

Memorandum



CITY OF DALLAS

DATE June 5, 2017

TO Honorable Members of the Quality of Life & Environment Committee: Sandy Greyson (Chair), Tiffinni A. Young (Vice-Chair), Rickey D. Callahan, Mark Clayton, Philip T. Kingston, B. Adam McGough

SUBJECT **Park Land Dedication Overview**

On Monday June 12, 2017, the Quality of Life & Environment Committee will be briefed on Park Land Dedication Recommendations. Briefing materials are attached for your review.

Please contact me if you have questions or need additional information.

A handwritten signature in black ink, appearing to read 'Joey Zapata'.

Joey Zapata

Assistant City Manager

c: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Raquel Favela, Chief of Economic Development & Neighborhood Services
Jo M. (Jody) Puckett, P.E., Assistant City Manager (Interim)
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

Park Land Dedication Overview

Quality of Life and
Environment Committee

June 12, 2017

David Cossum, Director
Sustainable Development &
Construction

Willis Winters, Director
Park and Recreation



City of Dallas

Overview

- Purpose
- Background
- Recommendations
- Proposed Action
- Next Steps

Purpose

- Review recommendations for a park land dedication ordinance
 - Provide requirements consistent with the demand for parks generated by new development
 - Create equitable balance between development cost and quality of life
- Obtain Committee endorsement to move recommendations forward to City Plan Commission for review

Background

- A park land dedication ordinance is a requirement by a local government mandating that developers or builders either:
 - Dedicate land for a park, or
 - Pay a fee in lieu (of dedication) to acquire park land*and*
 - Pay a fee to develop park facilities
 - Requires developers to share the cost for park facilities for new residents
 - Accomplished through the platting process and/or the building permitting process

Background

- As of 2016, 48 Texas municipalities have park dedication ordinances, including:

Houston	Austin	Fort Worth	San Antonio	Arlington
Colleyville	Denton	Flower Mound	Frisco	Grapevine
Plano	Keller	Lewisville	McKinney	Rockwall
Rowlett	Southlake	The Colony	Wylie	Lancaster

* In some cities, in lieu fees and parkland development fees are lumped into one fee

Background

- Requested by Park Board to prepare a presentation on a park land dedication ordinance – November 16, 2016
- Briefed the Quality of Life and Environment Committee on overview of park land dedication – January 23, 2017 & April 10, 2017
- Directed by Council Committee to develop action plan and bring recommendations back for consideration on June 12, 2017

Background

- Staff conducted a series of meetings during April and May, gathering stakeholder input on the fee structure and components of the proposed ordinance
- Representatives included:
 - Park Advocates
 - Single Family & Multifamily Developers
 - Commercial Developers
 - Private Real Estate Association Members

Background

- Park Dedication Ordinances often consist of two components:
 - 1) Either a Land Dedication Requirement, or a Fee In Lieu (instead of land dedication)
 - 2) Park Development Fee
- They must also comply with the following principles:
 - Rough Proportionality – connection between the increased population arising from development and park needs
 - Nexus Zones – requirements must benefit the geographic area impacted by the development
 - Expending Fees – a reasonable timeframe must be established to buy park land and improve parks

Proposed Ordinance Fees and Methodology

Recommendation - Land Dedication

- Single Family
 - 1 acre per 101 dwelling units
- Multifamily
 - 1 acre per 257 one bed units
 - 1 acre per 128 two bed units
- Hotel/Motel
 - 1 acre per 236 rooms
- Commercial
 - Under review by City Attorney, recommendation will be brought back within 90 days

10

Recommendation – Land Dedication

- Establish baseline level of service
 - Population / acreage of applicable parks = level of service
 - $1,197,816 / 4,226.8 = 1$ acre per 283 residents
- Establish land dedication requirement for development type
 - Acreage per resident / census density value = acre per number of development type

Recommendation – Fee in Lieu

- Single Family
 - \$431 per dwelling unit
- Multifamily
 - \$169 per 1 bedroom dwelling unit
 - \$340 per 2+ bedroom dwelling unit
- Hotel/Motel
 - \$185 per room

Recommendation – Fee in Lieu

- Determine value per square foot to acquire parkland
 - \$1.00 per square foot; \$43,560 per acre
 - This typically ranges between \$.50 - \$5.00 per sq. ft.
- Identify unit level price per development type
 - Single acre price / unit count per acre dedication requirement

Recommendation – Development Fee

- \$722 per single family
- \$284 per 1 bed multifamily
- \$567 per 2 bed multifamily
- \$310 per room for hotel/motel

Recommendation – Development Fee

- Establish cost to develop park land
 - \$1,100,000 Determine number of people per park
 - Population / number of applicable parks
- Determine cost per person to develop a park
 - $1,100,000 / 4,262 = \$258$
- Determine cost per development type
 - Census density value * cost per person to develop a park

Recommendation – Total Fee

- Fee In-Lieu + Park Development Fee
 - Single Family Fee
 - \$431 (fee in lieu) + \$722 (development fee)
\$1,153 per home
 - Multifamily Fee
 - \$169 (fee in lieu) + \$284 (development fee)
\$453 per dwelling unit, 1BR or less
 - \$340 (fee in lieu) + \$567 (development fee)
\$907 per dwelling unit, 2BR or greater
 - Hotel/Motel Fee
 - \$185 (fee in lieu) + \$ 310 (development fee)
\$495 per room

16

Recommendation – Benchmarking Data

City	Dedication Requirement	Total Fees
Dallas (proposed)	3.5 Acres/1,000 residents	SF - \$1,152 MF - \$453 (1BR), \$907 (2+ BR)
Austin	9.4 Acres/1,000 residents	SF - \$1,391 - \$1,771 MF - \$1,075
Colleyville	9.4 Acres/1,000 residents	\$1,802/unit
Fort Worth	6.25 Acres/1,000 residents	\$500/unit + \$30,000 per acre
Houston	10 Acres/1,000 residents	\$700/unit
Lancaster	1 Acre/50 dwelling units	\$1,400/unit

17

Recommendation – Benchmarking Data

- This proposal places Dallas roughly in the middle of other cities' park dedication fees
- Staff will advertise a proposal to analyze the City's total development fees
 - Intent of study is to ensure that City remains competitive for attracting new development
 - Study will be conducted concurrently with ordinance development
 - Process will not impact implementation schedule

18

Additional Ordinance Components

Recommendation - Ordinance

Components

- Nexus Zones
 - Recommendation: Utilize existing 6 park service districts and create a new zone for downtown and the surrounding neighborhoods for a total of 7 zones
 - Stakeholder Input: Generally wanted the zones as small as is reasonable to closely relate to the development
- Fee Adjustment Review
 - Recommendation: 5 years with annual escalator based on CPI
 - Stakeholder Input: Anytime, but formally every 5 years

20

Recommendation - Ordinance Components

- Time Limit for Expending Fees
 - Recommendation: 10 years
 - Stakeholder Input: 7 years
- Minimum Dedication Size
 - Recommendation: 1 acre with criteria to allow for exceptions such as proximity to service gaps, density of neighborhood, etc.
 - Stakeholder Input: 1 acre with discretion for Park and Recreation Director to make exceptions based upon established criteria

21

Recommendation - Ordinance Components

- Change of Density/Teardowns
 - Recommendation: Utilize delta for a period of 5 years after which full number of units is assessed
 - Stakeholder Input: Same as above
- Phased Implementation
 - Recommendation: Implementation of fees with 50% immediately, 75% in the beginning of year 2 and 100% in the beginning of year 3
 - Stakeholder Input: Staggered fee implementation and waiting period of 18 months between approval of ordinance and implementation of fees

22

Recommendation - Ordinance

Components

- Developer Options
 - Adjacency to Park or Trail
 - Recommendation: 100% credit applied to park development fee for capital improvements made to an existing park or trail if designed/built according to park standards
 - Stakeholder Input: Same as above
 - Private Parks
 - Recommendation: 100% credit applied to park land dedication and park development fees if parks and amenities are accessible to public and designed/built according to park standards
 - Stakeholder Input: Same as above

23

Recommendation - Ordinance Components

- Developer Offsets/Credits
 - Article X
 - Recommendation: Up to 100% credit applied to park land requirements if dedication meets criteria to be developed such as accessibility of land, tree coverage, slope and recreational value of land
 - Stakeholder Input: If land dedication is on-site, there should be consideration for an offset of park land requirements

24

Recommendation - Ordinance Components

- Developer Offsets/Credits
 - Planned Development Open Space
 - Recommendation: Up to 100% credit applied to park land requirements if open space meets criteria to be developed such as minimum size, density of neighborhood, proximity to service gap and recreational value of land
 - Stakeholder Input: 100% credit applied to park land requirements if land is acceptable as determined by Park and Recreation Director

25

Recommendation – Ordinance Components

- The previous slides represent a framework that will be greatly supplemented, further defined and deliberated throughout the City Plan Commission review process and City Council approval process of the final ordinance

Proposed Action

- Request Quality of Life and Environment Committee move recommendations forward to the City Plan Commission for action

Next Steps

- Upon the Committee's endorsement, the proposed Park Dedication Ordinance will:
 - Be reviewed by the appropriate sub-committee of the City Plan Commission
 - Appear before the City Plan Commission twice, for a briefing and then an action item
 - Return to the Quality of Life and Environment Committee for final review
 - Appear before the City Council for final adoption
 - Overall approval process will take approximately 6-8 months

28

Appendix

Fee Benchmarking

- Arlington
 - Residential fee: ranges from \$1,257 to \$1,391 per unit
- Austin
 - Residential Fee: ranges from \$1,075 to \$1,771 per unit
 - Hotel/Motel fee: \$837 per room
- Colleyville
 - Residential fee: \$1,802 per unit
 - Commercial fee: \$800 per acre
- Frisco
 - Residential fee: \$1,561 per unit

30

Fee Benchmarking

- Fort Worth (under revision – fees likely to increase)
 - Residential fee: \$500 per unit
 - Park development fee: \$30,000 per acre
- Grapevine
 - Residential fee: \$1,416 per unit
- Houston
 - Residential fee: \$700 per unit
- Lancaster
 - Residential fee: \$1,400 per unit
- Lewisville
 - Park development fee: \$750 per unit

31

Fee Benchmarking

- McKinney
 - Residential fee: based upon appraisal district value or independent appraisal of land
- San Antonio
 - Residential fee: based upon fair market value but “shall not exceed \$50,000 per acre”
 - Park development fee: # of dwelling units x \$250
- Southlake
 - Residential fee: based upon annual land appraisal approved by City Council
 - Commercial fee: \$8,000 per acre

32

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