



**Directors Report**  
**November 7, 2017, Recreation and Parks Commission and Planning**  
**Commission Joint Meeting**  
**Prepared By: Steve Youel, Director of Community Services**

**Item#: 4.1**

**Subject:** Overview of the Preliminary Park Impact Fee Nexus Study and Preliminary Quimby Land Dedication and In-Lieu Fee Study

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**Discussion:** In conjunction with the Parks and Recreation Facilities Master Plan ("Master Plan") prepared by Foothill Associates, SCI Consulting Group has prepared two preliminary studies to establish the legal and policy basis for imposing new parkland dedication requirements and fees on new residential development to fund new residential development's fair share of the cost of the park and recreational facility projects identified in the Master Plan.

The Park Impact Fee Nexus Study ("Nexus Study") establishes the legal and policy basis for the imposition of updated park impact fees ("fees") on new residential development within the City (see attached). The City uses these fees to fund new or expanded park facilities to meet increased demand for programs and services. In order to update the City's park impact fee, the Nexus Study demonstrates that a reasonable relationship or "nexus" exists between new development that occurs within the City and the need for new or expanding park and recreational facilities as a result of new residential development. More specifically, the Nexus Study presents findings in order to meet the substantive requirements of the Mitigation Fee Act, also known as AB 1600, which are as follows:

- Identify the purpose of the fee.
- Identify the use to which the fee is to be put.
- Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed ("benefit relationship").
- Determine how there is a reasonable relationship between the need for the fire facilities and the type of development project on which the fee is imposed ("impact relationship").

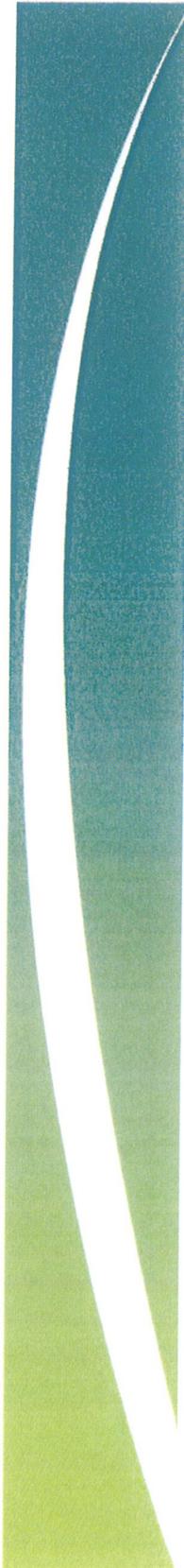
The California Government Code contains specific enabling legislation for the dedication of land or fees in lieu of land dedication for neighborhood and community parks by a city, county or special district. This legislation, codified as Government Code § 66477 and known commonly as the "Quimby Act," also establishes the criteria for determination the land dedication requirement and in-lieu fee based on specific park standards. This Quimby Dedication Requirement and In-Lieu Fee Study ("Quimby Study") will determine the City's maximum allowable parkland dedication requirement and in-lieu fee. The Quimby Study also makes specific recommendations

for the establishment of a City Quimby program.

Tonight, SCI Consulting Group will provide the Recreation and Parks Commission and Planning Commission an overview of both funding mechanisms and their preliminary finding and recommendations including preliminary fees. No action is required from either Commission.

- Steve Youel, Director of Community Services

*Attachment:* Draft Park Impact Fee Nexus Study



**CITY OF PLACERVILLE**

**PARK IMPACT FEE NEXUS STUDY**

OCTOBER 2017  
PUBLIC REVIEW DRAFT

PREPARED FOR:  
**CITY COUNCIL**  
**CITY OF PLACERVILLE**

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## ACKNOWLEDGMENTS

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This Park Impact Fee Nexus Study was prepared by SCI Consulting Group in conjunction with the Parks and Recreation Master Plan Update 2017 prepared by Foothill Associates. The work was accomplished under the general direction of Steve Youel, Director of Community Services for the City of Placerville.

We would like to acknowledge the special efforts made by individuals and organizations to this project:

Kate Kirsh, Foothill Associates  
Paul Weller, Foothill Associates

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## EXECUTIVE SUMMARY

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### INTRODUCTION

This Park Impact Fees Nexus Study ("Nexus Study") was prepared pursuant to the "Mitigation Fee Act" as found in Government Code § 66000. The purpose of this Nexus Study is to establish the legal and policy basis for the imposition of a new park impact fee ("fee") on new residential development within the City. The Nexus Study was prepared in conjunction with the Park and Recreation Master Plan Update ("Master Plan") of the City of Placerville ("City") prepared by Foothill Associates.

The purpose of the fee is to fund the one-time cost of expanding the City's park and recreational facilities in order to maintain its existing level of service. For purposes of this Nexus Study, the term "facilities" will refer to the development of parks, recreational facilities, and trails. Facilities do not include buildings (except for restrooms) or swimming pools. On July 19, 2008, by their Resolution No. 7625, the City Council established the City's current park impact fee of \$1,320 per new dwelling unit.

In order to impose such fees, this Nexus Study will demonstrate that a reasonable relationship or "nexus" exists between new development that occurs within the City and the need for additional developed parkland and recreational facilities as a result of new development. More specifically, this Nexus Study will present findings in order to meet the procedural requirements of the Mitigation Fee Act, also known as AB 1600, which are as follows:

- Identify the **purpose** of the fee.
- Identify the **use** to which the fee is to be put.
- Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed ("**benefit relationship**").
- Determine how there is a reasonable relationship between the need for the park and recreational facilities and the type of development project on which the fee is imposed ("**impact relationship**").
- Determine how there is a reasonable relationship between the amount of the fee and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed ("**proportional relationship**").

Additionally, the Act specifies that the fee shall not include costs attributable to existing deficiencies in public facilities but may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to refurbish existing facilities to maintain the existing level of service or achieve an adopted level of service that is consistent with the general plan.

To determine the City's park impact fee consistent with these **substantive requirements**, this Nexus Study utilizes a per capita standard-based methodology to calculate the City's park impact fee. Under this method, the cost components are based on the City's existing level of service ("LOS") standards and defined on a per capita basis. The total per capita costs are then applied to five residential land uses categories according to their respective dwelling unit occupancy factor to establish a cost / fee per unit.

The Nexus Study also identifies the fair share cost of park and recreational facilities needed to serve existing development at the same facilities standard applied to new development. The identification and use of a facilities standard ensure that new development will only fund the share of planned facilities needed to accommodate growth. Thus, consistent with the Act, this Nexus Study demonstrates that there is a reasonable relationship between new development, the amount of the fee, and park and recreational facilities funded by the fee.

Since the Act also prohibits development impact fees from being used to fund existing deficiencies in public facilities, the fees must be used to fund only new or expanded park and recreational facilities that add to the park and recreational facility capacity of the City. The use of fee proceeds for rehabilitation of existing park and recreational facilities is limited in that they may only cover the portion of the improvement that expands service capacity. For example, if the City planned to replace a shade structure with an existing park with a significantly larger shade structure, park impact fee proceeds could fund the portion equal to the percentage increase in the square footage of the larger shade structure, or by another reasonable measurement.

This Nexus Study also details the **procedural requirements** for adoption of the Nexus Study and proposed park impact fee program ("fee program") by the City Council. Also, the Act contains specific requirements for the **annual administration** of the fee program. These statutory requirements and other important information regarding the imposition and collection of the fees are provided in the last sections of the Nexus Study.

### SUMMARY OF GENERAL FINDINGS

Based on a review of the City's updated Master Plan, the City General Plan and applicable City code sections, the following general findings are presented:

1. On July 19, 2008, by their Resolution No. 7625, the City Council established the City's current park impact fee of \$1,320 per new dwelling unit.
2. A park impact fee, pursuant to the Mitigation Fee Act, is needed to ensure that the City can develop park and recreation facilities and improvements needed for the population growth created by new development.
3. According to the City's Master Plan and the General Plan, the goal for the development of park facilities is 5.0 acres for every 1,000 residents.
4. Based on the City's current population and existing park acres, the City's existing level of service is 5.12 acres of developed parks, 0.20 miles of unpaved trails, and 0.35 miles of paved trails for every 1,000 residents.
5. According to the City's landscape architects, the estimated cost for park development is \$575,432 per acre. Additionally, the estimate cost for development of unpaved and paved trails is \$36,242 and \$1,110,000 respectively.
6. A reasonable relationship or "nexus" exists between new development in the City and the need for additional developed parks, recreational facilities, and trails as a result of new development. Consistent with nexus requirements of the Act, this Nexus Study demonstrates that there is a reasonable relationship between new development, the amount of the proposed fee, and the park and recreational facilities and trails funded by the fee.

## SUMMARY OF GENERAL RECOMMENDATIONS

Based on the findings presented in the Nexus Study, the following general recommendations are presented:

1. The City may adopt the following park impact fee at or below the level determined by this Nexus Study. If the City chooses to adopt a fee lower than justified, the adopted fee for each land use classification must be reduced by the same percentage.

**FIGURE 1 – MAXIMUM PARK IMPACT FEE SCHEDULE**

Land Use Category	Maximum Park Impact Fee
	Per Dwelling Unit
Single-Family Detached Housing	\$8,562
Single-Family Attached Housing	\$7,348
Multi-Family Residential Housing	\$8,326
Mobile Homes	\$8,225
Accessory Dwelling Units	\$3,371

2. The cost estimates presented in this Nexus Study are in 2017 dollars. The ordinance establishing the new park impact fee should include a provision for an annual inflationary adjustment based on the change in an appropriate engineering cost index as published by the Engineering News-Record for the preceding twelve months.
3. The proposed park impact fee should be adopted and implemented in accordance with the applicable provisions of the Mitigation Fee Act (California Government Code § 66000 et seq.).
4. The City should adopt and implement the fees in accordance with the applicable provisions of the Act (California Government Code § 66000 et seq.).
5. The City should comply with the annual reporting requirements under Government Code § 66006(b).
6. Following the fifth fiscal year after the first deposit of fee revenue and every five years thereafter, the City should comply with the reporting requirements under Government Code § 66001(d).

## EXISTING PARK FACILITIES AND LEVEL OF SERVICE STANDARDS

This Nexus Study utilizes a per capita-standard based methodology to determine the park impact fee because the need for and demand for park and recreational services is driven by its service population. Using this open-ended approach, park and recreational facility costs are reduced to a cost per capita based on the City's existing LOS standards for such facilities. This section first determines the City's LOS standard for park and recreational facilities. Then, the per capita cost for park and recreational facilities for the City is established based on their respective LOS standard and the estimated development cost per acre for the City.

### POPULATION PROJECTION

Figure 2 presents the City's current and projected population through 2032. The City's current population is from the California Department of Finance. City population growth was determined by Foothill Associates based on figures from the Sacramento Area Council of Governments. As shown below, it is estimated that the City's population, as of January 2017, is approximately 10,808 residents. Over the next 15 years, it is projected that the City will grow by 1,721 residents to a population of 12,529 by 2032.

FIGURE 2 – POPULATION PROJECTION

Population Projection	2017	2020	2025	2030	2032	Growth 2017 thru 2032
City of Placerville	10,808	11,215	11,637	12,075	12,529	1,721

Source: California Department of Finance; Sacramento Area Council of Governments; Foothill Associates

### LEVEL OF SERVICE STANDARDS

Figure 3 on the following page presents a summary of the City's existing and master plan level of service standards for developed parks, recreational facilities and trails.

FIGURE 3 – LEVEL OF SERVICE STANDARDS

Type of Park	Existing Facilities	Level of Service ("LOS") Standard per 1,000 residents		
		2017 Master Plan	Existing	Nexus Study
	<u>Acres</u>	<u>(Acres per 1,000 Residents)</u>		
Developed Parks	55.30	5.00	5.12	5.00
Open Space	43.00	NA	3.98	NA
<b>Total Parks / Open Space</b>	<b>98.30</b>	<b>5.0</b>	<b>9.10</b>	<b>5.00</b>
	<u>Miles</u>	<u>(Miles per 1,000 Residents)</u>		
Unpaved Trails	2.20	0.20	0.20	0.20
Paved Bike Paths	3.74	0.35	0.35	0.35
<b>Total Trails</b>	<b>5.94</b>	<b>0.55</b>	<b>0.55</b>	<b>0.55</b>

Source: Park and Recreation Master Plan Update 2017

#### DEVELOPED PARKS

According to the City's Master Plan, neighborhood parks are typically a combination playground and park designed primarily for non-supervised, non-organized recreation activities. They are typically 4 to 10 acres in size. Community parks, ranging from 8 acres to 40 acres in size, are designed for organized groups or team sports, while also providing facilities for individual and family activities.

The City has a total of seven (7) parks totaling 55.30 acres of developed parks, or 5.12 acres for every 1,000 residents. However, the City's Master Plan standard for developed parks is 5.0 acres per 1,000 residents. Therefore, to accommodate the anticipated population growth of 1,721 new residents by 2032, an additional 7.3 acres of developed park area will be required in order to maintain its master plan level of service.

#### TRAILS

The City owns and maintains nearly 6 miles of trails (or 0.55 acres for every 1,000 residents) within the City. It is the City's intention to maintain its existing level of service of trails.

## PER CAPITA COST COMPONENTS

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The Act requires that development impact fees be determined in a way that ensures a reasonable relationship between the amount of the fee and the cost of the park and recreational facilities attributable to the new development on which the fee is imposed. This section presents the calculation of the total cost per capita for neighborhood and community parks. The total cost per capita is then applied to five residential land uses in proportion to the demand they create as measured by their dwelling unit occupancy factor.

As previously mentioned, this Nexus Study utilizes a per capita-based methodology to determine the park impact fees because the need for / demand for park and recreational services is inherently driven by population. This section presents the per capita cost for the development of park and recreational facilities, and trails based on the City's existing level of service standards for such facilities.

### PARK DEVELOPMENT COST PER CAPITA

Figure 4 calculates the per capita cost of developing new park and recreational facilities in the City. As presented, the City's Master Plan standard of 5 acres per 1,000 population standard is multiplied by the estimated per acre cost for park development to arrive at a per capita cost. The average park development cost per acre shown represent average construction cost (in 2017 dollars) for a typical neighborhood park.<sup>1</sup>

FIGURE 4 – PARK DEVELOPMENT COST PER CAPITA

Cost Component	Acres per 1,000 Residents <sup>1</sup>		Average Development		
	Calc	a	Acres per Capita <sup>1</sup>	Cost per Acre <sup>2</sup>	Cost per Capita
			$b = a / 1,000$	c	$d = b * c$
Developed Parks		5.00	0.00500	\$575,432	\$2,877.16

Source: Park and Recreation Master Plan Update 2017

Notes:

<sup>1</sup> See Figure 2.

<sup>2</sup> See Appendix A.

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<sup>1</sup> Appendix A presents the City's estimated of cost for park development.

## TRAIL DEVELOPMENT COST PER CAPITA

Figure 5 calculates the per capita cost of developing unpaved and paved trails in the City.

**FIGURE 5 – TRAIL DEVELOPMENT COST PER CAPITA**

Cost Component	Miles per 1,000	Miles per Capita <sup>1</sup>	Average Development Cost per Mile <sup>2</sup>	Cost per Capita
	Calc a	b = a / 1,000	c	d = b * c
Unpaved Trails	0.20	0.00020	\$36,242	\$7.25
Paved Trails	0.35	0.00035	\$1,110,000	\$388.50
<b>Total Trails</b>	<b>0.55</b>	<b>0.00055</b>	<b>\$719,543</b>	<b>\$395.75</b>

Source: Park and Recreation Facilities Master Plan Update 2017; Foothill Associates

Notes:

<sup>1</sup> See Figure 2.

<sup>2</sup> Cost estimates provided by Foothill Associates.

## **PARK IMPACT FEE DETERMINATION**

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This section presents the calculation of the park impact fee based on the per capita cost for park, recreational facilities and trail development and park impact fee program costs for the different residential land uses in the City.

### **PARK IMPACT FEE COST COMPONENTS**

The figure below summarizes the per capita cost components calculated in the previous section and includes an additional three (3) percent for administration of the park impact fee program. The fee program administrative cost component is designed to offset the cost of collection, accounting, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act. As shown, the total per capita cost is \$3,371.10.

**FIGURE 6 – PARK IMPACT FEE COST COMPONENTS**

<b>Park Impact Fee Cost Components</b>	<b>Per Capita Costs</b>
Park Development	\$2,877.16
Trail Development	\$395.75
Fee Program Administration (3%) <sup>1</sup>	\$98.19
<b>Total Cost per Capita</b>	<b>\$3,371.10</b>

Notes:

<sup>1</sup> Collection, accounting, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act.

### **LAND USE CATEGORIES**

The Act requires that development impact fees be determined in a way that ensures a reasonable relationship between the fee and the type of development on which the fee is imposed. Therefore, since the demand for and need for park and recreational services created by the City's service population and since different residential land uses have varying household sizes, the park impact fee is expressed on a per unit basis based on their respective dwelling unit occupancy factor for four residential land uses.

This Study also incorporates the addition of another residential unit to an existing property as a fifth category (labeled as "Accessory Dwelling Units").

For the purposes of this park impact fee program, a "unit" generally means one or more rooms in a building or structure or portion thereof designed exclusively for residential occupancy by one or more persons for living or sleeping purposes and having kitchen and bath facilities, including mobile homes.

The five residential land use categories are as follows:

- **"Single-family detached"** means free-standing one-family dwelling units.
- **"Single-family attached"** means one-family dwelling units on separate parcels that share a common wall, such as townhomes.
- **"Multi-family residential"** means buildings or structures designed for two or more families for living or sleeping purposes and having a kitchen and bath facilities for each family.
- **"Mobile home"** means a development area for residential occupancy in vehicles which require a permit to be moved on a highway, other than a motor vehicle designed or used for human habitation and for being drawn by another vehicle.
- **"Accessory Dwelling Units"** means an additional living unit, or granny flat, either a detached or attached dwelling unit, which provides complete, independent living facilities for one or more persons with provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the primary residence.

#### DWELLING UNIT OCCUPANCY FACTOR

Based on 2010 U.S. Census information for the City, the figure on the following page presents the dwelling unit occupancy factor calculation for four residential land use categories. The calculation is derived from the total population in occupied housing units by units in structure divided by the occupied housing units by units in structure as provided by U.S. Census Bureau in their 2011-2015 American Community Survey 5-Year Estimate.

Insufficient data exists to calculate the average occupancy of an accessory dwelling units in the City; therefore, a conservative estimate of 1.0 person per unit is utilized.

**FIGURE 7 – DWELLING UNIT OCCUPANCY FACTOR (CITY OF PLACERVILLE)**

Land Use Categories	Occupied	Total Number	Dwelling Unit
	Dwelling Units	of Occupants	Occupancy
	Calc	a	b
Single-Family Detached Housing	2,538	6,447	2.54
Single-Family Attached Housing	144	314	2.18
Multi-Family Residential Housing	1,105	2,733	2.47
Mobile Homes	152	371	2.44
Accessory Dwelling Units	NA	NA	1.00
Average (2010 Census)	3,939	9,865	2.50

Source: 2010 U.S. Census for the City of Placerville

#### PARK IMPACT FEE DETERMINATION

Figure 8, the figure below presents the calculation of the maximum justified park impact fee. As shown, the per unit fee for the five residential land use categories is determined by multiplying the total cost per capita by their respective dwelling unit occupancy factor. The City may adopt a fee lower than the justified amounts shown below, provided that it reduced by the same percentage for each land use category.

**FIGURE 8 – MAXIMUM PARK IMPACT FEE SCHEDULE**

Land Use Category	Unit	Total Cost Per	Dwelling Unit	Maximum
		Capita <sup>1</sup>	Occupancy	Park Impact
	Calc	a	b	c = a * b
Single-Family Detached Housing	DU	\$3,371.10	2.54	\$8,562
Single-Family Attached Housing	DU	\$3,371.10	2.18	\$7,348
Multi-Family Residential Housing	DU	\$3,371.10	2.47	\$8,326
Mobile Homes	DU	\$3,371.10	2.44	\$8,225
Accessory Dwelling Units	DU	\$3,371.10	1.00	\$3,371

Notes:

<sup>1</sup> See Figure 5.

<sup>2</sup> See Figure 6.

<sup>3</sup> Maximum park impact fees are rounded down to the nearest dollar.

### PROJECTED PARK IMPACT FEE REVENUE

Figure 9 projects park impact fee revenue through 2032. Total park impact fee revenue (in 2017 dollars) is estimated by multiplying the total cost per capita by the projected service population growth for the period. As shown, it is projected the City will generate approximately \$5.8 million (in 2017 dollars) by 2032. Certainly, arguments can be made for higher or lower population growth. However, the projected population growth and fee revenue are merely estimates for planning purposes. The maximum fee amounts do not depend upon the timing and level of development.

FIGURE 9 – PROJECTED PARK IMPACT FEE REVENUE

Land Use Category	Total Cost per Capita <sup>1</sup>	Projected Population Growth (2032) <sup>2</sup>	Projected Park Impact Fee Revenue (2017\$)
Calc	a	b	c = a * b
Residential Development	\$3,371	1,721	\$5,801,000

Notes:

<sup>1</sup> See Figure 5.

<sup>2</sup> See Figure 2.

The fee revenue must be deposited into a separate park impact fee account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the City. The fee revenue will be restricted to the funding the cost of expanded park and recreational facilities needed to serve new development. Additionally, fee revenue will be used to cover fee program administration costs such as collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act.

### USE OF PARK IMPACT FEE REVENUE

The park impact fee program is designed not to be dependent on a specific capital improvement plan and specific level of new development. Only enough fee revenue will be generated for the City to develop new and expand facilities to maintain its existing level of service.

Figure 10 on the below demonstrates that the City's unexpended park impact fee revenue and projected fee revenue for the next 10 years may fund approximately 100% of the allowable CIP projects and approximately \$2 million or about 80.9% of a new 5-acre park. The City will need to fund the prohibited CIP projects, and any other improvements not currently identified, with other funding sources. Other potential sources of funds include, but are not limited to, a general obligation bond measure, state and federal grants, the City's general fund, and existing or new tax and assessment proceeds, if allowable.

*(FOR ILLUSTRATIVE PURPOSES ONLY)*

**FIGURE 10 – USE OF PARK IMPACT FEE REVENUE**

Allowable CIP Costs (10 Years)	\$629,000
New 5-Acre Park	\$2,800,000
Trail Expansion	TBD
<b>Total Allowable Facilities Costs</b>	<b>\$3,429,000</b>
<b>Prohibited CIP Costs (10 Years)</b>	<b>\$2,471,000</b>
<b>Total Cost of Park and Recreational Facilities</b>	<b>\$5,900,000</b>
Total Projected Fee Revenue (10 Years) <sup>4</sup>	\$2,795,000
Unexpended Park Impact Fee Funds (June 30, 2017)	\$99,032
<b>Total Park Impact Fee Revenue</b>	<b>\$2,894,032</b>
<b>Surplus / (Shortfall)</b>	<b>(\$3,105,000)</b>

Sources: City of Placerville, Park and Recreation Facilities Master Plan Update 2017; SCI Consulting Group



## NEXUS FINDINGS

This section frames the results of Nexus Study in terms of the legislated requirements to demonstrate the legal justification of the park impact fees ("fees"). The justification of the park impact fees on new development must provide information as set forth in Government Code § 66000. These requirements are discussed below.

### PURPOSE OF THE FEE

The purpose of the park impact fee is for development of park and recreational facilities and trails to meet the needs of the new residential population generated by new residential development. The park impact fees will ensure that new development will not burden existing development with the cost of facilities required to accommodate growth as it occurs within the City.

### USE OF FEE REVENUE

Fee revenue will be used to fund the development cost of parks, recreational facilities and trails to serve new development. A summary of the allowable and prohibited uses of fee revenue is provided below.

FIGURE 11 -- SUMMARY OF ALLOWABLE AND PROHIBITED USES OF FEE REVENUE

<u>Allowable Uses</u>	<u>Prohibited Uses</u>
<ul style="list-style-type: none"> <li>• <i>Development of new parks and trails (100%)</i></li> <li>• <i>Development of new park and recreational facilities in existing parks that that expand service capacity (100%)</i></li> <li>• <i>Park and recreational facility costs already incurred to provide growth-related capacity (100%)</i></li> <li>• <i>Portion of a park and recreational facility renovation project that expands service capacity</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Existing deficiencies, such as improvements to existing park and recreational facilities that do not expand service capacity</i></li> <li>• <i>Operational, maintenance or repair costs</i></li> </ul>

#### **BENEFIT RELATIONSHIP**

The fee will be used to expand the City's parks and recreational facilities required to serve new development. The fee's use (development of parks, recreational facilities, and trails) is therefore reasonably related to the type of project (new residential development) upon which it's imposed.

The fee will be used to expand City park and recreational facilities required to serve new development in order to maintain the City's existing level of service. The City will deposit fee revenue into a separate park impact fee account or fund in a manner to avoid any commingling of the fees with other revenues and funds. The fee revenue will be restricted to uses described in the "Use of Fee Revenue" finding. These actions ensure a development project paying the fees will benefit from their use.

#### **IMPACT RELATIONSHIP**

Each new residential development project will generate additional need for park and recreational services and the associated need for additional parks, recreational facilities, and trails. The need is measured in proportion to the occupancy per dwelling unit for five residential land use categories and the City's level of service standards.

#### **PROPORTIONALITY**

The amount of park and recreational facilities needed to serve a unit of development is based on the City's LOS standard for such facilities. The cost of parks, recreational facilities, and trail development and fee program administrative costs are defined on a cost per capita basis. These per capita costs are then applied to five residential land use categories based on their respective dwelling unit occupancy factor.

The use of the average household size to determine the park impact fee schedule achieves proportionality across the types of development on which the fee is imposed. In general, a single-family home will generate a higher number of persons than a multi-family unit, and as a result, will pay a higher fee. Thus, the application of the park impact fee schedule to a specific project ensures a reasonable relationship between the fee and the cost of the park and recreational facilities attributable to that project.

## FEE PROGRAM ADOPTION REQUIREMENTS

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The following are the general requirements for adoption of the Nexus Study and fee proposed program. The specific statutory requirements for the adoption of the fee program may be found in the Mitigation Fee Act (California Govt. Code § 66000 et seq.).

1. The City Council shall conduct at least "one open and public meeting" as part of a regularly scheduled meeting on the requested fee program.
2. At least 14 days before the meeting, the City shall mail out a notice of the meeting to any interested party who filed a written request for notice of the adoption of new or increased fees.
3. At least 10 days before the meeting, the City shall make available to the public the Nexus Study for review.
4. At least 10 days before the public hearing, a notice of the time and place of the meeting shall be published twice in a newspaper of general circulation with at least five days intervening between the dates of first and last publication not counting such publication dates.
5. After the public hearing, the City waive first reading of an ordinance establishing the proposed fee program.
6. The City Council has a second reading and adopts the establishing ordinance and associated resolution adopting the fee schedule.
7. The park impact fee takes effect 60 days after adoption of the City ordinance.

## **FEE PROGRAM ADMINISTRATION REQUIREMENTS**

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This section contains general recommendations for the administration of the park impact fee program. The specific statutory requirements for the administration of the fee program may be found in the Mitigation Fee Act (California Govt. Code § 66000 et seq.).

### **ACCOUNTING REQUIREMENTS**

Proceeds from the park impact fee should be deposited into a separate fund or account so that there will be no commingling of fees with other revenue. The park impact fees should be expended solely for the purpose for which they were collected. Any interest earned by such account should be deposited in that account and expended solely for the purpose for which originally collected.

### **REPORTING REQUIREMENTS**

#### **ANNUAL REPORT**

The following information, entitled "Annual Report," must be made available to the public within 180 days after the last day of each fiscal year:

- a brief description of the type of fee in the account;
- the amount of the fee;
- the beginning and ending balance of the account;
- the fees collected that year and the interest earned;
- an identification of each public improvement for which the fees were expended and the amount of the expenditures for each improvement;
- an identification of an approximate date by which construction of the improvement will commence if the local agency determines that sufficient funds have been collected to complete financing of an incomplete public improvement;
- a description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, the date on which any loan will be repaid, and the rate of interest to be returned to the account; and
- the amount of money refunded under section Govt. Code § 66001.

The City shall review the Annual Report at the next regularly scheduled public meeting not less than 15 days after the Annual Report is made available to the public. Notice of the

time and place of the meeting, including the address where the Annual Report may be reviewed, shall be mailed, at least 15 days prior to the meeting, to any interested party who files a written request with the City for mailed notice of the meeting. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The City may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

#### **FIVE-YEAR FINDINGS REPORT**

For the fifth fiscal year following the first receipt of any park impact fee proceeds, and every five years thereafter, The City must comply with Government Code Section 66001(d)(1) by affirmatively demonstrating that the City still needs unexpended park impact fees to achieve the purpose for which it was originally imposed and that the City has a plan on how to use the unexpended balance to achieve that purpose. Specifically, the City shall make all the following findings, entitled "Five-Year Report", with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put;
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements; and
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

These findings must (1) affirmatively demonstrate that the City intends to construct specific park improvements with the accumulated funds; (2) explain how the City intends to use the funds to acquire or construct the park improvements; (3) specify the estimated cost of the park improvements; and (4) indicate whether the City requires additional funds and, if so, when it anticipates receiving those funds.

The City shall provide for the refund of all or any part of such unexpended or unappropriated fee revenue, together with any actual interest accrued thereon, in the manner described in Section 66001 (e) of the Government Code, to the current record owner of any property for which a fee was paid; provided that if the administrative costs of refunding such fee revenue exceed the amount to be refunded.

### **FEE CREDITS**

In order to comply with the Act and recent court cases, a fee credit must be given for demolished existing square footage as part of a new housing development project.

### **FEE EXEMPTIONS**

The park impact fee shall not be imposed on the following types of development:

- Nonresidential development;
- Any development entitled by State or Federal statute to an exemption from development impact fees; and
- Any modernization or rehabilitation of existing housing units.

### **IMPROVEMENTS IN-LIEU OF FEES**

Subject to certain restrictions, if a developer dedicates land, constructs the park and/or recreational facilities for the City, the park impact fee imposed on that development project may be adjusted to reflect a credit for the cost of park and facilities provided.

### **ANNUAL INFLATIONARY ADJUSTMENT**

All costs and the associated fees determined by this Nexus Study are in January 2017 dollars. Therefore, the fees should be annually adjusted commensurate with changes in improvement costs. The resolution or ordinance establishing the should including a provision and process for annually adjusting the fees by the percentage change in the Construction Cost Index as published by the Engineering News-Record or its successor publication for the preceding twelve months.

## **APPENDICES**

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Appendix A – Estimate of Cost for Park Development

Appendix B – Comparison of Current and Maximum Park Impact Fees

Appendix C – Survey of Park Impact Fees of Neighboring Jurisdictions

Appendix D – Allowable Ten-Year CIP Projects to be Funded with Park Impact Fees

## APPENDIX A – ESTIMATE OF COST FOR PARK DEVELOPMENT

### FIGURE 12 – ESTIMATE OF COST FOR PARK DEVELOPMENT

Item	Unit	Qty	Unit Cost	Total
Street Frontage	LF	450	\$ 220	\$ 99,000
Off-street Parking per Stall (paved with curbs)	EA	40	\$ 3,400	\$ 136,000
Children's Play Area (Universal Design)	EA	1	\$ 150,000	\$ 150,000
Basketball Court	EA	1	\$ 150,000	\$ 150,000
Multi-purpose Field	SF	45,000	\$ 3.00	\$ 135,000
Restroom (ADA Compliant)	EA	1	\$ 150,000	\$ 150,000
Picnic Shelter (30 x30)	EA	1	\$ 95,000	\$ 95,000
Picnic Tables (ADA Compliant)	EA	10	\$ 7,500	\$ 75,000
Signage	Allowance	1	\$ 25,000	\$ 25,000
Benches	EA	6	\$ 1,500	\$ 9,000
Drinking Fountain	EA	3	\$ 2,000	\$ 6,000
Trash/Recycle Containers	EA	4	\$ 1,500	\$ 6,000
On-site Work (grading, utilities, soil prep, etc.)	AC	5	\$ 110,000	\$ 550,000
Irrigation	SF	40,000	\$ 2.70	\$ 108,000
Landscaping	SF	40,000	\$ 3.00	\$ 120,000
Concrete Pathways (6 feet wide)	LF	2640	\$ 75	\$ 198,000
	Subtotal			\$ 2,012,000
	Contingency (20%)			\$ 402,400
	P.S.E. (20%)			\$ 402,400
	Administrative (3%)			\$ 60,360
	Land <sup>1</sup>			\$ -
	TOTAL			\$ 2,877,160
	Acres			5.0
	Cost per Acre			\$ 575,432

<sup>1</sup> Land costs captured in Quimby Dedication/In-lieu Fee

## APPENDIX B – COMPARISON OF CURRENT AND MAXIMUM PARK IMPACT FEES

FIGURE 13 – COMPARISON OF CURRENT AND MAXIMUM PARK IMPACT FEES

Land Use Category	Current Park Impact Fee (2008)	Maximum Justified Park Impact Fee (2017)	% Change
Single-Family Detached Housing	\$1,320	\$8,562	549%
Single-Family Attached Housing	\$1,320	\$7,348	457%
Multi-Family Residential Housing	\$1,320	\$8,326	531%
Mobile Homes	\$1,320	\$8,225	523%
Accessory Dwelling Units	NA	\$3,371	NA

## APPENDIX C – SURVEY OF PARK IMPACT FEES OF NEIGHBORING JURISDICTIONS

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FIGURE 14 – SURVEY OF PARK IMPACT FEES OF NEIGHBORING JURISDICTIONS

City / Park District	Current Fee (SFR Unit)
Auburn RPD	TBD
Cameron Park CSD *	\$6,504
El Dorado Hills CSD *	\$12,740
Elk Grove (Eastern Elk Grove)	\$6,280
Elk Grove (Laguna Ridge)	\$16,059
Folsom	TBD
Georgetown Divide RD	\$4,245
Placer Vineyards	\$7,112
Placerville (Current)	\$1,320
Placerville (Proposed)	\$8,562
Rancho Cordova	\$9,085
Rocklin	\$2,696
Roseville	\$6,304
Sacramento County RPDs (8)	\$6,342
West Sacramento	\$15,430

\* Proposed

## APPENDIX D – ALLOWABLE TEN-YEAR CIP PROJECTS

FIGURE 15 – ALLOWABLE PROJECTS THAT MAY BE FUNDED BY PARK IMPACT FEE

Project	Estimated Cost	Allowable Use
<b>Benham Park</b>		
Wheelchair Access	\$40,800	No
Traffic Calming on Benham Street	\$40,880	No
Basketball Court ADA Access	\$3,887	No
Scout Hall Improvements	\$76,050	Undetermined
Slope Stabilization/Climbing Structure Installation	\$144,495	\$144,495
Placerville Aquatics Center Security System	\$8,450	No
Other Park Improvements	\$20,956	Undetermined
<b>Rotary Park</b>		
Wheelchair Access	\$48,000	No
Other Access Improvements	\$71,179	Undetermined
Parking Lot Renovation	\$53,977	No
Little League Outfield Renovation	\$32,375	No
<b>Lions Park</b>		
Chip Seal Repairs to Access Road	\$60,000	No
Parking Barrier Replacement	\$8,890	No
Maintenance Building Roof Replacement	\$6,000	No
Tennis Court Reconstruction	\$54,000	No
ADA Access Improvements	\$180,000	No
Install Hand Dryers (2)	\$16,000	\$16,000
Add Tennis Court Lighting	\$225,000	\$225,000
Park Drainage Improvements	\$152,385	No
Maintenance Building Replacement/Renovation	\$159,947	No
North Parking Lot Renovation	\$203,290	No
West Parking Lot Entry Renovation	\$71,555	No
Softball Field Dugout Improvements	\$128,608	Undetermined
Foul Ball Pole Replacement	\$24,518	No
<b>Gold Bug Park</b>		
Asphalt Repairs	\$60,000	No
Install Boulder Barrier	\$3,522	No
Concrete Patio Repair	\$18,000	No
Access Road Repairs	\$3,750	No
Install Security Gate	\$2,400	Undetermined
Tree Care and Removal	\$48,000	No
Wheelchair Access	\$60,000	No
Add 18-hole Disc Golf Course	\$45,000	\$45,000
Amphitheater	\$84,500	\$84,500
Meager House Renovation/Restoration	\$485,875	No
<b>Lumsden Park</b>		
ADA Access Improvements	\$156,000	No
Picnic Area ADA Enhancements	\$17,576	No
Restroom Renovation (Roof and ADA)	\$16,900	No

Playground Safety and ADA Improvements	\$36,065	No
Asphalt Repairs	\$30,000	No
Pond Enhancement/Detention Basin Study	\$30,000	No
Add Interpretive Signs to Nature Trail	\$30,000	\$30,000
<b>Ochard Hill Park</b>		
New Playground Equipment	\$48,000	\$48,000
Minor Erosion Control	\$1,690	No
<b>Duffey Park</b>		
Install Shade Structure	\$36,000	\$36,000
<b>El Dorado Trail</b>		
Trail Enhancement Plan	\$25,000	No
Trail Repair/Renovation	\$48,247	No
Culvert Repair	\$15,000	No
<b>Total</b>	<b>\$3,132,766</b>	<b>\$628,995</b>

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