

Parkland Dedication Ordinance

June 22, 2021

Michael Kowski – Director of Parks and Recreation

Overview

- Purpose
 - Present the current status of our Parkland Dedication Ordinance
 - Summarize our research
 - Introduce potential modifications using examples
- Team
 - Jenny Baker – Parks, Planning & Development Manager
 - Dr. John L. Crompton – University Distinguished Professor, Texas A&M University

Today

Required: 1 acre per 50 residential units

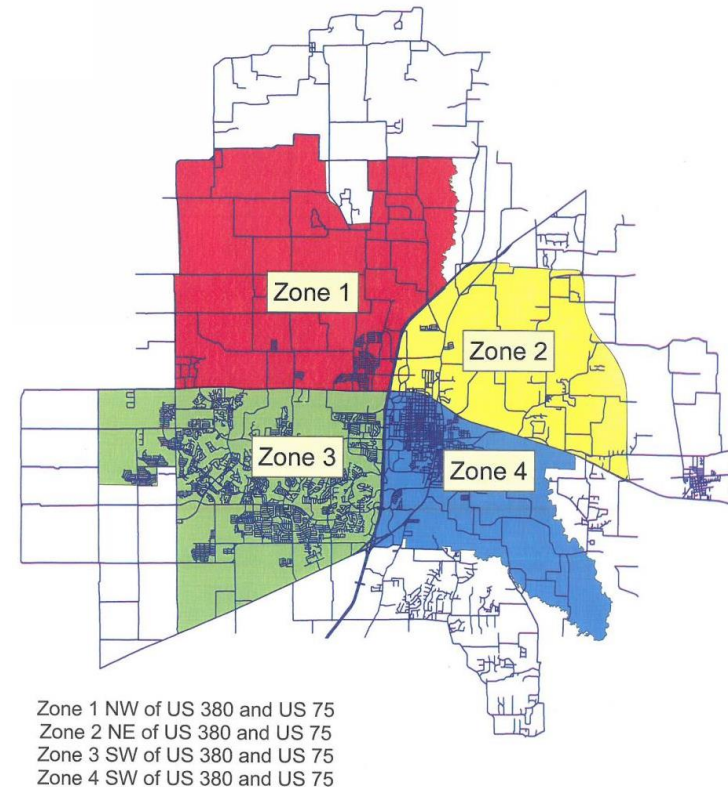
Option A: Dedicate land

- City funds actual park development

Option B: Pay a fee-in-lieu

- Fee-in-lieu is determined by multiplying the acreage due by the per acre land value
- Fee is deposited into the corresponding parkland dedication zone
- Fees are used for land acquisition, and constructing and upgrading parks & trails

Parkland Dedication Zones



Why Review?

- #1 recommendation in our Parks Master Plan adopted by Council in 2017
- Not updated since the early 2000's
- Limited supporting documentation for current methodology
- We are exposed to challenges, including litigation

Intent

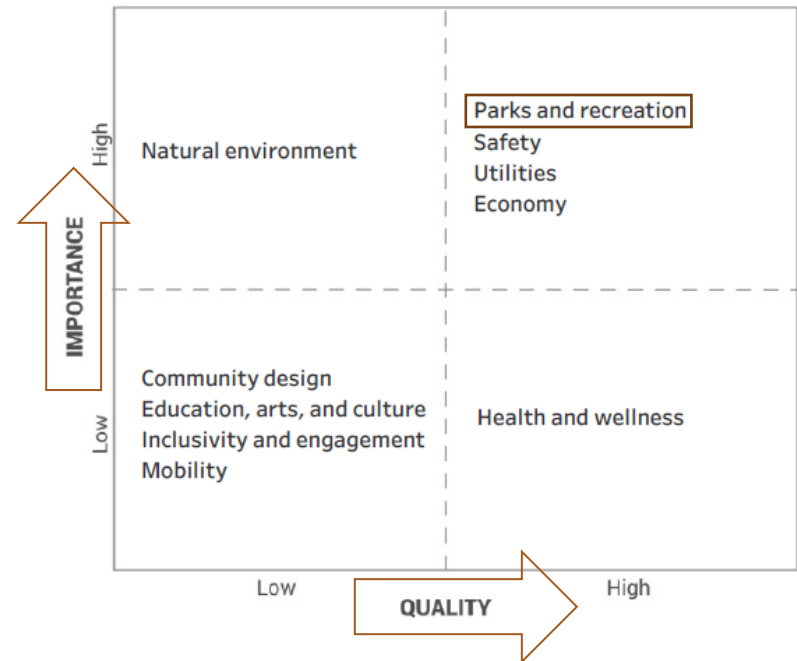
- Maintain our level of service
- Adopt a defensible methodology for arriving at our calculations
- Provide options and standards for reductions and credits, as appropriate

Maintain our Level of Service

- Parks & Recreation is a key asset of the City of McKinney – adds to overall quality of life, enhances desirability, and supports economic vitality
- High importance and quality confirmed by our residents via the 2021 National Community Survey

Assessing Level of Service

- Dwelling units served by 1 acre of parkland?
- Cost per dwelling unit to improve 1 acre of parkland?



Community Facets - 2021 National Community Survey

Methodology

The method of calculating a parkland dedication requirement must demonstrate that it is proportionate to the need created by a new development.

A dedication requirement in a parkland dedication ordinance should comprise three elements:

- A land requirement
- A fee-in-lieu alternative to the land requirement
- A park development fee

Methodology - Land

Existing dwelling units per acre of parks?

- New residents' demands will require the same level of service and quality as those of our existing residents
- Units in McKinney / Acres of developable parkland
- *Actual ratio today: 1 acre of parkland for every 37 units*
- Goal: Maintain this ratio

Current (1:50)

Potential (1:37)

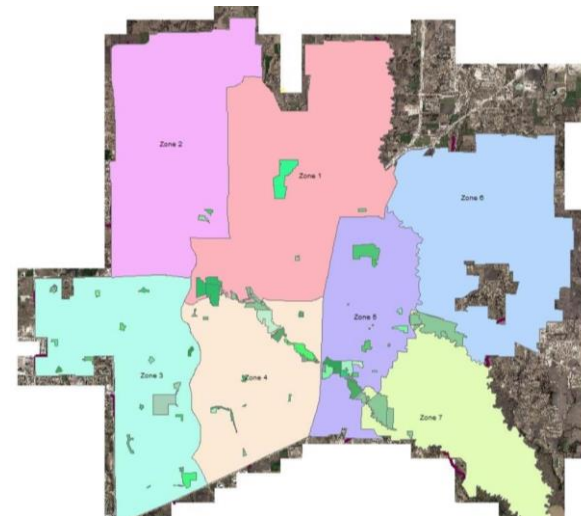
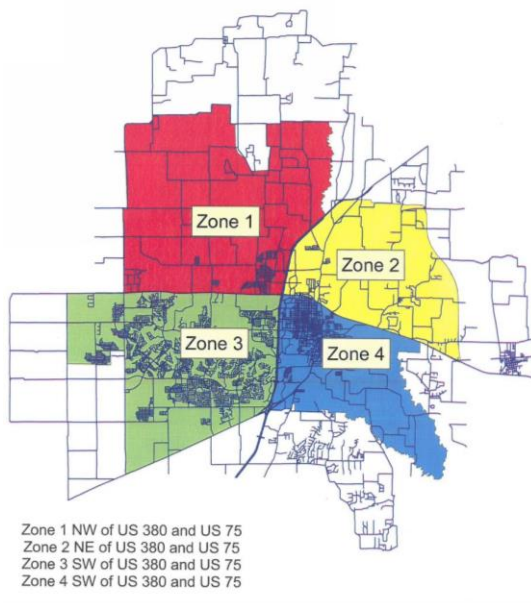
		200 SF Units / \$100,000 per acre	
		Dedication	Fee-in-lieu
Example			
Land Acres		4	
Fee-in-Lieu of Land		0	\$ 400,000.00

		200 SF Units / \$100,000 per acre	
		Dedication	Fee-in-lieu
		5.4	
		0	\$ 540,000.00

* For the purpose of illustration only, the land value in the calculation is arbitrarily shown as \$100,000 per acre.

Park Dedication Zones

- Fees-in-lieu of land are for use in the Park Zone where the development is located
- Expand from 4 to 7
- Potential: Allow for loans between Park Zones, with parameters



Methodology - Improvements

Actual cost to improve 1 acre of parkland per SF unit?

- Analyzed 42.89 acres of recent park projects in McKinney – new and renovations
- Average development cost per acre = \$ 67,032
- *Average development cost per SF dwelling unit: \$ 1,993*
- This investment cost is categorized as a Park Development Fee

Park Development Fee (PDF)

The purpose of this fee is to fund the actual costs of improving park land

- A Park Development Fee (PDF) currently does not exist in McKinney
- The Parks Master Plan recommended adding a PDF @ \$2,000 per unit
- Our study results: \$ 1,993 per SF unit and \$ 1,631 per MF unit

Current (1:50)

Example	200 SF Units / \$100,000 per acre	
	Dedication	Fee-in-lieu
Land Acres	4	
Fee-in-Lieu of Land	0	\$ 400,000.00
Park Development Fee	0	0
Total Developer Contribution	Land	\$ 400,000.00

Potential (1:37 + PDF)

Example	200 SF Units / \$100,000 per acre	
	Dedication	Fee-in-lieu
Land Acres	5.4	
Fee-in-Lieu of Land	0	\$ 540,000.00
Park Development Fee	\$ 398,600.00	\$ 398,600.00
Total Developer Contribution	\$ 398,600.00	\$ 938,600.00

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Comparable

In 2018, the City of Frisco updated their Parkland Dedication Ordinance

- Land calculation based on different method, but arrives at similar requirement
- Added a Park Development Fee (PDF) based upon actual construction costs
 - McKinney PDF: \$ 1,993 per SF unit \$ 1,631 per MF unit
 - Frisco PDF: \$ 2,769 per SF unit \$ 1,754 per MF unit

Potential (1:37 + PDF)

Example	200 SF Units / \$100,000 per acre	
	Dedication	Fee-in-lieu
Land Acres	5.4	
Fee-in-Lieu of Land	0	\$ 540,000.00
Park Development Fee	\$ 398,600.00	\$ 398,600.00
Total Developer Contribution	\$ 398,600.00	\$ 938,600.00

City of Frisco

200 SF Units / \$100,000 per acre	
Dedication	Fee-in-lieu
5.3	
0	\$ 530,000.00
\$ 553,800.00	\$ 553,800.00
\$ 553,800.00	\$ 1,083,800.00

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Policy Overlays

Potential (1:37 + PDF)

Example	200 SF Units / \$100,000 per acre	
	Dedication	Fee-in-lieu
Land Acres	5.4	
Fee-in-Lieu of Land	0	\$ 540,000.00
Park Development Fee	\$ 398,600.00	\$ 398,600.00
Total Developer Contribution	\$ 398,600.00	\$ 938,600.00

Empirical



Policy

Council can adopt a policy to reduce overall fees

For example, fees can be reduced by 40%

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Policy Overlays

Potential (1:37 + PDF)

Example	200 SF Units / \$100,000 per acre	
	Dedication	Fee-in-lieu
Land Acres	5.4	
Fee-in-Lieu of Land	0	\$ 540,000.00
Park Development Fee	\$ 398,600.00	\$ 398,600.00
Total Developer Contribution	\$ 398,600.00	\$ 938,600.00
	Policy - Reduce by 40%	
	\$ 239,160.00	\$ 563,160.00

Empirical



Policy

This reduction can be long-term, reviewed every 5-years, or

It can also be gradually phased out over a series of years (YR1- 40%, YR2- 30%, ...)

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Policy Overlays

Potential (1:37 + PDF)

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Total Developer Contribution	\$ 398,600.00	\$ 938,600.00
	Policy - Reduce by 40%	
	\$ 239,160.00	\$ 563,160.00

City of Frisco

200 SF Units / \$100,000 per acre		
Dedication	Fee-in-lieu	
5.3		
0	\$ 530,000.00	
\$ 553,800.00	\$ 553,800.00	
\$ 553,800.00	\$ 1,083,800.00	
	Policy - Reduce by 40%	
\$ 332,280.00	\$ 650,280.00	

Current (1:50)


200 SF Units / \$100,000 per acre	
Dedication	Fee-in-lieu
4	
0	\$ 400,000.00

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Policy Overlays - Additional

Potential (1:37 + PDF)

Example	200 SF Units / \$100,000 per acre	
	Dedication	Fee-in-lieu
Land Acres	5.4	
Fee-in-Lieu of Land	0	\$ 540,000.00
Park Development Fee	\$ 398,600.00	\$ 398,600.00
Total Developer Contribution	\$ 398,600.00	\$ 938,600.00
	Policy - Reduce by 40%	
	\$ 239,160.00	\$ 563,160.00
	Additional - Reduce by 50%	
	\$ 119,580.00	\$ 281,580.00



Empirical



Policy

Opportunity to apply additional reductions to certain development types, such as:

- Senior-focused Housing & Affordable Housing

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Partnerships & Credits

- Open to developers dedicating the required land and constructing the public parks
 - Design and location to be approved by City
- Allow a 50% credit for on-site private amenities like public park features

Administration

- Open to phased payments
- Reimbursement clause
- Go live date
- City Council should review the Ordinance at least every 5-years

Summary

- Park Land Dedication & Fee-in-lieu of Requirements
 - Proposed: 1-acre per 37 Units
- Park Development Fee
 - Proposed: \$ 1,993 per SF Unit
\$ 1,631 per MF Unit
- Apply a percentage discount to the overall fee
 - Phased out over multiple years?
- Apply a percentage discount to certain project types
 - Senior Housing, Affordable Residential?

Process

- Process
 - August 2020 – Parks & Recreation Board
 - April 2021 – McKinney Development Committee
 - June 2021 – Council Work Session
 - July 2021 – Parks & Recreation Board
 - August 2021 – Draft Ordinance Refinement
 - Q4 2021 - City Council Review & Adoption

Thank You