or area. For example, Austin Parks Foundation was created to provide a way for concession revenue to be directed into the Austin parks instead of the city's general revenue fund. In addition, concession arrangements (such as at the Rose Kennedy Greenway in Boston) can shift risk of loss to the private sector by using RFP bidding arrangement to provide short-term (2-3 year) concession operation rights subject to review and competitive re-bidding with minimum revenue requirements. In addition, 100% of amenity rentals and concessionaire revenue generated in Kingsbury Commons at Pease Park are allocated to fund park operations by Pease Park Conservancy. Revenues were $101k and $74k in calendar years 2022 and 2023, respectively.

9. Philanthropy

Federal, national, and local grant opportunities exist from foundations, corporations, banks (e.g., community development arms), and health care and hospital systems.

Philanthropic organizations provide gifts according to their missions, and generally alignment must exist between the funder and the receiving organization. A number of national foundations are funding projects that involve parks and open space and that also meet other criteria, including equitable access, healthy living, and resilience factors. Different types of funding require different strategies. Some organizations might fund capital projects as well as build a maintenance endowment. Some funding is designated through boards and others are donations such as from a corporation or individual.

10. Public/Private Partnerships (PPPs)

Simply stated, PPPs are creative alliances formed between a government entity and private developers to achieve a common purpose. Other actors have joined such partner-ships—including nongovernmental institutions, such as health care providers, and educational institutions; nonprofit associations, such as community-based organizations; and intermediary groups, such as business improvement districts. Citizens and neighborhood groups also have a stake in the process.

Successful PPPs require building trust between the public and private sectors and changing the participants' mindsets. The public sector must change from development regulator to facilitator of economically feasible projects that provide public benefits. The private sector must change from an adversarial private actor as an applicant for development permits to a collaborative, open, and transparent participant in negotiating profitable projects with public benefits. Creating effective PPPs is more necessary today than ever, given public-sector needs and fiscal constraints in the face of challenging urban issues.

11. Other Government Spending

Opportunities arise where there is overlap in common goals and challenges and concerns and where joint funding could yield the greatest impacts. Some of the areas that the panel has identified that are applicable to the city of Austin include Watershed, Forestry, Climate Mitigation, and Transportation. In addition, Federal government funding opportunities may arise, such as CARES act funds and "Congressionally Directed Spending" which us the new term for "earmarks" which have been reborn in Washington. There will be many one-off programs in the future just in response to the shocks we are experiencing on a seemingly continual basis. e.g. COVID, natural disasters, etc.

12. A Well-Managed Volunteer System

Volunteers in parks (citizens and neighborhood groups organized by public park agencies and nonprofit parks agencies) are increasingly undertaking a wide variety of programming and capital project work as well as ongoing maintenance and operations. In the 100 largest U.S. cities, over 17.6 million hours worth $503 million were reported by the Trust for Public Land in 2019 as part of the ParkScore/City Park Facts release. Volunteers serve in a wide variety of roles from offering professional services (planning, design, construction, horticulture) to "day-of" programming volunteers and leaders to ongoing operation and maintenance activities.

13. Community Endowments & Donor Advised Funds

Community endowments, such as the Austin Community Foundation, offer a democratic community-driven pathway through which private philanthropic dollars can be channeled to meet immediate and long-term park needs. Furthermore, by partnering with private banks and investment funds, parks may benefit from donor advised funds which allows donors to select parks as a beneficiary of their philanthropy.

B. <u>Funding Toolkit: Expanded Kit</u>

Moving beyond the starter kit to an expanded kit, there are new opportunities to leverage existing tools to raise funds to enhance the park and environmental area. These are organized at the national, state, and local levels. The examples provide insight into identifying new funding strategies and options. This section primarily focuses on new state-level funding opportunities.

1. National Funding Opportunities

There are funding opportunities through the Land and Water Conservation Fund, which was recently reauthorized by Congress. A portion of the funding was earmarked for urban parks projects, including land acquisition. The city of Austin and/or nonprofit partner organizations should consider pursuing funds for the expansion of the Butler Trail, both west and east to expand the footprint and connectivity of the trail and surrounding parklands. Additional resources can be found through national entities identified within the U.S. Climate Resilience Toolkit (https://toolkit.climate.gov/content/funding-opportunities).

2. State Funding Opportunities

Seeking funding at the state level should be a primary focus. Texas has significant public grant opportunities through the state, individuals, and foundations. In addition, there are opportunities for the city of Austin and nonprofit partner organizations to collaborate with other urban areas to enable new authorities from the state government.

a. **Texas Parks and Wildlife Department (TPWD).** TPWD administers a full range of park and recreation grants available to city and county park agencies that apply for them. The funds range from programming to recreation trails grants. Nonprofit partner organizations with success in funding and implementing capital improvement projects and with expertise in grant writing should join forces with city staff to identify opportunities, work on developing core language and descriptive text, and offer letters of support and assistance to each other to ensure that no opportunities are missed.

b. **Philanthropic.** A number of Texas family and grant-making foundations operate in cities across Texas. Although many operate in cities other than Austin, nonprofit partner organizations should consider applications to foundations that are willing to fund parks and recreation as well as environmental and restoration projects on parkland. Among the many to consider are the Brown Family Foundation, the Still Water Foundation, Lyda Hill Philanthropies, the Moody Foundation, the Michael and Susan Dell Foundation, and the family foundations operating in the greater Austin area.

c. **Parks District Authority creation—Texas Legislature.** With the coming property tax cap being levied by the Texas Legislature in the 2019 session, a number of home-rule Texas cities are looking to see what impacts the cap will have on funding for parks and recreation departments. Given that the recovery has been slow from the steep cutbacks in funding following the Great Recession, and that needs for parks and recreation are growing with the populations of Texas cities, Austin park advocates should begin working with city staff, as well as looking for allies in other Texas cities (Dallas, Houston, Fort Worth, El Paso, San Antonio, and others) to begin the process of proposing legislation to allow cities to create parks districts or parks authorities.

Park districts, active in a number of states, allow cities (via city council legislation or popular vote) to create a taxing authority for the purpose of providing dedicated funding for parks. A small percentage of property tax (often called millage) is collected by the local or regional tax authority and spent as directed by the parks and recreation district, usually represented by an appointed or elected board of directors. Park districts are found in Minnesota, Michigan, Ohio, Indiana, and Washington state. Cities include Seattle, Minneapolis, and Chicago. Boards can be city councils (Seattle), separately elected boards (Minneapolis), or bodies appointed by a local mayor or city council (Chicago). Given that it will likely take a number of legislative sessions to consider and hopefully pass such legislation, parks departments and parks foundations in Austin and other Texas cities should start working now to build political will.

d. **State enabled local opt-in legislation.** Another option for consideration is a program that has been law in the common-wealth of Massachusetts for about 19 years: the Community Preservation Act. The act allows cities and towns, via public election, to opt-in to taxing themselves at a slightly higher property tax rate. Those taxes, matched with state funds and collected from residential property sales, can be allocated and spent on parks and open space, historic preservation, or public housing in a given city or town. Each city or town must have a public process for applying for and considering proposals annually, and the proposals must be approved by city council or town meeting (depending on the form of government). Each category must receive 10 percent of the funds for spending annually. See https://www.communitypreservation.org for more information.

3. Other Local Funding Opportunities

The City of Austin should, with key partners, explore and pursue designating a PID for the Butler Trail, Lady Bird Lake, Pease Park, and adjacent park areas to create a downtown park PID system. This designation would require political, social, and community capital and would not be easy, but if successful it could help provide a reliable source of funds for the Butler Trail, Lady Bird Lake, and adjacent park areas, and could help offset the financial burdens currently felt by PARD.

Some key things to consider to build this partnership include the following:

- Consult with Downtown Austin Alliance and key councilmembers and staff that represent the adjacent council districts.
- Connect with and create strategic partnerships with key property owners and business owners.
- Leverage the skills, connections, technical assistance, and other strengths of local professional organizations such as ULI Austin, the local chamber of commerce, Visit Austin, and Real Estate Council of Austin.

In addition, as discussed in the Connectivity section, billions of dollars in proposed spending related to transportation within the city of Austin could be leveraged for the trail. These proposals include building a more robust micro-mobility (bikes, scooters, skateboards, etc.) and public transportation network through Project Connect. In addition, there is a proposed expansion of I-35 under discussion. The Butler Trail is a part of this overall transportation network and should receive some funding from these initiatives.