



TEXAS MUNICIPAL LEAGUE

Empowering Texas cities to serve their citizens

President **David Rutledge**, Mayor, Bridge City
Executive Director **Bennett Sandlin**

March 29, 2023

The Honorable Brian Birdwell
Chairman, Senate Natural Resources and Economic Development Committee
Texas State Senate
P.O. Box 12068
Austin, TX 78768-2068

Dear Chairman Birdwell:

I am writing on behalf of the Texas Municipal League to express our opposition to **S.B. 558** by **Senator Hughes**. As Texas cities continue to attract record numbers of new inhabitants, the need for both housing and for usable outdoor space for our future neighbors has never been more important. As currently drafted, S.B. 558 would hinder the five largest cities in Texas by replacing their parkland dedication regulations with a one-size-fits-all approach which dramatically shifts the burden for park services expansion from future residents to current taxpayers.

In order to provide parks, recreation centers, public pools, hiking trails, or other parks-related spaces and facilities, cities in Texas often require developers of new residential real property to dedicate a portion of land to the city for parks purposes, pay a fee in lieu of that dedication of property, or a combination of property dedication and fees. And since parks often have improvements such as pools, playgrounds, and trails, fees are sometimes assessed on new development in order to fund the construction of improvements to parks as well. The purpose of the dedication requirements and fees is simple: As people move into these new developments, these new neighbors will take advantage of the positive aspects of living in a city, which includes using parks. It is only fair that those very same people should bear some of the cost to build and support the parks they will be using. S.B. 558 takes none of this into consideration and effectively transfers much of the bill to current Texans.

S.B. 558 fails to account for density.

Over time, cities across the state have developed formulas to calculate the amount of parkland dedication or the size of required park fees, taking many factors into consideration. The most important consideration is that the requirements imposed on the new development must be roughly proportional to the impact that the development will have on the city, and when it comes to parkland impact, the density of the population is critical to knowing the proportional impact a development will have.

S.B. 558 fails to properly account for density in its dedication allowances. Under the bill, the only metric that matters is the area of the real estate being developed – not the intensity of its use. This

will result in dedication requirements disproportionate to the impacts created by future development.

The dedication location requirements of S.B. 558 are inflexible.

Many cities allow for flexibility with regard to where the land dedicated for park use can be located. Allowing a developer to dedicate property for park use outside of a development can be critical to the success of a particular development. S.B. 558 does not explicitly allow for parkland dedication outside the area being developed. So, while park dedication within a larger footprint, residential development could make sense, the forced dedication of a relatively tiny spot of open space within an urban high-rise development could result in both a diminished development and a bad park.

The fee calculations have extreme results.

As we have discussed, the reason cities have parkland dedication requirements is to require the future users of the park to participate in the funding and creation of the parks they will use. These residents effectively pay their share as part of the purchase or rental price of their homes. Parks are so important that for a city to sell parkland under most cases currently requires an affirmative vote of the people.

Likewise, parkland fees are restricted to park uses. In short, while future residents are often required to pay for the parks they will use through dedication requirements and certain park fees, guarantees exist that the dedications made and the fees paid will, in fact, lead to the expansion of parkland availability for those very same future residents. S.B. 558 does not continue this guarantee. The calculations contained in S.B. 558 with regard to fee calculation will likely result in cities requiring either the maximum allowable land dedication or the maximum fee in lieu of dedication – never a combination.

Furthermore, the calculations can easily lead to situations where the city is actually required to pay the developer for a dedication, which turns the entire system on its head. This means that in addition to everything else, one contemplated outcome of this bill is to require current taxpayers to not only fund the parks system for themselves and for future residents, but to also pay the developer for the pleasure.

In light of these concerns, we urge the committee to reconsider the provisions of S.B. 558 and work towards a more equitable and flexible solution for parkland dedication and development to provide a fair and financially viable formula for parkland dedication and fees.

Sincerely,



Monty Wynn
Director, Grassroots and Legislative Services
Texas Municipal League