

Briefing on:

Parkland Dedication Requirements for Commercial Developments

Parks and Recreation Board

April 25, 2022

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Context - Chronology

February
2020

- On February 25, 2020, the Parks and Recreation Board passed Recommendation 20200225-B3, which included the provision that commercial developments be subject to parkland dedication requirements.

March 2022

- On March 28, 2022, The Parks and Recreation Board reaffirmed its support to require parkland dedication for office, industrial, and commercial developments in Recommendation 20220328-B5.

April 2022

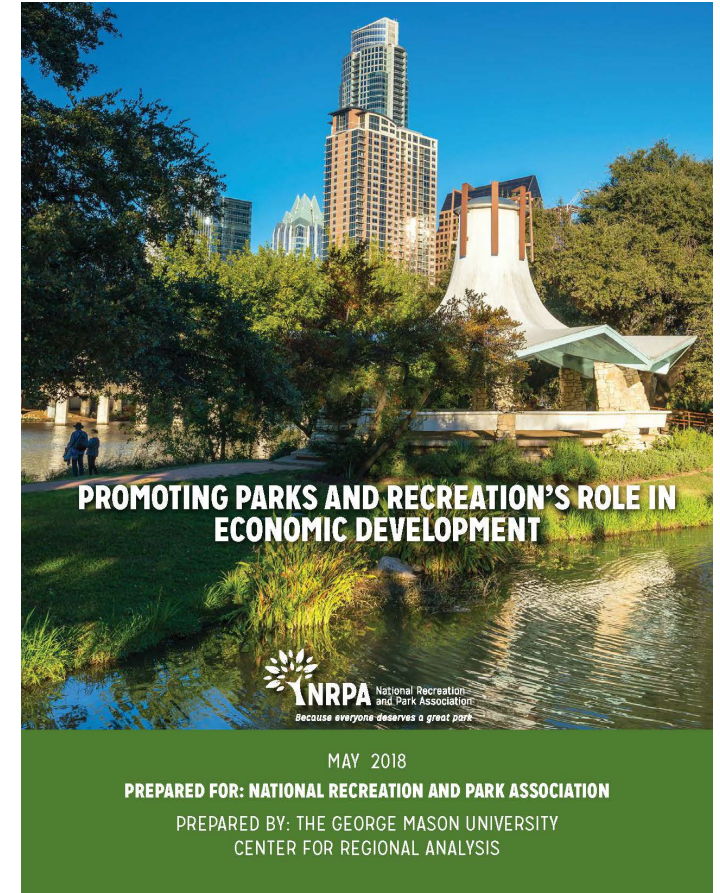
- On April 7, 2022, City Council passed Resolution 20220407-042 directing City Staff to require parkland dedication for office, industrial and commercial developments.

Overview

- Parkland dedication substantially advances a public interest in promoting the health, safety, and general welfare of Austinites.
- The need for parkland is supported by the City Charter, the Imagine Austin Comprehensive Plan, the PARD Long Range Plan, and Council Resolution 20091119-068 (establishing that parks be within walking distance of all Austinites).
- Creating a new parkland dedication ordinance for office, retail, and industrial developments would better reflect the impacts of new development to the City's parks system. It would create opportunities for greenbelt and trail connections that are lost under today's requirements, and better serve Austin's growing workforce with recreational opportunities.

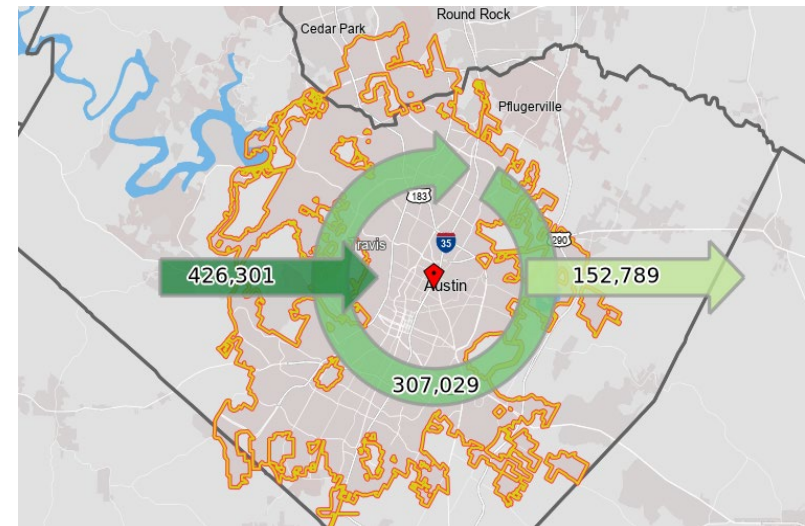
Applicability – Essential Nexus

- Regulation must be related "both in nature and extent to the impact of a proposed development" (essential nexus, established in U.S. Supreme Court decision *Nollan v. California Coastal Commission*, 1987)
- Growth in the commercial sector leads to increases in the City's overall population and workforce, both users of the City's parks system.
- The National Recreation and Park Association has documented the role parks play in company locations and workforce growth.
- By including commercial development into parkland dedication, the City would be able to better provide proportionate recreation services to the workforce near their places of employment.



Applicability – Rough Proportionality

- Parkland level of service must account for the impact the workforce has on parks. The additional workforce that enters Austin affects the level of service goal. To maintain a consistent amount of parkland for Austin's 'service population' (residents + commuter workforce) new developments would need to provide 6.8 acres of new parkland per 1,000 people.
- The estimated workforce occupying a new development thus sets the parkland level of service.
- The estimated workforce is then discounted by occupancy rates and hours of operation to better reflect the potential park usage.



*Chart shows number of:
Non-residents commuting into Austin for work,
Austin residents working in Austin,
Austin residents working outside of Austin.*

Proposed Use Categories

THREE COMMERCIAL USE CATEGORIES

- **Office:** Includes but not limited to general office use, co-working spaces, and medical offices.
- **Retail:** Includes but not limited to restaurants, retail spaces, gyms, coffee shops, bars, food service spaces, supermarket, grocery store, hardware store, bank, entertainment venues, print and copy services.
- **Industrial:** Includes but not limited to industrial buildings, warehouse, manufacturing, storage facilities.

Exempt: 501c3 nonprofits, governmental bodies, schools, daycares, and convalescent living.

Proposed Formula

$$\text{Required parkland} = \frac{6.8 \text{ acres} \times \text{Functional Population}}{1,000 \text{ people}}$$

- **6.8 acres** equals the established parks level of service for the total service population (residents + commuter workforce), divided by the amount of parkland (not including metro and district parks).
 - Service Population = 1.041 million residents¹ + 451k commuter workforce²
- **Functional Population** is the estimated workforce of a new development discounted by their relative opportunity to access parkland, representing the full-time equivalent population of new development
 - Functional Population = SF per Employee X Occupancy Rate X Operation Time

Sources:

1. City of Austin Demographer
2. U.S. Census OnTheMap

Proposed Functional Population

Office:

300 sq ft / person¹ X occupancy rate for use (92 percent)² X operation time (23.8 percent)

Retail:

550 sq ft / person¹ X occupancy rate for use (95 percent)³ X operation time (37.5 percent)

Industrial:

2,500 sq ft / person¹ X occupancy rate for use (94 percent)² X operation time (71.0 percent)

Sources:

1. Employee density based on conservative estimates by the U.S. Green Building Council
2. Austin area occupancy rates for office and industrial derived from the Chamber of Commerce 'Austin Area Profile' reflecting occupancy by use in Q2 2021
3. Retail occupancy based on NAI Partners report published in Q2 2021

Example of Application - Office

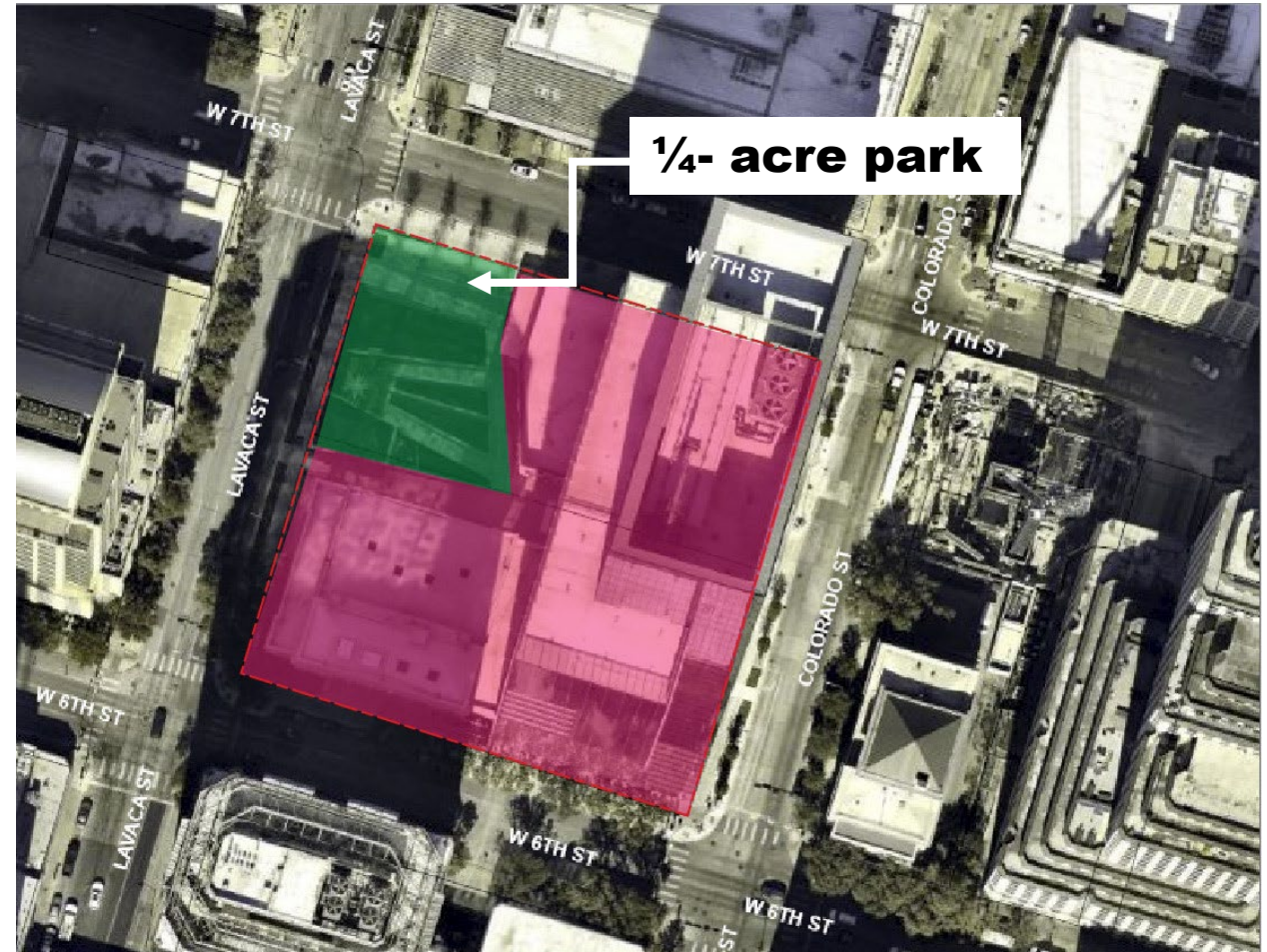
Downtown Office Hypothetical

Total SF	SF/Employee	Occupancy	Operation Hours	Functional Population
665,000	300	92%	23.8%	485.36
A	B	C	D	Formula = (A/B) * C * D

Land Owed	Fee-In-Lieu	Development Fee
3.30 acres	\$1,195,673	\$121,825.69
Formula = (Functional Population/1000) x 6.8 acres	Formula = Functional Population x \$2,463.47	Formula = Functional Population x \$251.00

15% Land Cap
0.26
Urban Core Land Dedication Limit

Figures are approximate



Example of Application - Retail

Corridor Retail Hypothetical

Total SF	SF/Employee	Occupancy	Operation Hours	Functional Population
50,000	550	95%	37.5%	32.39
A	B	C	D	Formula = (A/B) x C x D

Land Owed	Fee-In-Lieu	Development Fee
0.22 acres	\$79,783	\$8,128.98
Formula = (Functional Population/1000) x 6.8 acres	Formula = Functional Population x \$2,463.47	Formula = Functional Population x \$251.00

Figures are approximate



Example of Application - Industrial

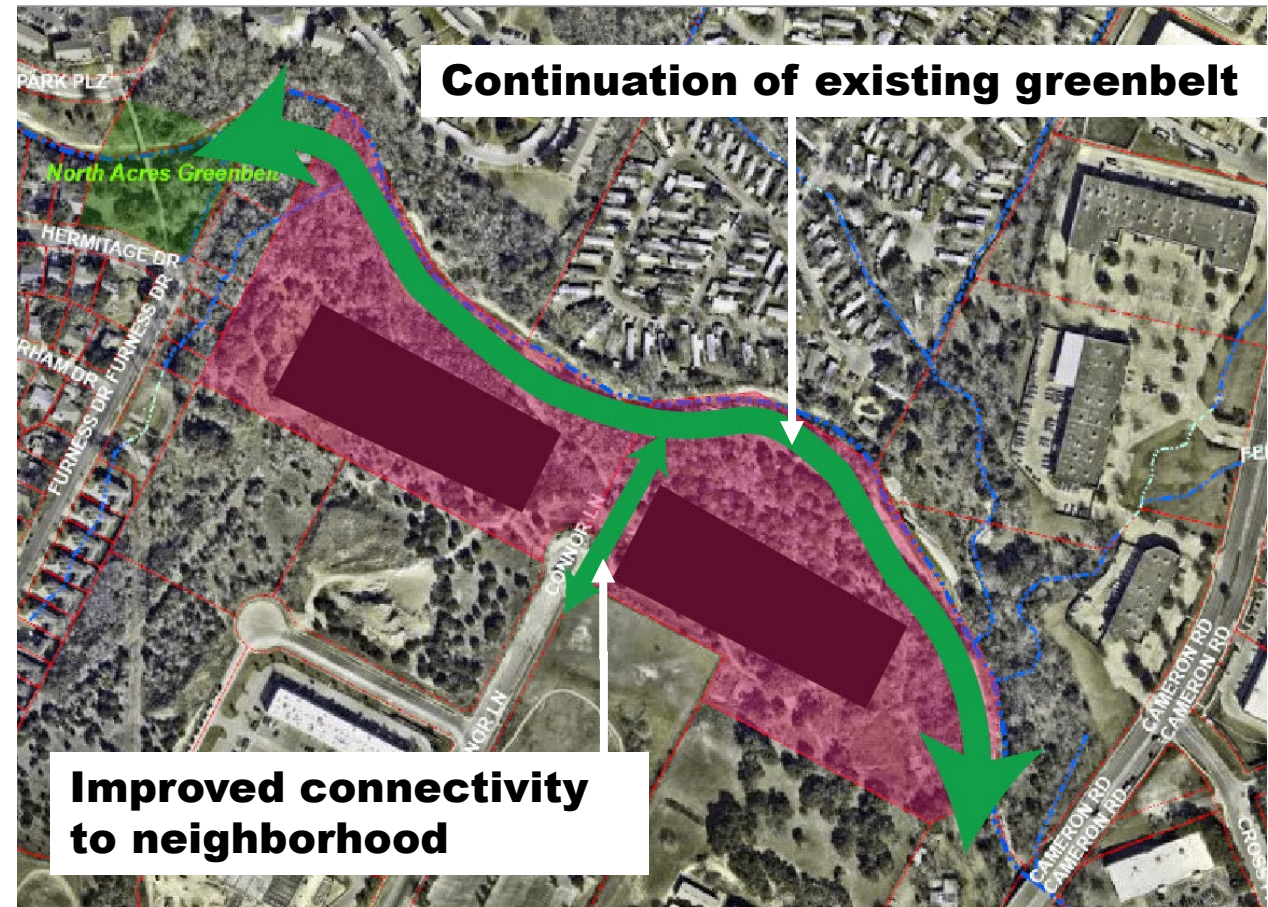
Total SF	SF/Employee	Occupancy	Operation Hours	Functional Population
200,000	2,500	94%	71.0%	53.39
A	B	C	D	Formula = (A/B) x C x D

Land Owed	Fee-In-Lieu	Development Fee
0.36 acres	\$131,530	\$13,401.39
Formula = (Functional Population/1000) x 6.8 acres	Formula = Functional Population x \$2,463.47	Formula = Functional Population x \$251.00

Figures are approximate



Suburban Warehouse Hypothetical



Example of Application - Mixed Use

Total SF	SF/Employee	Occupancy	Operation Hours	Functional Population
136,086	300	92%	23.8%	99.32
A	B	C	D	Formula = (A/B) x C x D

Commercial Land Owed	Commercial Fee-In-Lieu	Commercial Development Fee
0.68 acres	\$244,683	\$24,930.48
Formula = (Functional Population/1000) x 6.8 acres	Formula = Functional Population x \$2,463.47	Formula = Functional Population x \$251.00

Total Units	SMART Units	Acres	Units/Acre
309	0	3.88	79.64

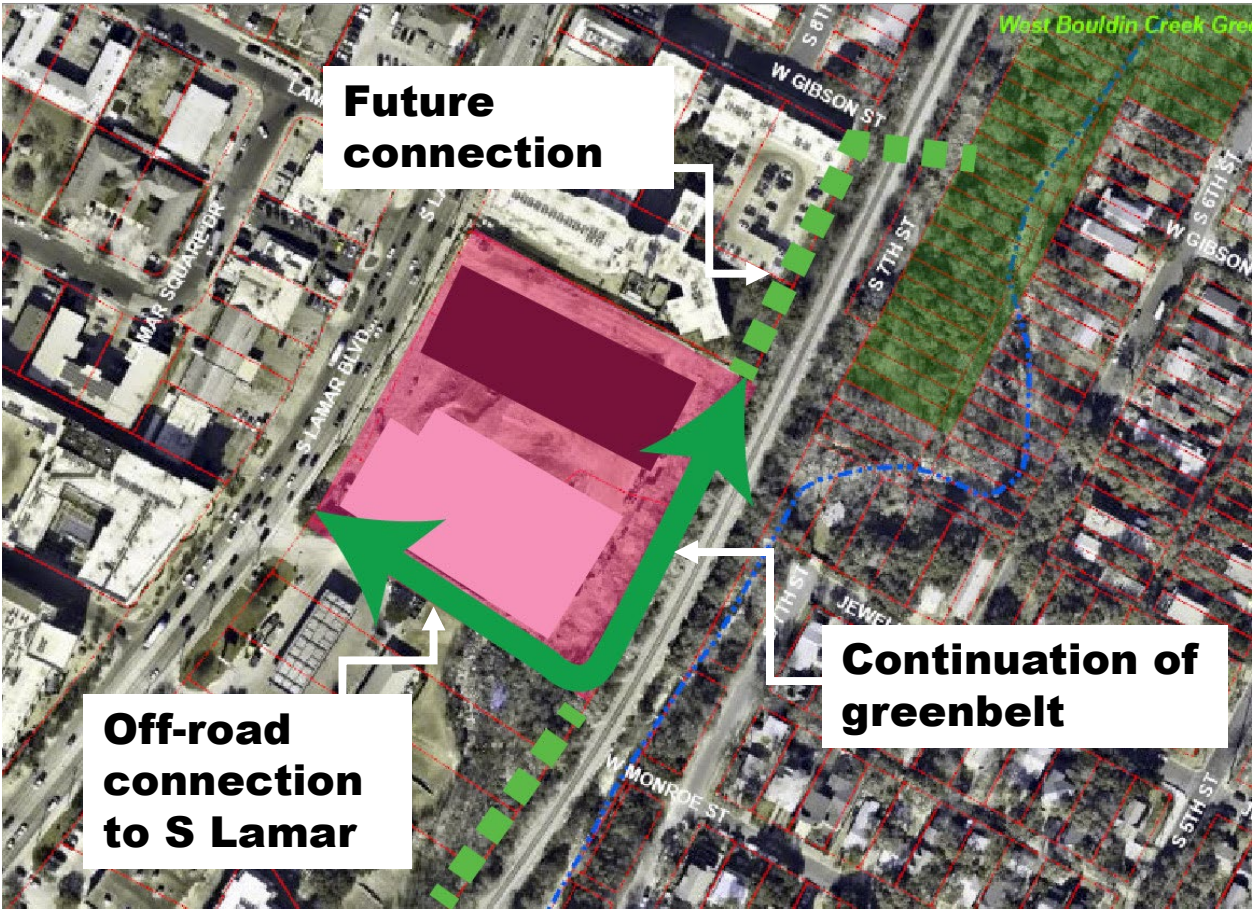
Residential Land Owed	Residential Fee-In-Lieu	Residential Development Fee
4.94 acres	\$899,681	\$162,685
Formula = (Total Units * 1.7 * 9.4) / 1,000	Formula = + Units * \$2,912.17	Formula = Units x \$526.49

Figures are approximate



15% Cap
0.58
Urban Core Land Dedication Limit

Infill Office and Multifamily Hypothetical



Comparison Cities

- **Several other U.S. cities have enacted parkland dedication requirements or parks impact fees for new commercial developments:**
 - In Texas, there are examples of cities with parkland dedication and fee ordinances, notably Colleyville, El Paso, and Hutto.
 - Other cities in California measure parks impacts for new commercial requirements and require an impact fee based on maintaining a consistent level of service.
 - Atlanta, Georgia, introduced commercial parkland impact fees in 1993 and established different fee rates for different commercial uses.

Next Steps

Public Engagement and Outreach will include:

- Website with all relevant material
- Online survey
- Roundtable discussions with key stakeholders
- Social media outreach
- Public meetings: Parks & Recreation Board, Planning Commission, Codes & Ordinances Joint Subcommittee, and City Council

Thank you

If you have any questions, please contact:

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