



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Parks and Recreation

CM/ DCM/ ACM: Bryan Langley

DATE: December 5, 2017

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding the assessment and use of park land dedication and park development fees.

BACKGROUND

The City of Denton assesses park land dedication and park development fees on all new residential developments. The requirements, criteria, and process for both park land dedication and development fees are outlined in Ordinance 98-039 approved on February 17, 1998. Park dedication is reinforced in Chapter 22, Article III, Section 22-33 to 22-42 of the Code of Ordinance. The purpose of the park dedication and park development programs is to provide recreational areas in the form of neighborhood and community parks as part of the planning and development of property and subdivisions.

New residential development generates a need for additional park amenities. Neighborhood and community parks are intended to serve people in the areas near them. The park dedication and park development programs are established with the intent of conveying the cost of a new park to the developer and new homeowners responsible for creating the demand for new park amenities. By ordinance, the programs apply to residential subdivisions with five or more lots, tracts, sites or parcels for the purpose of developing residential dwelling units. The land dedication and use of development fees are restricted to one-half mile to one mile from the related development. Specific formulas are outlined in the ordinance to assess the park dedication requirement and the park development fee.

The park dedication requirement is based on a park standard of 2.5 acres per 1,000 population. It prescribes a fixed number for persons per unit in single family and multi-family homes. The number of homes in a new development is used to calculate park land needs. Provisions are included to accept privately owned and maintained park areas, a constructed parks, a fee in lieu of land dedication, and a combination of land and fee. Any proposed private or constructed park must meet specific criteria to qualify for credit. A payment of fee in lieu of park land dedication is calculated on the value of land per acre and the acreage of dedication requirement. The fee is allocated to the acquisition of park land. Park dedication is imposed at the time of preliminary plat approval and is due prior to release by the City of any final plat.

Park development fees are based on an assumed cost for the development of a five acre neighborhood park and apportioned into fixed costs between single family and multi-family dwellings. The fee funds neighborhood park improvements directly benefitting the dwelling units paying the fee. The development

fee is imposed at the time of the building permit application and must be paid prior to the issuance of the permit.

All fees in lieu of park land dedication and all park development fees must be expended within 10 years of the date of receipt. Funding can be used on acquisition and development of neighborhood parks. If the funds are not expended in the established timeframe, the developer is entitled to a refund of the amount deposited together with accrued interest. The developer must request the refund within a year of entitlement or the right shall be waived.

Currently, there is approximately \$1.5 million in park dedication funding for park land acquisition and \$2.6 million in park development for park improvements. The distance parameter and direct correlation to development creates limitations on the use of the funding and produces administrative complexities. The one-half mile to one mile proximity requirement restricts dedication funds to areas where land may not be needed, not suitable or unavailable for purchase as park land. Similarly, development funds may be committed to an area park low in priority for improvements while higher priority neighborhood parks may have little to no designated development funds. Tracking and mapping the funds adds an additional level of difficulty in identifying available funds and ensuring the appropriate expenditure of the funds.

In analyzing the assessment and use of park land dedication and park development fees, several factors must be considered. First, park dedication and development programs must meet the “rough proportionality” standard set by the Supreme Court case *Dolan v. City of Tigar*. The ruling states there must be a “rough proportionality” between the requirements imposed on a development and the needs for park use projected to be forthcoming from the development. While there is no precise mathematical equation required, the City must demonstrate an individualized approach to determining the required dedication related both in nature and extent of the impact by the proposed development. Traditional methods of using benchmarking, comparables and national standards as the basis for a formula are no longer accepted. The standard is operationalized as a city’s current level of service.

A second and equally important factor to consider is neighborhood integrity. Acquisition of land and park improvements must be driven by need and strategic planning. The current expenditure timeframe and narrowly defined distance can unintendedly drive expenditures. Additionally, they can limit the ability to direct funding towards improvement needs that benefit larger portions of the community still within close proximity to a park. These parameters are a means of accountability and should be used as tools in providing a framework that addresses short term needs and long term master planning objectives.

Lastly, park type, usage, and the public’s willingness to travel are all factors that must be considered alongside the current population and acreage figures used. Inclusion of these factors will provide a more holistic approach in determining the effective assessment and application of park land dedication and development fees. It also encompasses the elements required for compliance with the “rough proportionality” legal standard and takes into account neighborhood integrity.

RECOMMENDATION

Staff recommends performing a comprehensive review and update of the current ordinance through a professional service contract. A detailed analysis of population, park acreage, park type, and park usage trends is needed to develop an updated method of assessing and applying the park dedication and park development programs. A professional firm with experience in gathering data and operationalizing our current service level will ensure compliance with the established legal standards and capture the intent of the program in addressing the needs of the community. An estimated cost to perform a needs analysis to review and update the current ordinance is \$55,000. A draft report would be completed in four to five months from the execution of a professional service contract.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

City Council approved the current ordinance 98-039 on February 17, 1998.

FISCAL INFORMATION

The following table represents total revenues and expenditures in each program from 1998 to September 30, 2017.

Description	Total Revenues Allocated	Total Revenues Spent	Total Revenues Remaining
Park Dedication	\$2,038,876.35	\$442,211.84	\$1,596,664.51
Park Development	\$4,014,651	\$1,372,316	\$2,642,335

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: **Safe, Liveable & Family-Friendly Community**
Related Goal: **4.3 Provide quality, diverse, and accessible neighborhood services for the community**

EXHIBITS

Exhibit 1 Agenda Information Sheet
Exhibit 2 Ordinance 98-039
Exhibit 3 PowerPoint Presentation

Respectfully submitted:
Emerson Vorel
Director of Parks and Recreation

Prepared by:
Laura Behrens
Assistant Director of Parks and Recreation