



Community Enrichment Fund



Open Space:

- The purpose of Public Open Space is to provide recreational areas in the form of public parks as a function of the subdivision of land for residential uses and site development in the City.

- Open space via land dedication or fees is established in the UDC
 - In order to ensure that the land is planned for at the start of the development stage
 - Ensures the Parks and Recreation Department is linked with the platting and plan review process

- Currently, there are two steps a developer must follow for the City uses to gain open space as a result of new development:
 1. Dedicate Land for Parks Space or Pay a Fee in Lieu of Land (FILO)
 - AND -
 2. Pay a Park Development Fee or Make Park Development Improvements



Land Dedication vs Fee in Lieu of Land (FILO)

8.3.5. Land Dedication. Whenever a final plat is filed of record within the City's jurisdiction for development of a residential subdivision, such plat shall contain a dedication of an area of land within the subdivision to the City for park purposes.

- For subdivisions where all lots are for single-family housing types, the dedication requirement shall be determined by the ratio of 1 acre for each 100 proposed dwelling units.

8.3.6. Fee in Lieu of Land. The City may require a fee in lieu of land dedication.

- The fee in lieu of land dedication requirement shall be met by a payment proportional to the amount of land required to be dedicated
- The Assistant City Manager over Development Services shall determine the amount of the fee in lieu of land dedication based on the following formula: $(A \times V) = M$.
 - A = The amount of land required for dedication
 - V = The fair market value (per acre) of the property to be subdivided, as established by an approved method.
 - M = The number of dollars to be paid in lieu of dedication of land.
- The fair market value, variable V, may not exceed sixty-two thousand five hundred dollars (\$62,500.00) per acre.



Land Dedication vs Fee in Lieu of Land (FILO)

Land Dedication Example:

Plat	100 Dwelling Units (DU)
Land Dedication (1 acre per 100 DU)	1 acre
Fee in lieu of land (FILO) (A x V) = M A= amount of land required for dedication V= fair market value (per acre) of property M= dollars to be paid in lieu of land	1 acre x \$62,500 = <u>\$62,500</u>

Note: FILO are restricted funds. The funding must be used within 5 miles of the contributing development or in a regional park.



Park Development Fee versus Park Development Improvements

- **8.3.7. Park Development Fee.** In addition to the land dedication or fee, each developer shall pay a Park Development Fee of \$200 per dwelling unit.
- **8.3.8. Park Development Improvements.** A developer may propose to construct the public park improvements in lieu of the park development fees. Before the City can approve the developer's proposal, a recommendation is required from the Parks and Recreation Department

Plat	1 Dwelling Units (DU)
Land Dedication (1 acre per 100 DU)	1 acre
Fee in lieu of land (FILO) (A x V) = M A= amount of land required for dedication V= fair market value (per acre) of property M= dollars to be paid in lieu of land	1 x \$62,500 = \$62,500
Park Development Fee (\$200 x # of DU)	\$200 x 100 = \$20,000
Total	\$82,500

Note: Park Development fees are unrestricted funds. The funding does not have to be used within 5 miles of the contributing development



Park Fee vs Actual Development of an 1 Acre Park

Land Dedication Example: \$82,500 (in fees generated for park development)

1 Acre Needs (Example): **\$874,525**

Difference: **-\$792,025**

Cost Estimation for New Park Development on Undeveloped Land 2021 (1.0 Acres)			
Park Amenity	Qty	Unit Price	Total Cost
Park Design For Best Placement of Amenities	1	\$ 72,000	\$ 72,000
Commercial High-Capacity Playground Unit w/ Shade Structure (200 Sq. Ft. of Shade)	1	\$ 175,000	\$ 175,000
Multifunctional Outdoor Drinking Fountain - Corrosive Resistant	1	\$ 7,000	\$ 7,000
Swing (8'5" Arch with Two Bays)	1	\$ 24,000	\$ 24,000
Trash Cans	6	\$ 120	\$ 720
Concrete Walking Trail (7ft width x 43,560 Sq. Ft.)	1	\$ 284,000	\$ 284,000
Connecting Concrete Walkway to Playground Units (ADA Compliance)	2	\$ 24,000	\$ 24,000
Trees & Foliage	8	\$ 1,250	\$ 10,000
BBQ Pits	2	\$ 400	\$ 800
Bench	4	\$ 300	\$ 1,200
Shade Structure w/ Picnic Table	2	\$ 12,000	\$ 24,000
Irrigation	1	\$ 22,500	\$ 22,500
Lighting (LED High Mast Floodlights)	4	\$ 13,600	\$ 54,400
Sub Total			\$ 699,620
25 % Eng. Admin Reimbursements			\$ 174,905
Total Cost			\$ 874,525



Community Enrichment Fund (CEF)

- **8.3.4.A. Community Enrichment Fund.** A special fund that is established for the deposit of all sums paid in lieu of land dedication.
 - The City shall account for all sums paid in lieu of land dedication with reference to the individual plats involved.
 - Any funds paid for such purposes shall be expended by the City within seven years from the date received by the City for acquisition or development of public parks.
 - If funds are not expended within seven years, the owners of the property will be entitled to a pro rata refund of such sum**.
 - The owners of such property shall request such refund in writing within 12 months of the last day of the seven-year period, or such refund right shall be terminated.

****Note:** Per UDC 8.3.4.B, an option for refunding of fees is not available to the original developer. Rather, the refund would go to the person who is in possession of the property at the conclusion of the seven-year period (i.e. homeowners). For larger developments like Rancho Vista (770 Homes), this could lead to individuals receiving 1/770th (\$107.14) of the funding.

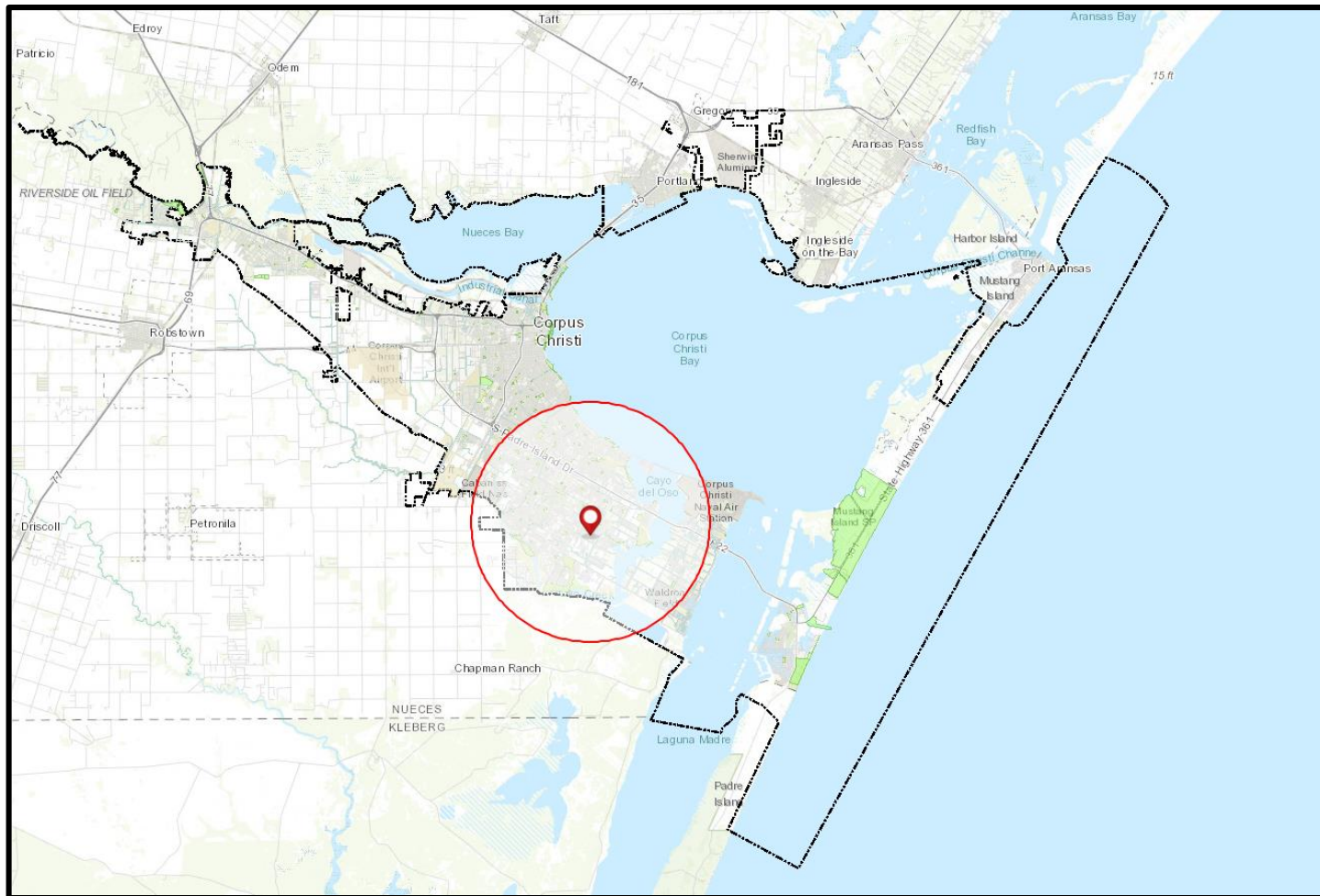


Challenges in the Current Process - Budget Line Items

- Fees were assigned to budget line items for each contributing development; this led to at least 165 budget lines being created
- Budget line items naming convention is not standardized and does not allow for the quick identification of the contributing development
- Budget line items are no longer being created. Therefore, new funding is being assigned to legacy budget lines
- Parks and Recreation Department does not have a detailed process to prioritize and communicate CEF investments in the community



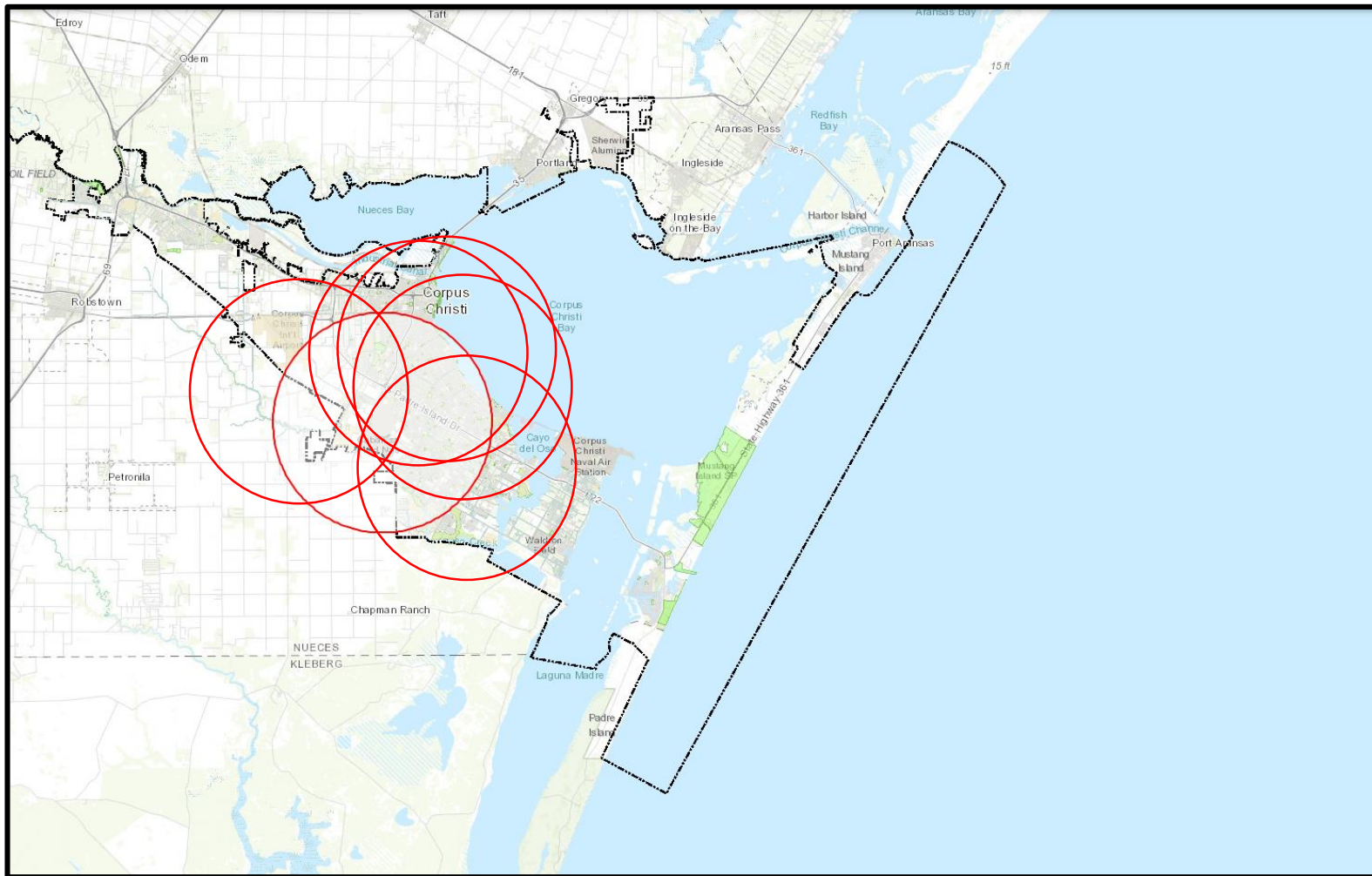
Challenges in the Current Process - FILO Five Mile Radius Requirement



1 Development (0.5% of the 165 Budget Line Items)



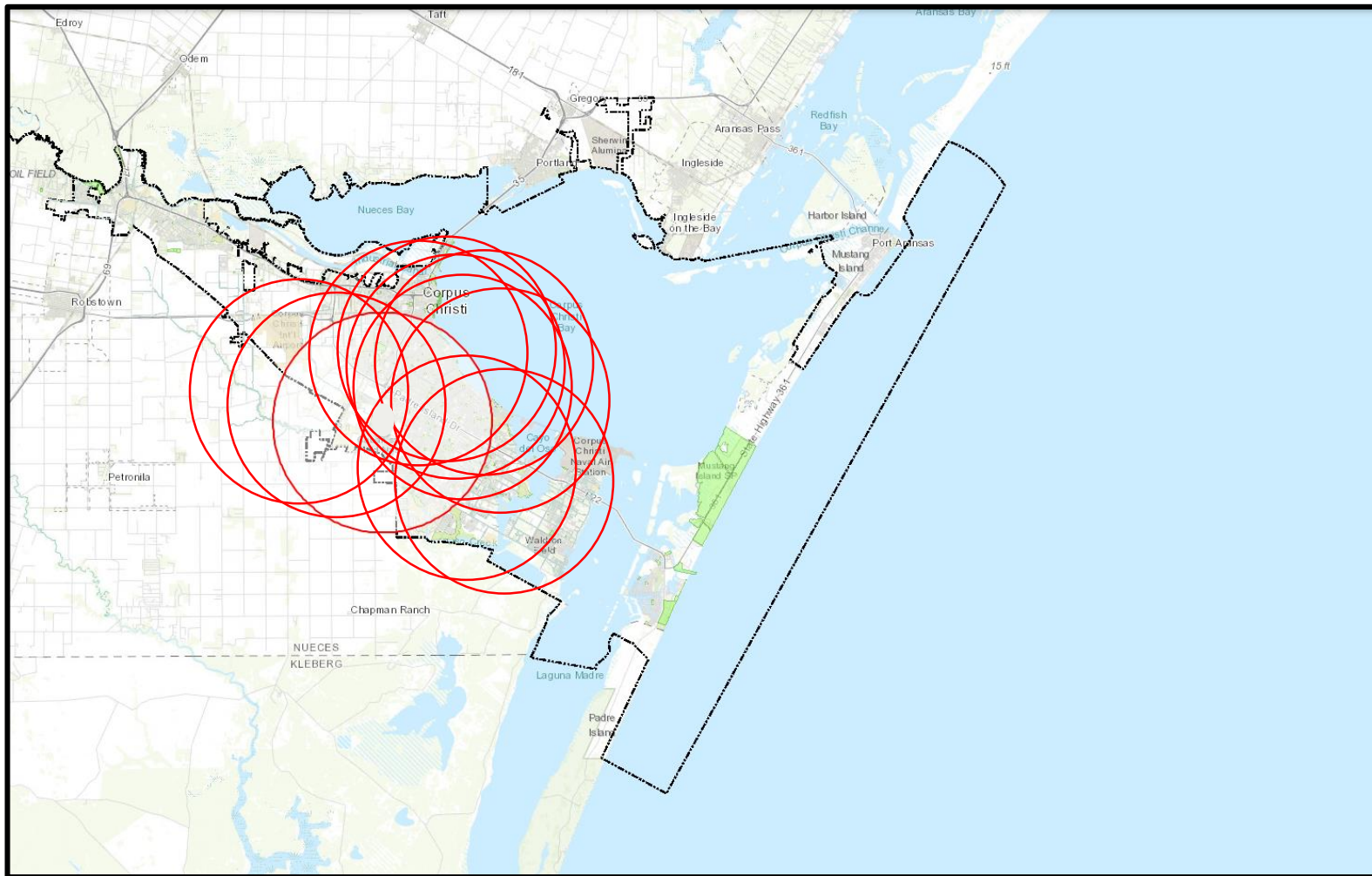
Challenges in the Current Process - FILO Five Mile Radius Requirement



8 Developments (1% of the 165 Budget Line Items)



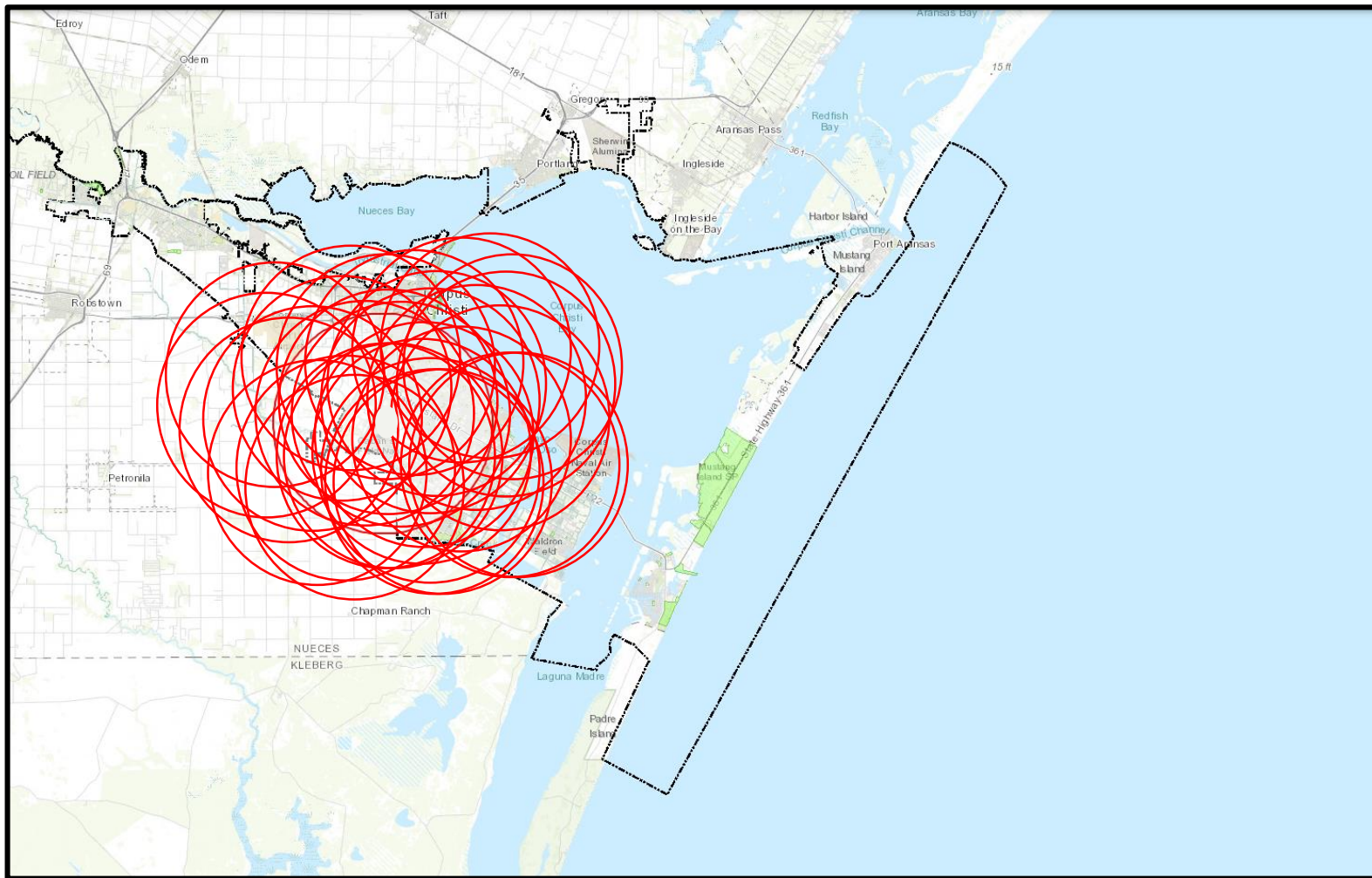
Challenges in the Current Process - FILO Five Mile Radius Requirement



16 developments (10% of the 165 Budget Line Items)



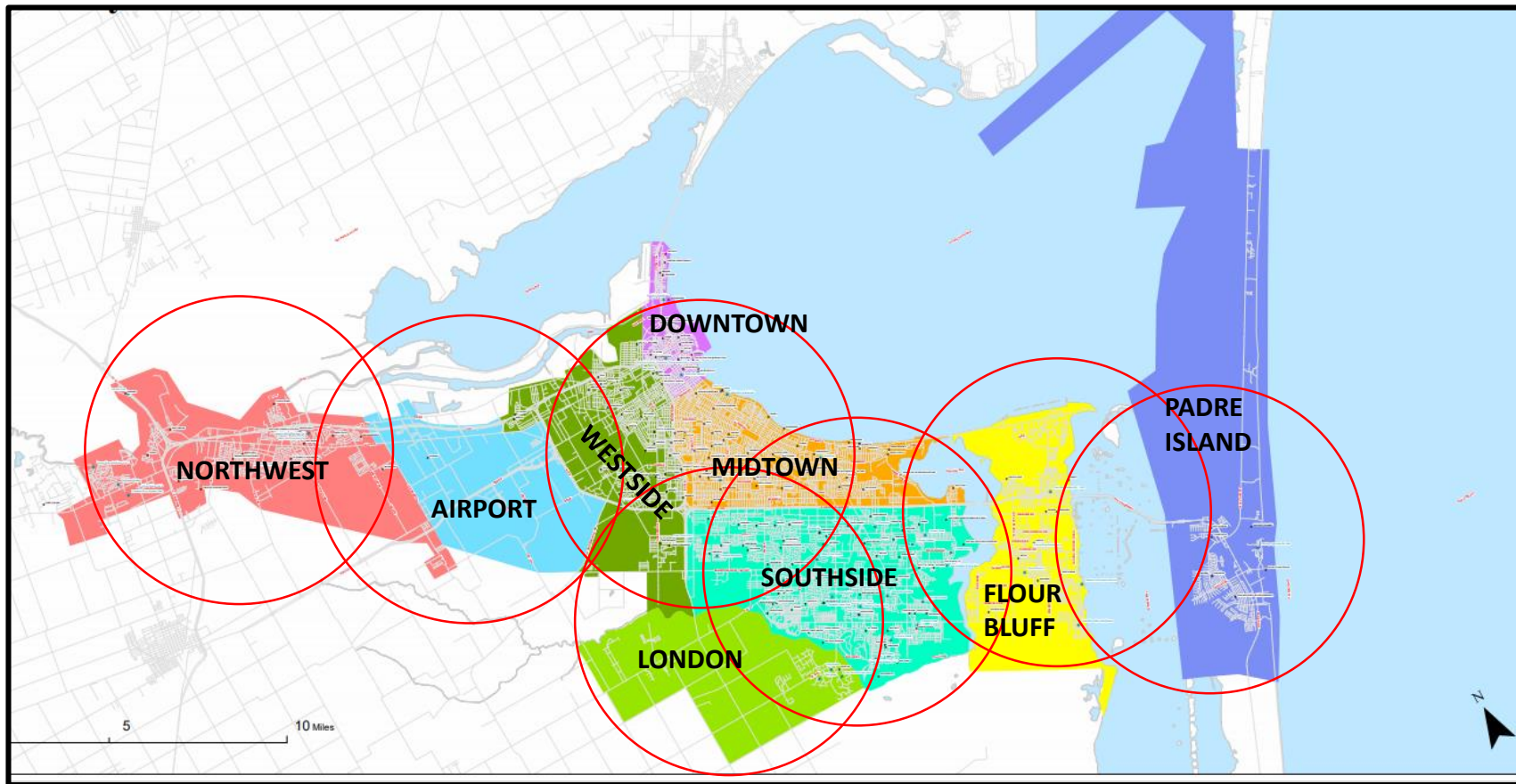
Challenges in the Current Process - FILO Five Mile Radius Requirement



32 developments (20% of the 165 Budget Line Items)



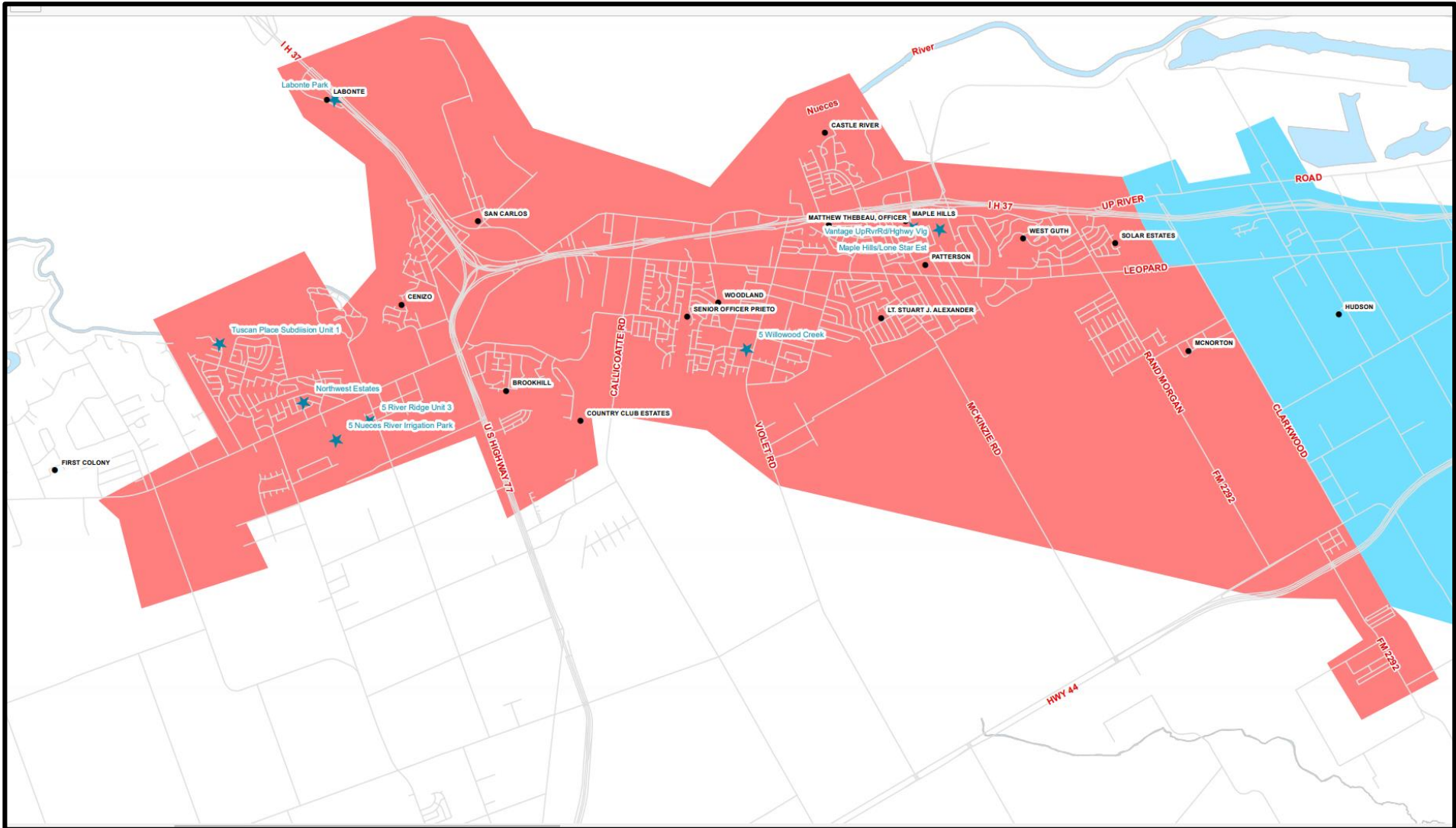
Simplify the FILO Five Mile Radius Requirement (Area Development Zones)



- Area Development Zones are almost in keeping with UDC five-mile requirement
- Simplifies accounting process and allows for more transparency
- Will reverse a problematic legacy process that has been in place for a decade
- Use of the Area Development Zones will address overlaps and ensure that the park fees remain in the region of each development

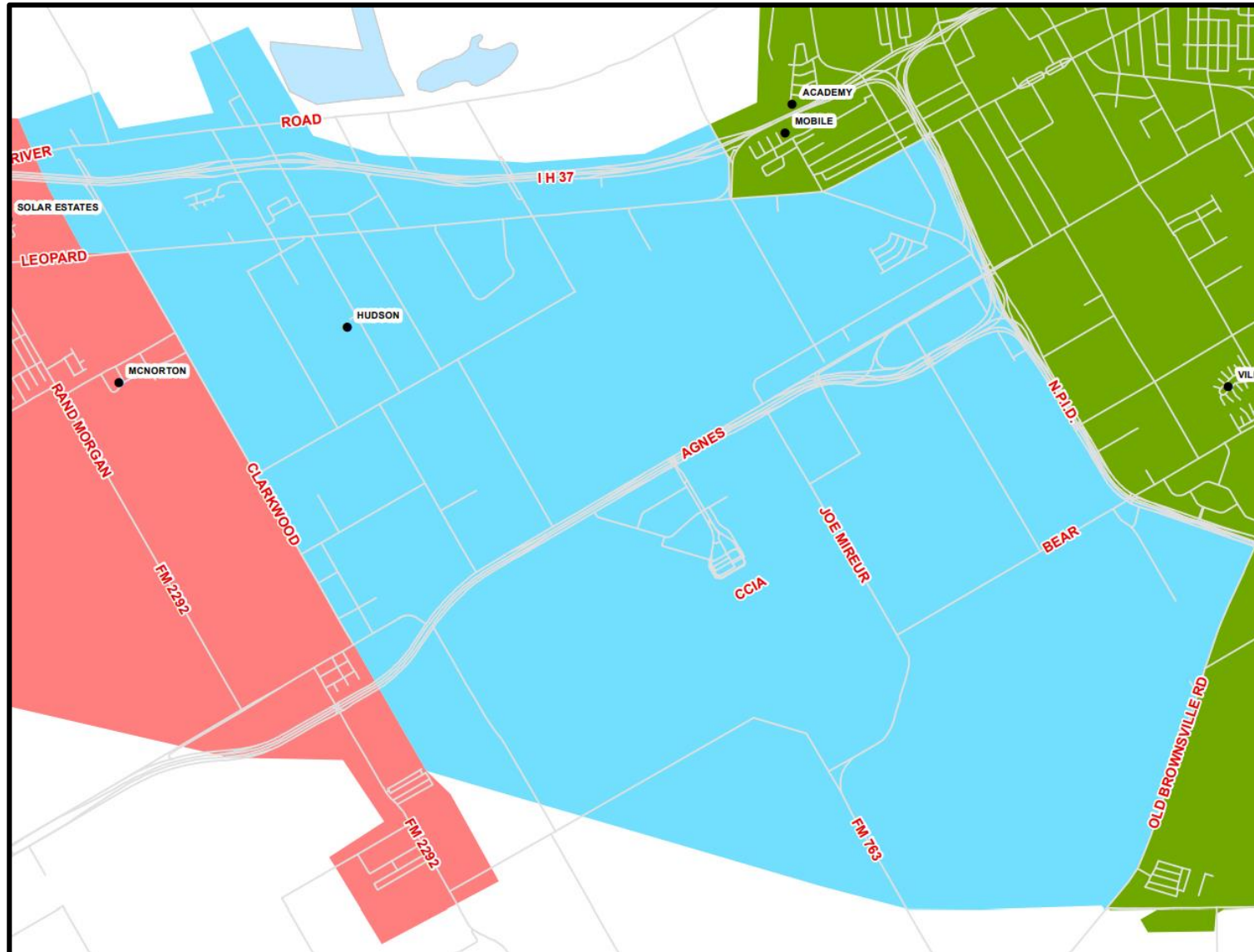


Northwest Zone (16 Parks)





Airport Zone (1 Park)







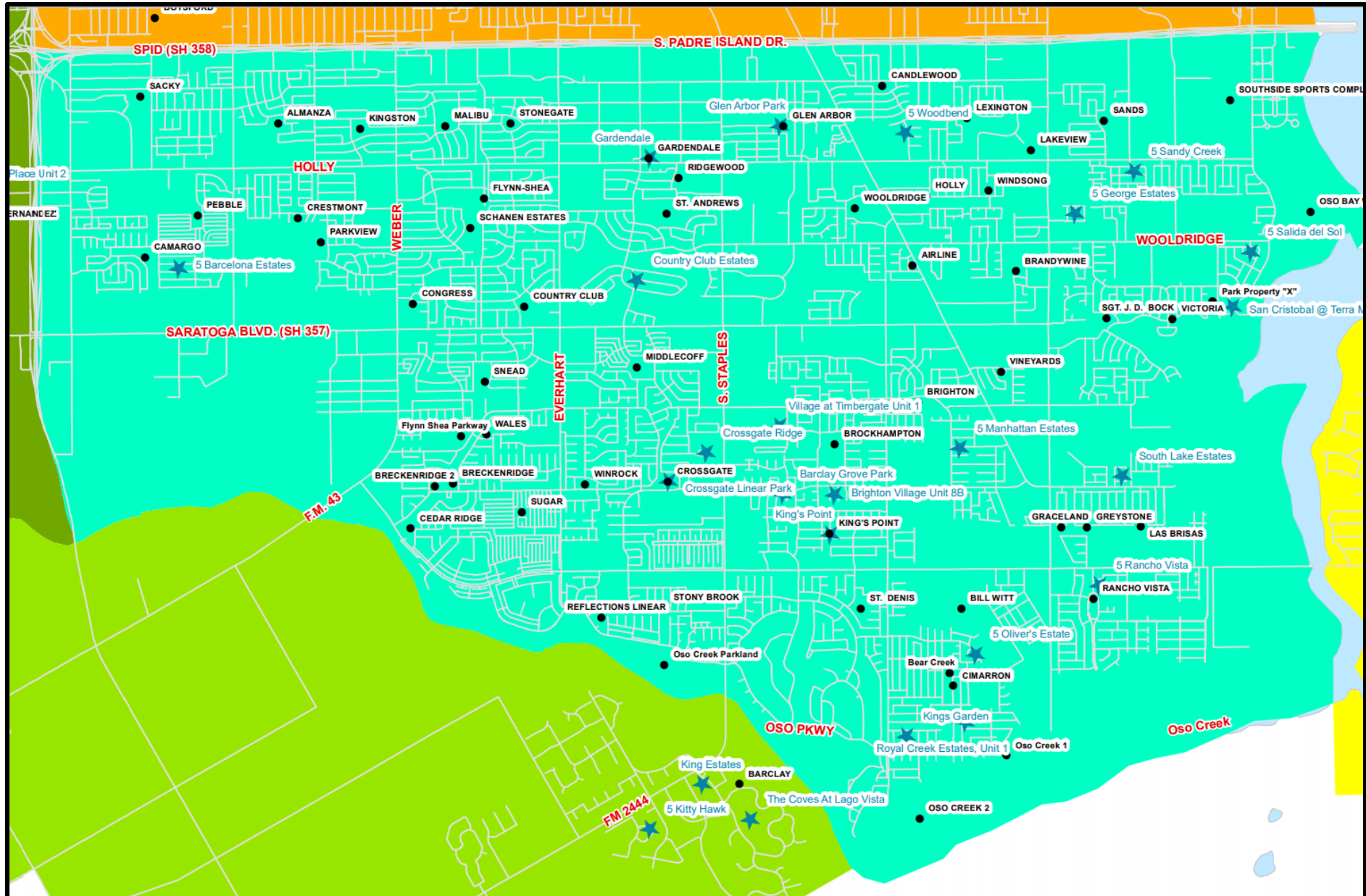
Downtown Zone (23 Parks)





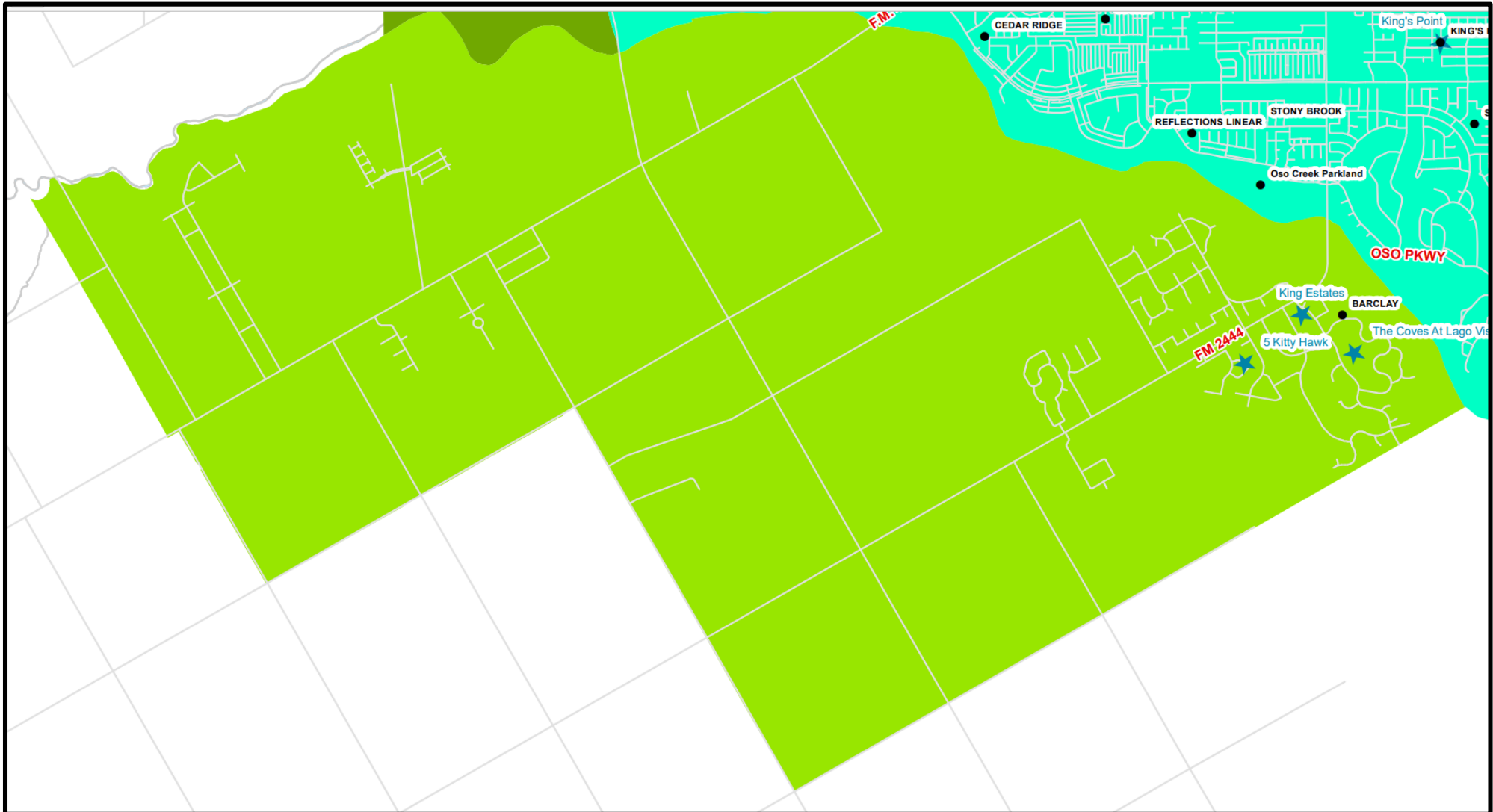


Southside Zone (60 Parks)



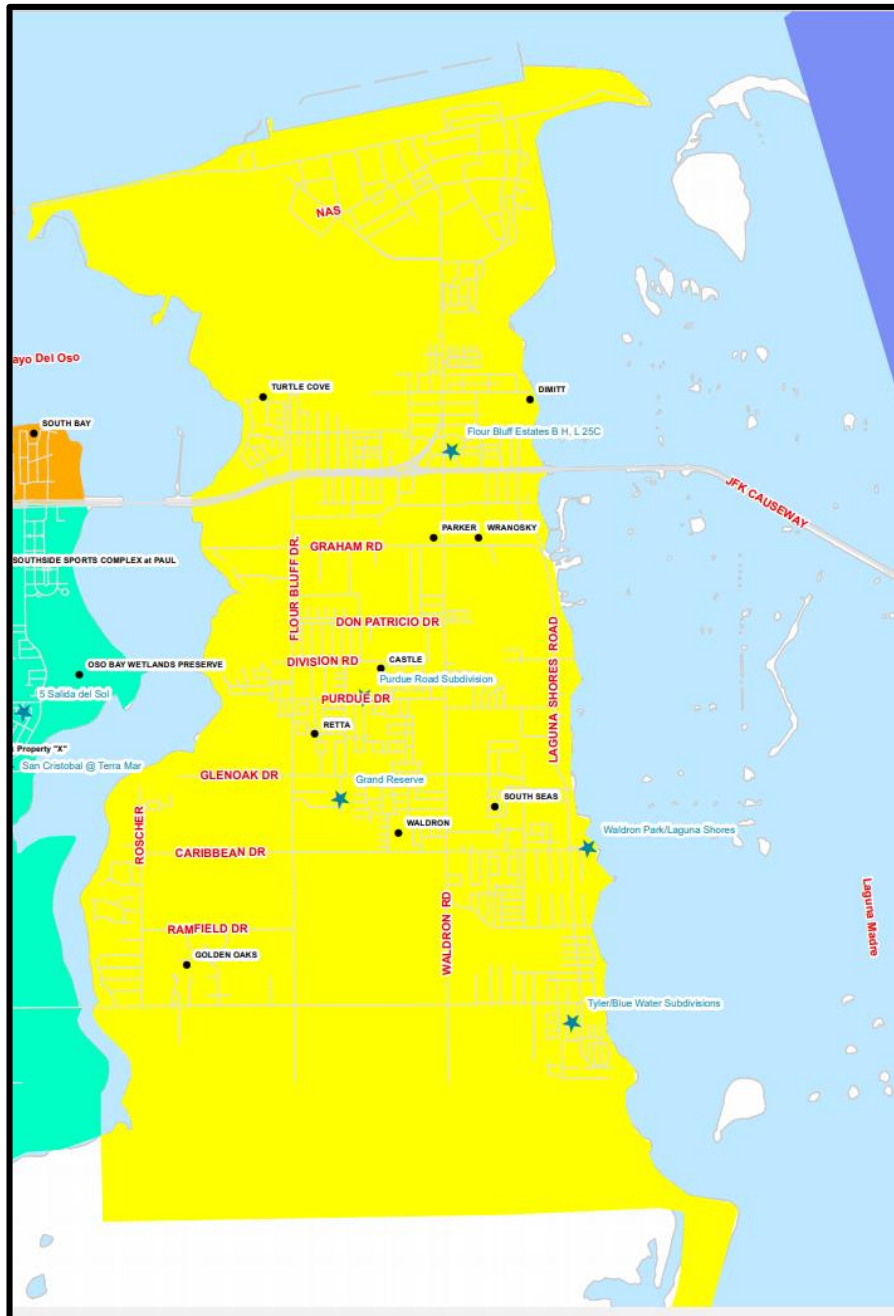


London Zone (1 Park)



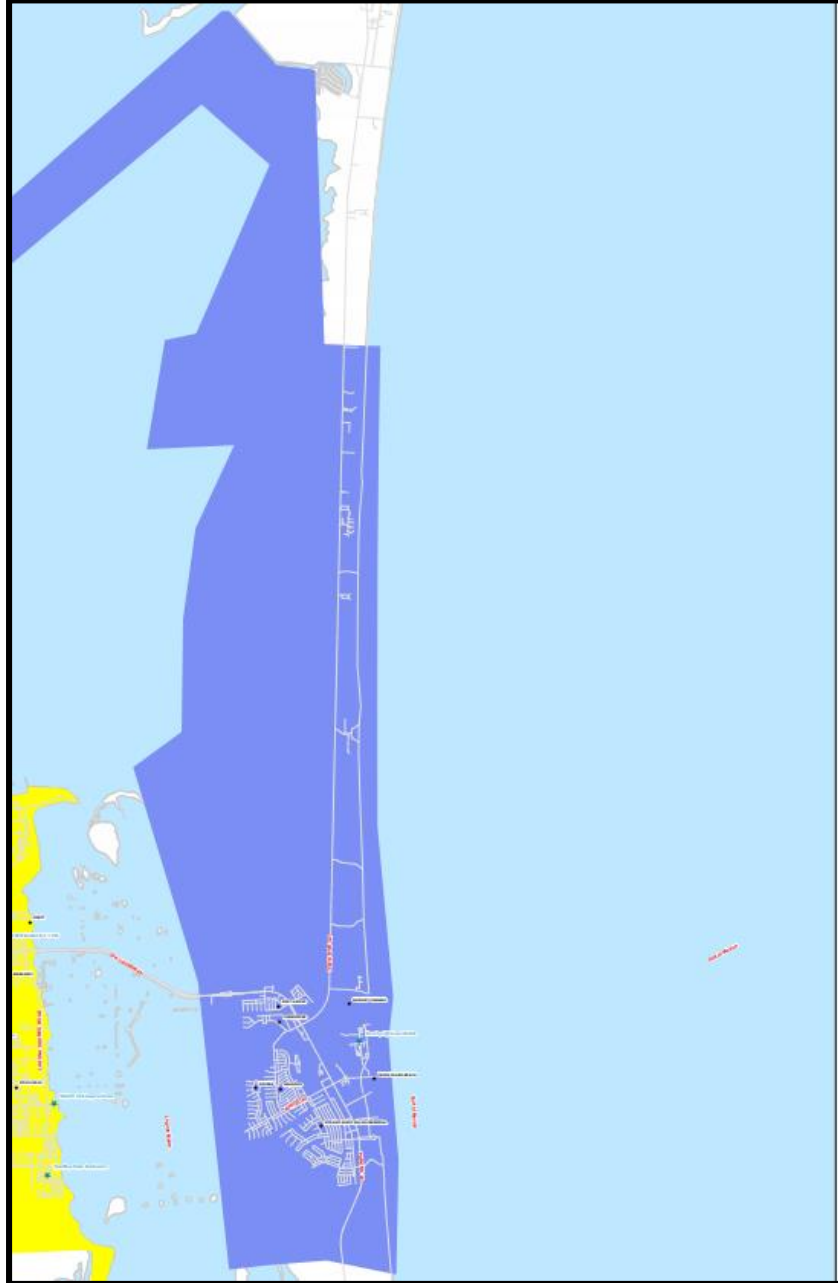


Flour Bluff Zone (9 Parks)





Padre Island Zone (7 Parks)



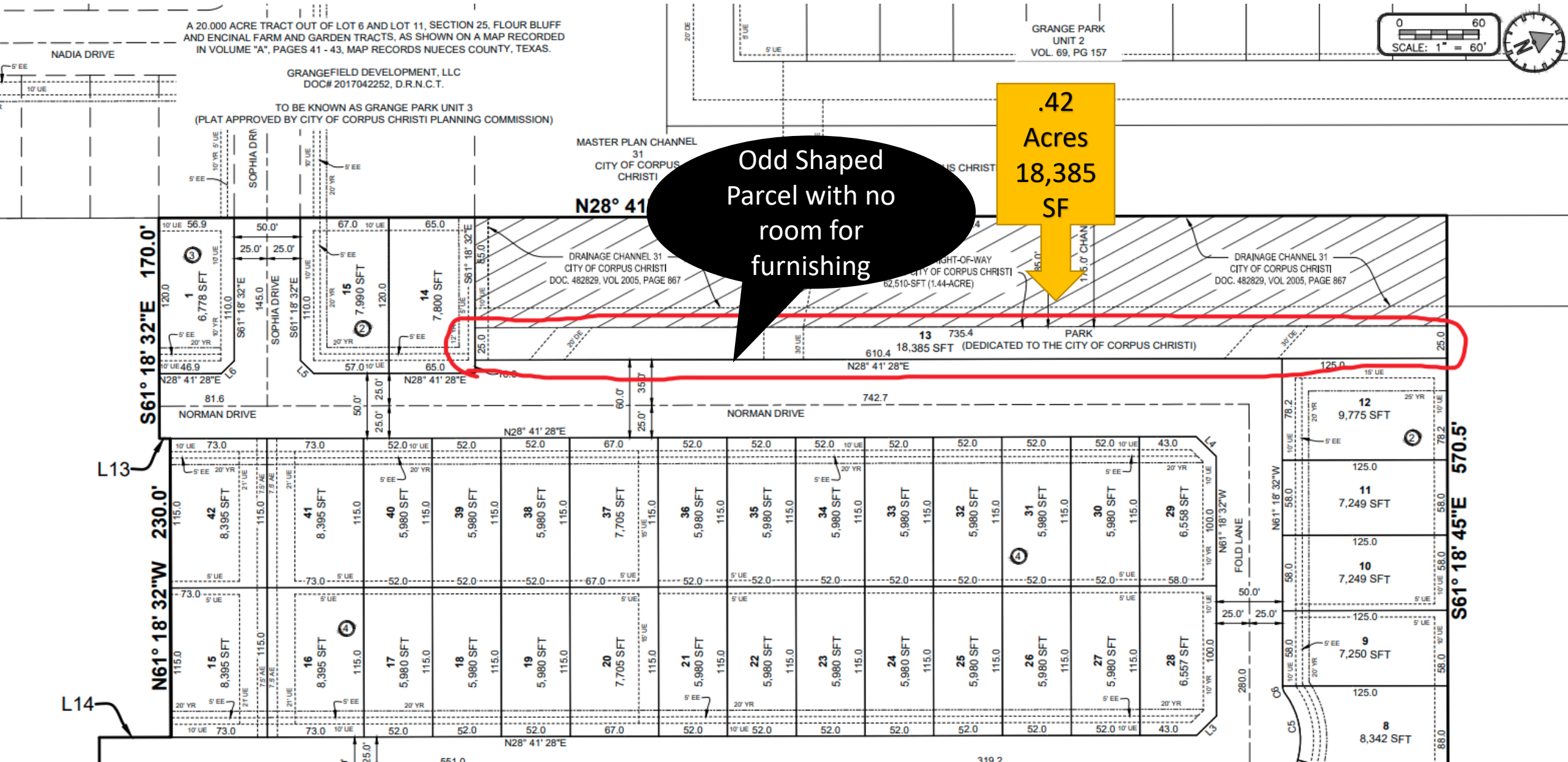


Challenges in the Current Process - Land Dedication

- Dedicated land is often not centralized in housing developments
 - Leaves citizens disenfranchised
- Dedicated land is often property that can't be developed
 - Wetlands, easements, etc.

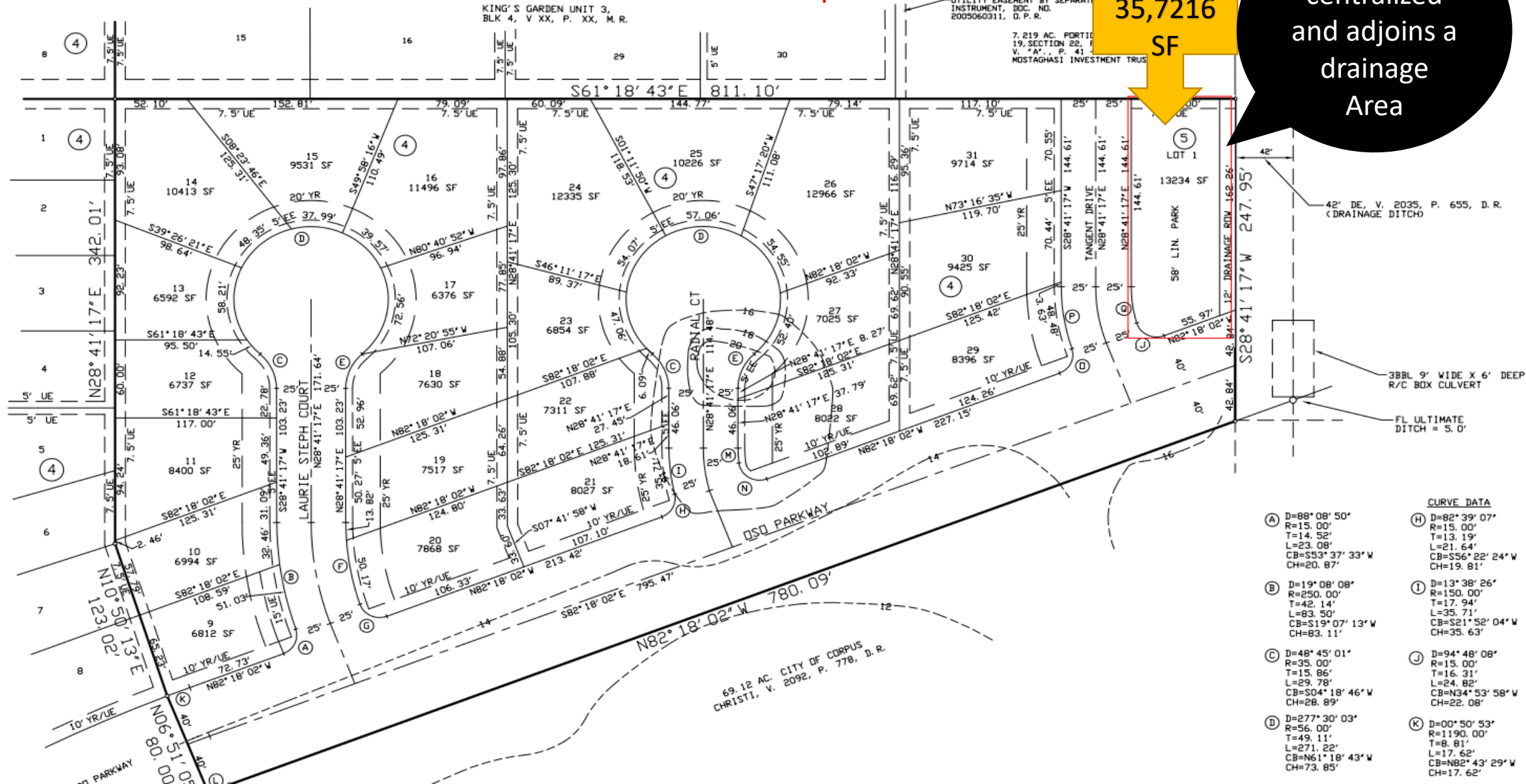
Moorland View Homes

Land dedication was not accepted in 2021



Land dedication was not accepted in 2021

Park is not centralized and adjoins a drainage Area





Proposed Methodology for CEF Expenditures

- **Establish an annual CEF Budget**
 - Capital Budget
 - Improvements in Established Parkland
 - Parks and Recreation Master Plan
 - Emerging Priorities
- **Update financial policy to require the City Manager to present a proposed CEF budget during the annual Operating Budget and Capital Budget process**
 - Staff Recommended
 - City Manager Reviewed
 - Public Town Halls for Input and Feedback
 - Council Adopted

Community Enrichment Fund Balance

(as of August 18, 2021)

Unappropriated balance as of 10.1.20	4,982,551.69
FY21 expenditures	(2,272,261.67)
FY21 Encumbrances	(162,497.33)
Revenue that is waiting for org specifications	312,062.88
FY21 Contributions/Donations Revenue	196,850.00
FY21 Interest revenue	<u>7,783.16</u>
Balance as of 8.18.21	\$3,064,488.73

Expenditures Over Last 3 years

FY 2019	\$586,725	Playground Structure Purchases and Installations
FY 2020	\$1,919,700	Shade Structures; Splash Pads; Playground Purchase and Installation
FY 2021	\$2,272,261	Cole Park Pier; Parks Recreational Master Plan; Landscaping, Playgrounds



Proposed FY22 Community Enrichment Fund Budget

- Impactful projects affecting more than 12 parks
- Equitable distribution of funding across all five districts
- Based on emerging priorities, best use, and Parks and Rec Masterplan recommendations

PARK DEDICATION ORDINANCE ANALYSIS

Christopher Anderson
Strategic Planning and Innovation Officer
City of Corpus Christi



Why change the CEF?

- Park dedication requirements have not been updated since 2013
- Park Development fees have not been updated since 2007
 - Current fee structure does not provide adequate funding to meet public demand
 - Missed opportunities since fees can be reviewed and revised by City Council every two years





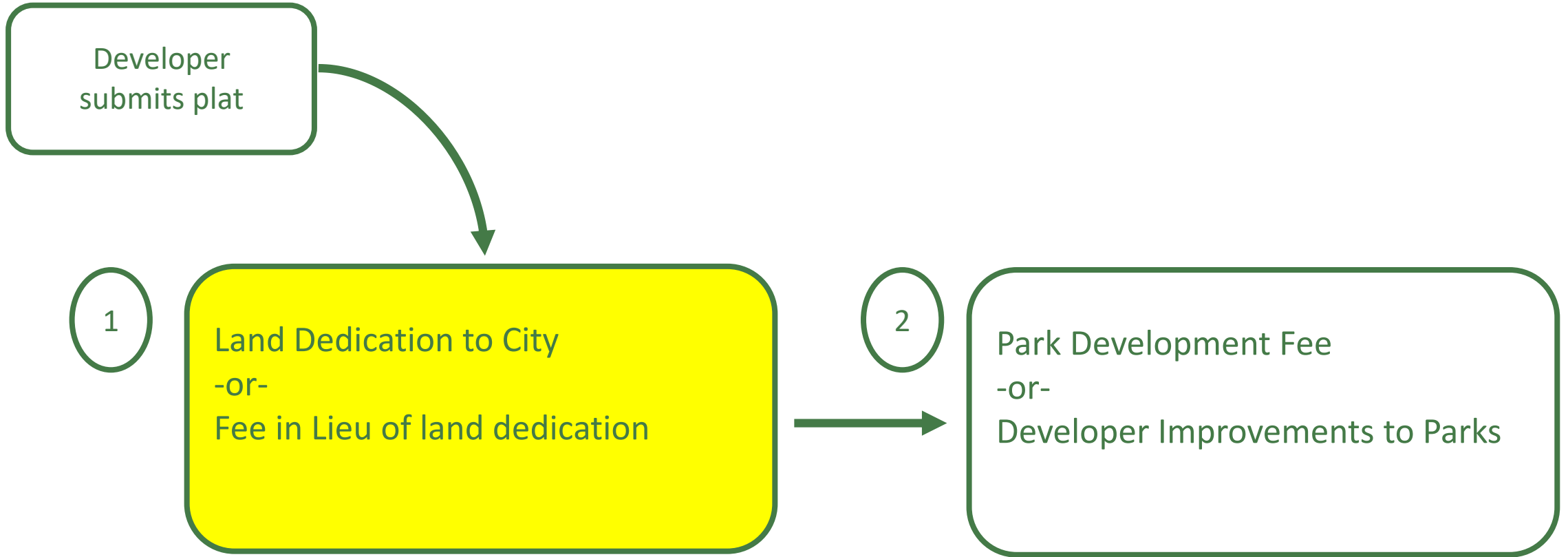
Texas Cities Comparison

- Staff utilized John L. Crompton study to assess Park Dedication ordinances across the State
 - University Distinguished Professor of Recreation, Park & Tourism Sciences- Texas A&M University
 - Over 100 publications in the Parks field
- According to the study, cities in Texas write their park dedication ordinances differently

	Acres that <i>would have</i> been dedicated	FILO fee	Park Development fee	Total fees	City Sq. Miles
Houston	1.8	N/A	\$70,000	\$70,000	669
Ft. Worth	.975	N/A	\$78,975	\$78,975	355.6
Corpus Christi	1	\$62,500	\$20,000	\$82,500	489
San Antonio	1.43	\$71,429	\$25,000	\$96,429	505
Dallas	1	\$76,200	\$40,300	\$116,500	383.4
El Paso	1	\$137,000	-	\$137,000	259.3
Arlington	N/A	N/A	\$145,000	\$145,000	99.47
Austin	.98	\$104,564	\$49,288	\$153,852	271.8

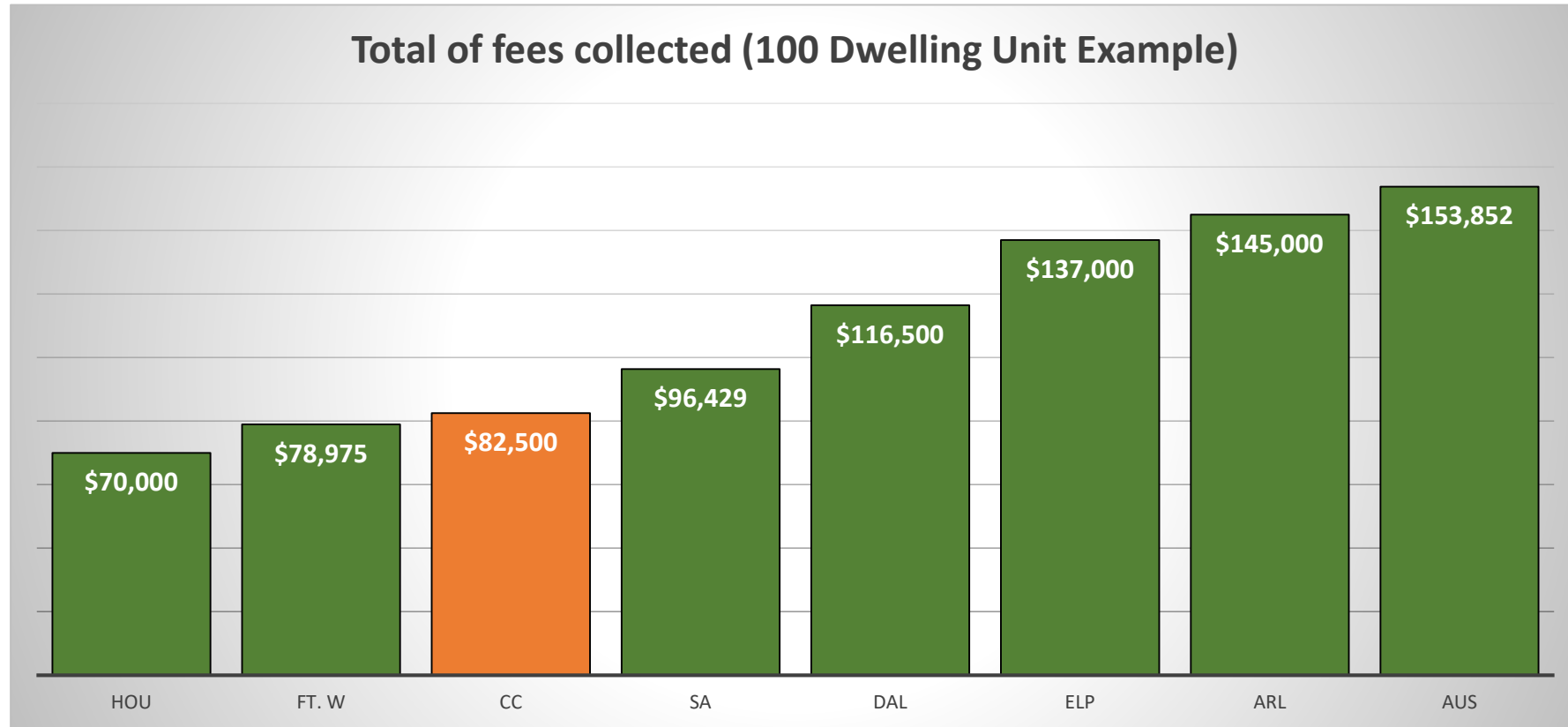
* 100 dwelling unit example where only fees are collected

Community Enrichment Fund



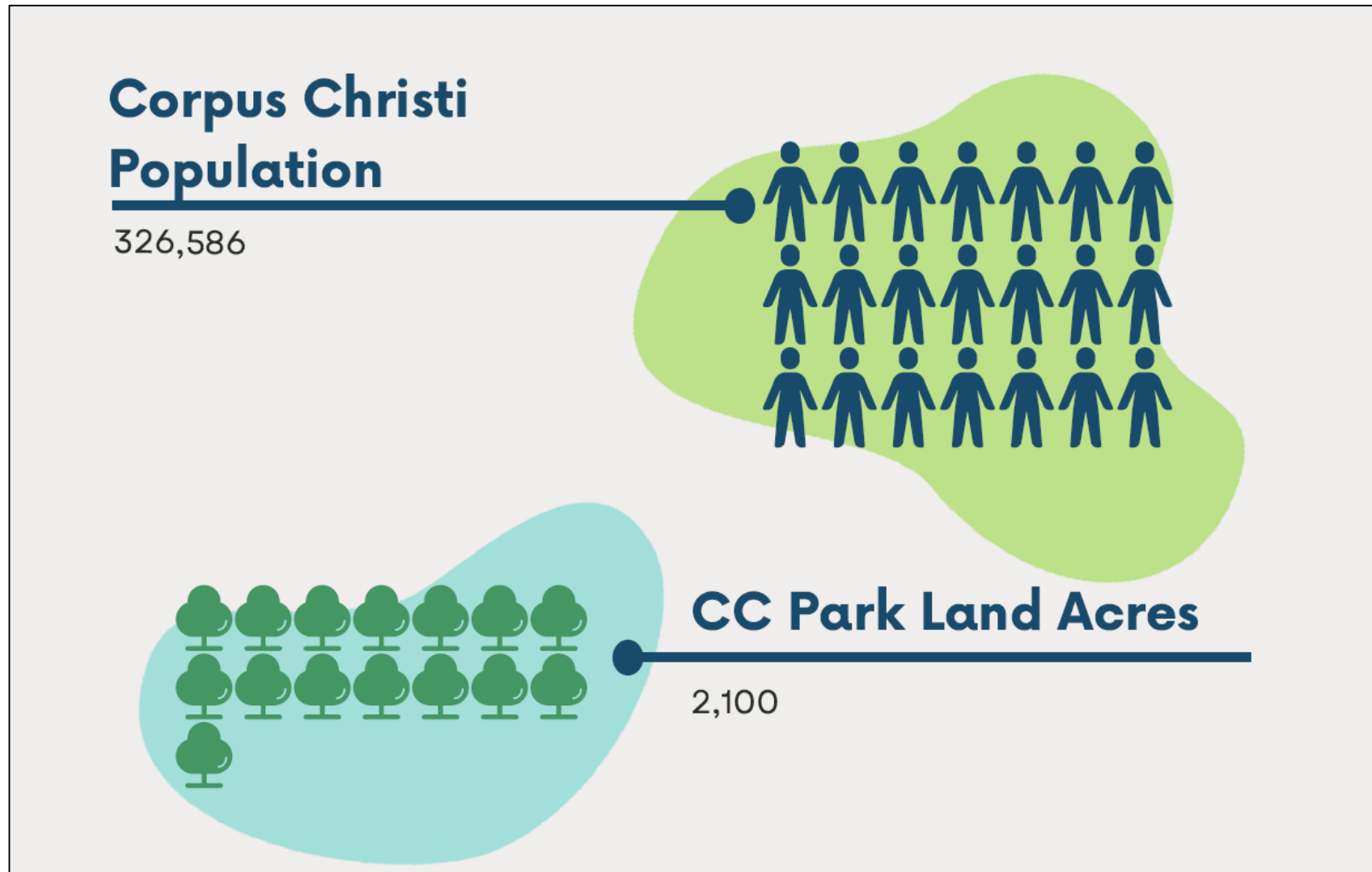


Texas Cities Comparison





Current Level of Service (Parks)





Current Level of Service (Parks)

$$326,586 / 2,100 =$$

Total Population

Park Land Acres

People per Park
Acre (PPPA)

156

$$156 / 2.7 = 57$$



PPPA



PPH



Units

$$1 \text{ Unit} = 2.7 \text{ Persons per household (PPH)}$$



Dwelling Units / 1 Acre

Dwelling Unit adjustment
needed to maintain current
PPPA. Current requirement is
100 dwelling units.

57



Land Dedication vs Actual Level of Service

- Current ordinance requires developer to dedicate 1 acre per 100 dwelling units.

- HOWEVER-

- The City needs developer to dedicate 1 acre per 57 dwelling units to maintain current level of service.
 - Propose phased approach

Fiscal Year	Dwelling Units (per acre)	Land to be dedicated (100 DU scenario)
FY 2023	86	1.16 acre
FY 2024	71	1.41 acre
FY 2025	57	1.75 acre



Current vs Proposed Land Dedication

Current:

Plat	100 dwelling units (DU)
Land Dedication (1 acre per 100 DU)	1.0 acre
Fee (in lieu of land) to be paid	$1.0 \times \$62,500 = \underline{\$62,500}$

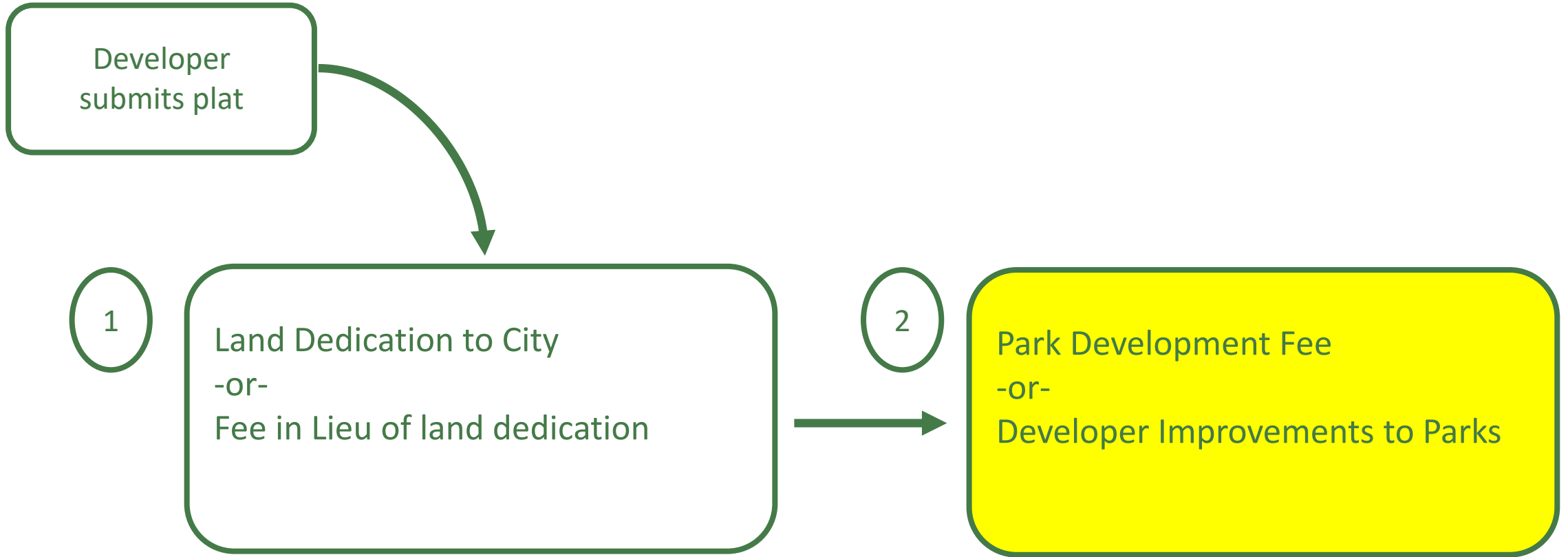
1 DU= 0.01 acres required for dedication

Proposed (by FY 2025):

Plat	100 dwelling units (DU)
Land Dedication (1 acre per 57 DU)	1.75 acre
Fee (in lieu of land) to be paid	$1.75 \times \$62,500 = \underline{\$109,375}$

1 DU= 0.0175 acres required for dedication

Community Enrichment Fund





Proposed Park Development Fee Implementation

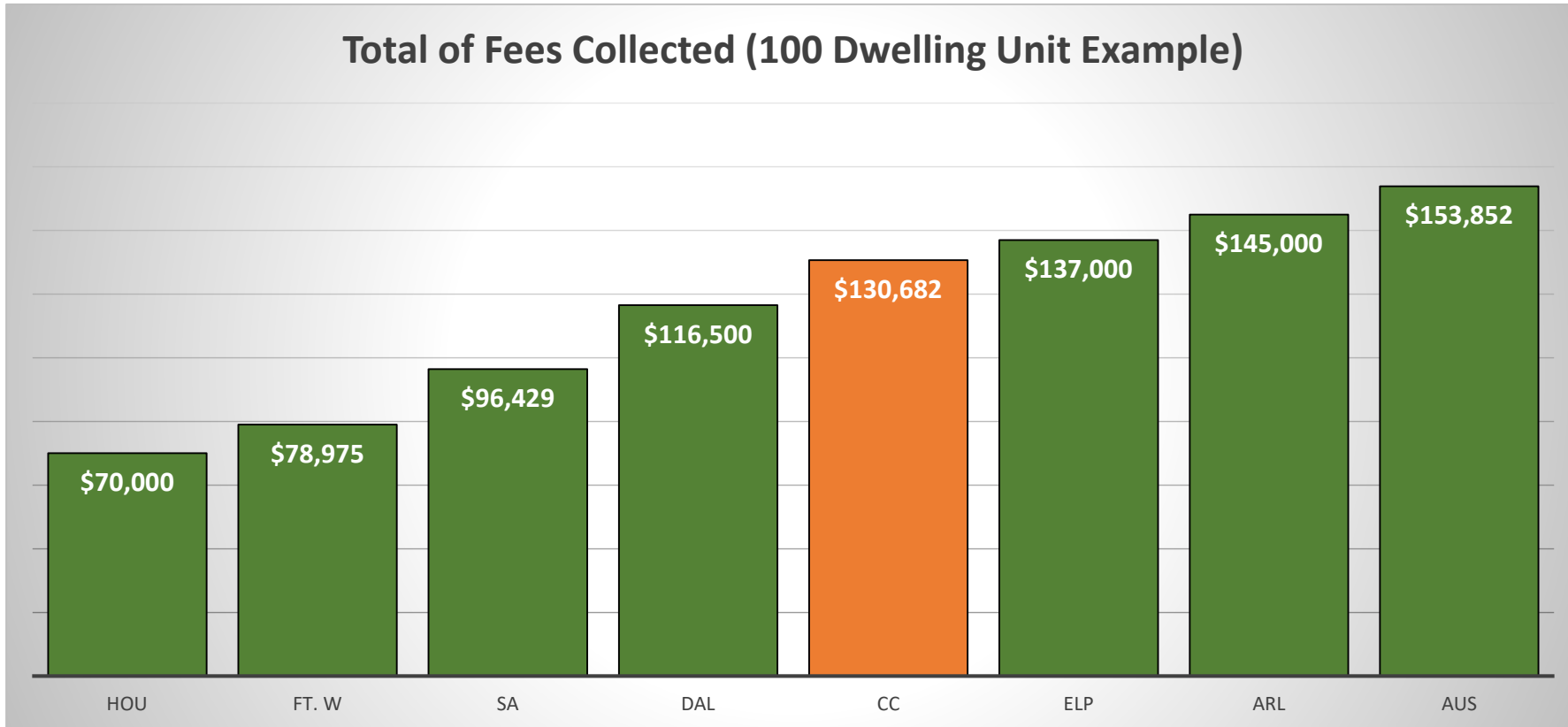
Proposed Schedule of Park Development Fees				
		100 DU Scenario		
Fiscal Year	Park Development fee Per Dwelling Unit	FILO	Park Dev. Fee	Total
2022	\$200.00	\$62,500	\$20,000.00	\$82,500
2023	\$203.80	\$72,500	\$20,380.00	\$92,880
2024	\$208.28	\$88,125	\$20,828.00	\$108,953
2025	\$213.07	\$109,375	\$21,307.00	\$130,682

Proposed Implementation:

- No adjustment to either fee in FY 2022
- Starting in FY 2023:
 - Land dedication requirements updated over FY 2023, 2024, and 2025 to get to one acre per 57 dwelling units
 - Park Development Fee updated using simple inflation factor from projected Consumer Price Index (CPI)



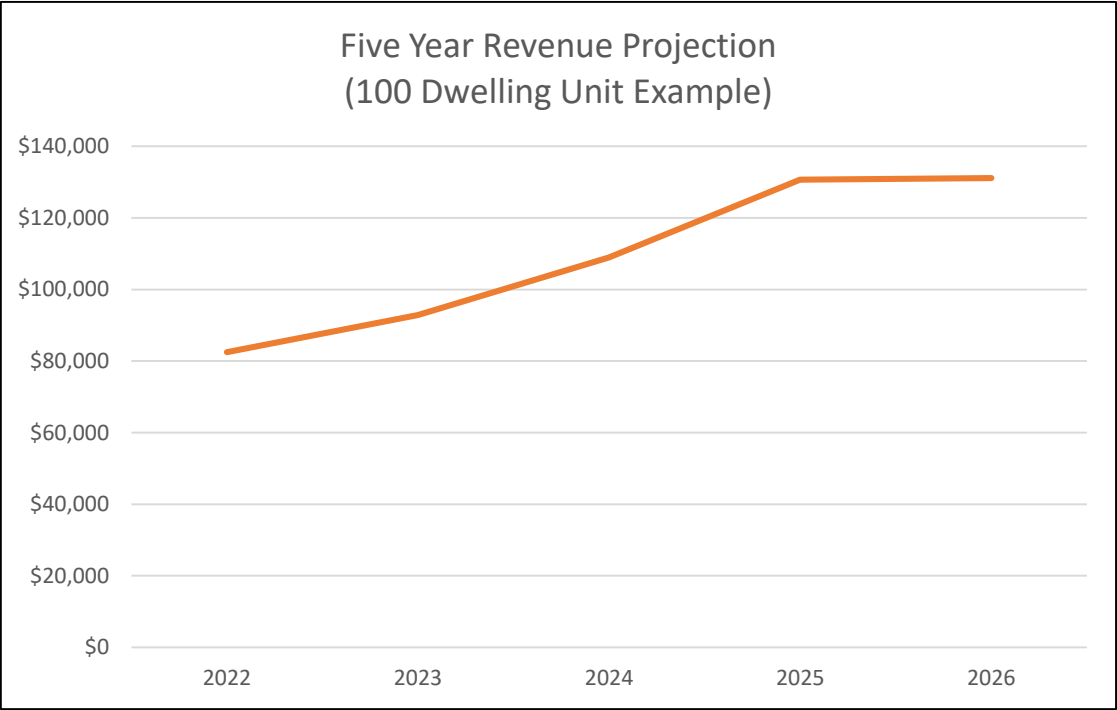
Texas Cities Comparison With Proposed Fees



- Brings the City to the median for fees charged by the top eight cities
- Allows for the City to maintain our current level of service despite increasing development



The Cost of Not Updating Land Dedication and Park Development Fee



	Current fee structure	Proposed fee structure
2022	82,500	82,500
2023	82,500	92,880
2024	82,500	108,953
2025	82,500	130,682
2026	82,500	131,172
TOTAL	412,500	546,188
Difference		+133,688

In our 100-unit example, **\$133,688** in foregone park improvements over 5 years. This equates to:



6 swing sets



11 shade structures w/ picnic table



334 BBQ pits

Recommendations

- Amend UDC to rename the “Community Enrichment Fund” to the “Park Development Fund”, and rename the “Park Development Fee” to the “Park Improvement Fee”
- Amend the UDC to dissolve the five-mile radius requirement and restrict the use of Fee in Lieu of Land funding to the City Area Development Zone of the contributing residential development
- Amend the UDC to change land dedication requirement from one acre per 100 dwelling units to one acre per 57 dwelling units
- Increase the Park Development fee to remain in keeping with the Consumer Price Index
- Adopt the proposed FY22 Community Enrichment Fund Budget
- Update budget finance policy to require the City Manager to present a proposed CEF budget with the Operating Budget and Capital Budget

Recommendations – Development Community

- Remove language allowing for a refund of fees if not spent within seven years
- Restrict Park Development fees to the Area Development Zone of the contributing development
- Assistant City Manager of Park and Recreation shall determine the amount of the FILO

Actions

Actions Taken

- Assembled CEF Work Group (P&R, Innovation, DSD, Finance, Legal, Budget)
- Reviewed UDC and Assessed Current CEF Policy
- Conducted Comparative Analysis of Other Texas Cities
- Identified Challenges with Current Policy and Developed Recommendations to Repair System and Align Corpus Christi w/ Comparable Cities
- Received Feedback from Parks and Recreation Advisory Committee and the Coastal Bend Builders' Association

Actions Forward

- | | |
|--|-------------------|
| • Brief Planning Commission | October 27, 2021 |
| • Planning Commission Public Hearing | November 10, 2021 |
| • Newspaper Publication for Council Public Hearing | November 28, 2021 |
| • Public Hearing (City Council) | December 14, 2021 |



Questions?