



Economic &
Planning Systems

Public Finance

Real Estate Economics

Regional Economics

Land Use Policy

AMENDED FINAL REPORT (REVISED)

PARK IMPACT FEE NEXUS STUDY UPDATE

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El Dorado Hills CSD

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I. INTRODUCTION

PURPOSE OF REPORT

The El Dorado Hills Community Services District (CSD) approved its first Park Impact Fee (CSD Park Impact Fee) on March 20, 1997. The CSD Park Impact Fee then was adopted by the El Dorado County (County) Board of Supervisors on June 3, 1997. The CSD Park Impact Fee was updated in 2000, 2002, and again in 2004. Currently, the CSD seeks to update the CSD Park Impact Fee based on the recently prepared “Parks and Recreation Facilities Master Plan” (2006 CSD Park Master Plan), which was completed by MIG, Inc.

The CSD Park Impact Fee is being updated to reflect the changes to and assumptions in the 2006 CSD Park Master Plan. At present, the current CSD Park Impact Fee is not generating the resources necessary to provide adequate park development to meet the needs of new residents. Construction costs have escalated dramatically in recent years, and the physical terrain of the CSD presents challenges (and increased costs) to park and recreation facilities development.

The proposed CSD Park Impact Fee includes a nonresidential component to reflect the benefit that new commercial, office, and industrial development will receive from park facilities. Through the proposed Park Impact Fee, nonresidential development will be allocated a portion of the costs for certain community park, community center, and aquatic facilities only.

As a development impact fee, the CSD Park Impact Fee can only be charged to new development and must be based on the impact of new development on public facilities infrastructure. The purpose of this report is to update the nexus (or reasonable relationship) between new development that occurs in the CSD and the need for additional public improvements and facilities as a result of this new development. This update is based on the standards identified in the 2006 CSD Park Master Plan, as well as existing levels of service provided by the CSD. Information regarding existing and planned facilities, as well as a majority of the cost estimates, is derived from the 2006 CSD Park Master Plan.

After discussing the nexus between new development and the facilities needed to serve new development, this report calculates the impact fees to be levied for each land use based on the proportionate share of the total facility use that each land use in the CSD represents.

SUMMARY

This report makes findings concerning the nexus between the CSD Park Impact Fee and new development in the CSD, which is anticipated to occur from the present through 2020, which is considered the CSD's buildout period. The cost of parkland development and recreational and operations facilities is allocated between existing and new residential and nonresidential development in the CSD. Following this allocation, fees for new residential and nonresidential development's share of cost are then calculated. The fees vary by land use type and by whether or not the new development falls under the development and disposition agreement between County and the Serrano Development, which provided parkland and development deemed sufficient to mitigate the impacts of its new residents and employees.

Table 1 summarizes the proposed CSD Park Impact Fee, which is based on the calculations and methodology described in this report. The current CSD Park Impact Fee is provided for reference. The necessary findings for the CSD Park Impact Fee update are presented in the following chapters. The fees are payable at the time of building permit issuance. No fees are to be collected from existing development unless the existing development was subject to prior agreements requiring fee funding for park improvements.

This Nexus Study allocates a portion of the park facility costs to nonresidential development. Employees of commercial, office and industrial developments benefit from park and recreational facilities, though not to the same extent as residents. Nonresidential development is allocated a portion of the costs for certain community park, community center, and aquatic facilities only, which reflects the benefit its employees receive from these facilities. Although this Nexus Study allocates a portion of the costs to nonresidential development; County Ordinance 13.30.050 exempts nonresidential development from being charged a park development impact fee.

The adjusted fee for Serrano is the result of contractual provisions related to park facilities. The updated calculated fee for Serrano is \$2,452 per single-family unit, which is based on Serrano's contribution to all facilities except parkland development. Any multifamily residential development within Serrano, though not planned at this time, would be charged \$2,025 per unit. The park cost allocation to nonresidential development within the Serrano community is similarly not based on park development costs, only the costs associated with major recreation facilities.

Table 1
EDHCSD Park Impact Fee Nexus Study
Fee Summary

Land Use	2007 Current CSD Park Impact Fee per Unit	2007 Proposed CSD Park Impact Fee per Unit
Residential (per unit)		
Single-Family	\$7,073	\$9,806
Single-Family - Serrano	\$2,906	\$2,452
Age-Restricted	\$4,157	\$5,736
Multifamily	\$7,073	\$8,103
Multifamily - Serrano	NA	\$2,025
Mobile Home	\$4,780	\$7,184
Nonresidential (per sq. ft.) [1]		
Commercial	NA	\$0.91
Office	NA	\$1.16
Industrial	NA	\$0.41
Serrano Nonresidential (per sq. ft.) [1]		
Commercial	NA	\$0.32
Office	NA	\$0.41

"summary"

[1] County Ordinance 13.30.050 exempts nonresidential development from the EDHCSD Park Impact Fee. Unless the County adopts a new or amended ordinance authorizing collection of the Park Impact Fee from nonresidential land uses, the nonresidential fees in Table 1 will not apply.

The CSD may agree to have certain developers build specific facilities contained in the fee program. In the case of such an agreement, the CSD will require a cost estimate based on the approved design standards for the facilities constructed by the developer. Upon approval by the CSD, the developer may receive a reimbursement or credit based on the portion of their fee obligation that is met through the direct construction of facilities. The CSD also may consider credit for private facilities on a case by case basis.

The development impact fees presented in this report are based on cost estimates provided by the CSD and were developed during the updating of the current 2006 CSD Park Master Plan. If costs change significantly in either direction, or if other funding becomes available, the fees shall be adjusted accordingly. The CSD periodically will conduct a review of facility costs and building trends in the CSD. Based on these reviews, the County and the CSD will make necessary adjustments to the fee program.

BACKGROUND AND AUTHORITY

BACKGROUND

On May 21, 1962, the County Board of Supervisors adopted Resolution No. 98-62 that created the El Dorado Hills CSD. This resolution authorized the CSD the function of providing park and recreation services to the area.

The El Dorado Hills CSD provides a variety of parks, recreational facilities, open space areas, and programs for the CSD residents to enjoy. As the community continues to grow, the CSD needs to provide new recreational facilities to accommodate the needs of new development. Land for new public facilities typically is obtained by the CSD through Quimby parkland dedications or by an in-lieu fee. The CSD's viable options for adding new developed park space and recreational facilities, however, are limited.

The CSD's first Nexus Study was adopted in 1997 and since then has been updated periodically, reflected in increases to the Park Impact Fee based on current population forecasts and updated cost assumptions. In 2000, the County adopted the 2000 El Dorado Hills CSD Park and Recreation Facilities Plan and Nexus Study Update and the associated impact fee of \$2,747 per single-family dwelling unit. The Nexus Study was updated again in 2002 with a fee of \$4,417 per single-family unit. In 2004, the Nexus Study was updated again with a fee of \$6,449 per single-family unit. Only inflationary adjustments were made to the Park Impact Fee during 2005 and 2006.

This Nexus Study updates the CSD Park Impact Fee based on the 2006 CSD Park Master Plan and corresponding capital improvement program (CIP). This report also includes an allocation of costs to new nonresidential development on a per square foot basis. The

CSD Park Master Plan and this report are based on the estimated growth and park and recreation costs necessary to serve CSD residents through the 2006 CSD Park Master Plan buildout of 2020. In the future, the CSD Park Impact Fee will continue to be updated periodically with updated facility, development, and cost-estimate information.

AUTHORITY

To develop facilities that meet future park and recreational needs, the CSD will continue to rely on the CSD Park Impact Fee and developer-funded “turn-key” parks. The Nexus Study establishes the nexus between development that is projected to occur in the CSD and the necessary public facilities that will be funded by the development impact fee program.

The development impact fee for park and recreation services is consistent with the County General Plan policies adopted by the Board of Supervisors as stated below:

Policy 10.2.1.4

Require new discretionary development to pay its fair share of the costs of all civic, public, and community facilities it utilizes based upon the demand for these facilities that can be attributed to new development.

On December 19, 1995, the County Board of Supervisors adopted Ordinance No. 4404 to provide a method (a development impact fee program) for districts to mitigate the impacts on park and recreation facilities and services caused by new development. The ordinance discusses the purpose of the development impact fee, procedures to establish and administer a parks and recreation development impact mitigation fee, and the annual review of the development impact fee.

Under the Ordinance Purpose, this is stated:

A. A development impact mitigation fee is needed to finance capital facilities improvements and equipment acquisition to provide park and recreation services necessitated by New Development within an Impacted District.

This report has been prepared to update the development impact fee program pursuant to the County police power in accordance with the procedural guidelines established by AB 1600, which is codified in California Government Section 66000 *et seq.* This code section sets forth the procedural requirements for establishing and collecting development impact fees. These procedures require that “a reasonable relationship or

nexus must exist between a governmental exaction and the purpose of the condition.”² Specifically, each local agency imposing a fee must complete these steps:

- Identify the purpose of the fee;
- Identify how the fee is to be used;
- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed;
- Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed; and
- Demonstrate a reasonable relationship between the amount of the fee and the cost of public facility or portion of the public facility attributable to the development on which the fee is imposed.

This Nexus Study describes what the CSD finds to be a reasonable relationship between nonresidential land uses and corresponding impact on park, recreational and other community facilities. El Dorado County adopted Ordinance 13.30 which exempted all nonresidential development from being charged a park impact fee. As this is a County fee, the CSD is only authorized to recommend adoption of the residential fees, not the nonresidential fees, at this time.

STRUCTURE OF THE REPORT

This report is divided into the following five chapters:

- **Chapter I** introduces and summarizes the CSD Park Impact Fee report;
- **Chapter II** describes the CSD Park Impact Fee methodology;
- **Chapter III** summarizes the CSD Park Master Plan and CSD Park Impact Fee cost estimates;
- **Chapter IV** discusses the allocation factors and nexus findings; and
- **Chapter V** describes implementation of the CSD Park Impact Fee program.

² Public Needs & Private Dollars; William Abbott, Marian E. Moe, and Marilee Hanson, page 109

II. NEXUS STUDY METHODOLOGY

This chapter discusses the existing and planned CSD population and the nexus study methodology used in this CSD Park Impact Fee update. The CSD population estimates and nexus study methodology were developed with information contained in the following studies:

- County General Plan—July 2004;
- CSD Recreation Facilities Master Plan—January 2000;
- CSD Park Development Impact Fee Nexus Study—March 2004;
- CSD Park Master Plan—November 2006; and
- CSD Park and Recreation Facilities CIP—November 2006.

As described in this chapter, estimates of existing and future population are the primary bases on which the level of park and recreation facilities required to be financed by new development are established. The costs of these park and recreation facilities are allocated to both new residential and nonresidential development.

EXISTING AND FUTURE POPULATION ESTIMATES

Table 2 summarizes the estimated current and future population for the CSD. As of September 2006, the CSD has an estimated population of approximately 35,500 residents. The current population figure presented in this Nexus Study differs from the current population estimate presented in the CSD Park Master Plan (i.e., 35,475 versus 33,247). The CSD Park Master Plan figure was provided by the State Department of Finance which estimated the population on January 1, 2005. For purposes of this Nexus Study, building permit data from January 1, 2005 through August 31, 2006 were used to estimate the increase in population over that 20-month period.

Similarly, the projected buildout populations differ between the two documents. The total population growth through CSD Park Master Plan buildout is based on a straight line annual percentage population growth based on past growth trends. The Nexus Study used the estimated number of remaining dwelling units from approved and planned specific plans, tentative maps, final maps, settlement agreements, and the County General Plan and further adjusted population projections based on anticipated population densities based on the type of residential units (i.e. single-family units vs. condominiums). Based on this review of approved and planned development projects within CSD boundaries, the buildout population through 2020 is estimated to be approximately 57,900 residents, which equates to an increase of 22,400 additional residents (see Appendix **Table A-1** for projected buildout back-up data).

Table 2
EDHCSD Park Impact Fee Nexus Study
Population Projections

Item	Formula	Year		Increase 2006-2020
		2006	Buildout/ 2020	
Population [1]	<i>a</i>	35,475	57,872	22,397
Serrano Population	<i>b</i>	10,278	13,848	3,570
Population excl. Serrano	<i>a - b</i>	25,197	44,025	18,828

"pop_emp"

Source: CSD, County General Plan, and EPS.

[1] 2006 Population based on DOF and permit data through Aug. 2006. (See Table A-2.)
 2020 Population based on review of estimated approved and planned projects within
 CSD boundaries. (See Table A-1.)

Table 2 also shows the estimated current and future CSD population both including and excluding existing and future Serrano residents. The Serrano residents are identified separately because the Serrano development built its own park system and, therefore, is not subject to the park facilities component of the CSD Park Impact Fee.

The CSD will need to monitor actual growth occurring over time. If more or less development occurs than projected in **Table 2**, the amount of facilities needed to serve new development will be correspondingly modified. Because the facilities included in the Nexus Study are based on demand from population, the development impact fee amounts will not be significantly changed if development is slower or faster than the rate included in this study.

NEXUS STUDY METHODOLOGY

The following two sections describe the park and recreation standards from the 2000 CSD Park Master Plan and the updated standards from the 2006 CSD Park Master Plan.

2000 CSD PARK MASTER PLAN STANDARDS AND LEVEL OF SERVICE

The CSD has had park and recreation facility standards in place to guide their park and recreation facility master planning and nexus study completion for almost 10 years. The following table summarizes the Nexus Study update standards based on the January 2000 adopted Recreation Facilities Master Plan or level of service (LOS) that was being provided at that time.

Item	2000 CSD Park Master Plan Standard or LOS (from 1997 or 1999)
Developed Park Acres	5.0 acres per 1,000 people
Community Center Facilities	1 per 20,000 people
Aquatics Center/Public Pool	1 per 15,000 people
Administration Facility	336 building square feet per 1,000 people
Maintenance Facility	813 building square feet per 1,000 people

As referenced in the 2004 CSD Park Impact Fee update, these service standards are from either 1997 or 1999 LOS delivery and were used as the basis for the 2000, 2002, and 2004 CSD Park Impact Fee updates. Like previous fee updates, the 2004 CSD Park Impact Fee update used these CSD Park Master Plan standards or LOS as a basis for establishing the nexus between new development and the cost of park and recreation facilities.

Beginning with the 2000 and continuing through the 2004 CSD Park Impact Fee updates, the CSD has been collecting CSD Park Impact Fees from new development to develop new park and recreation facilities based on the relevant adopted or delivered standards. Since that time, the cost for park and recreation facilities has outpaced increases to the CSD Park Impact Fee. In addition, industry standards and community desires have changed regarding the size, scope, and type of amenities and features that are considered “typical” for major recreation facilities.

For example, in 2000, a typical community center may have been a 10,000- to 20,000-square-foot facility that contained a gymnasium along with a large meeting/conference area with a few smaller meeting rooms, restrooms and a kitchen. Now, community centers can range from 10,000 to 50,000 square feet and can contain a variety of large and small conference/meeting facilities, a fitness center, a gymnasium, daycare centers, teen or senior centers, a commercial kitchen and banquet hosting facilities. This phenomenon and desire for larger multipurpose facilities that can serve a broader range of uses is reflected in the 2006 CSD Park Master Plan, which was developed with extensive outreach with community members.

As an example, one of the stated 2006 CSD Park Master Plan actions for community center development is to develop all new community centers at a minimum of 40,000 square feet. At buildout, the entire CSD community will have the benefit of two main community centers (one at El Dorado Hills Park and one at Valley View Park) plus a smaller community building in the Promontory Community Park.

CSD PARK IMPACT FEE UPDATE METHODOLOGY

The CSD Park Impact Fee is being updated based on the previous development impact fee nexus studies, as well as the updated 2006 CSD Park Master Plan. A change in this Nexus Study Update is the allocation of costs to new nonresidential development. The following sections describe the methodology used to determine the portion of remaining park and other recreation facility improvement costs that would be allocated or apportioned to new development.

The park development standard is 5 acres per 1,000 residents, based on the Master Plan and on existing levels of service. The recreation and operating facilities standards are presented in **Table 3** and are based on LOS at buildout.

Table 4 calculates the proportion of new park and recreation facilities (e.g., number of acres, number of square feet, or number of facilities) that will benefit the population from new development based on the Nexus Study methodology identified above.

Table 3
EDHCSD Park Impact Fee Nexus Study
Facility Standards Calculations

Facility	Existing Sq. Ft.	Planned Sq. Ft.	Total Sq. Ft.	Buildout Population	Facility	
					Sq. Ft. per Person	Sq. Ft. per 1,000 Pop.
Community Center Facilities [1]						
Brooks Gym [2]	3,240	-	3,240			
EDH Community Park CAB	13,620	-	13,620			
EDH Community Park Pavilion	2,940	-	2,940			
EDH Community Park New Teen Center	3,685	-	3,685			
Community Park Maintenance Building	1,090	-	1,090			
Jackson Elem. School Gym [2]	1,600	-	1,600			
Lakeview Elem. School Gym [2]	2,400	-	2,400			
Oak Knoll Clubhouse	1,030	-	1,030			
Promontory Community Center	-	3,200	3,200			
Promontory Community Center Restroom	780	-	780			
Valley View Community Center	-	40,000	40,000			
Subtotal Community Center	30,385	43,200	73,585	57,872	1.272	1,272
Administrative Facilities [3]						
<u>EDH Community Park:</u>						
Pavilion and admin. trailer	3,345	-	3,345			
Rec. office space	1,600	-	1,600			
Parks & maintenance	2,740	-	2,740			
New teen center	120	-	120			
Temp teen center (trailer)	720	-	720			
Oak Knoll Clubhouse	215	-	215			
Administrative Office Space	-	8,000	8,000			
Subtotal Administrative Space	8,740	8,000	16,740	57,872	0.289	289
Maintenance Facilities [4]						
<u>EDH Community Park:</u>						
Storage & mechanical	2,435	-	2,435			
Parks & maintenance bldg.	4,625	-	4,625			
New teen center	235	-	235			
Latrobe Rd Storage Facility	1,500	-	1,500			
Oak Knoll Clubhouse storage & mechanical	380	-	380			
Promontory Maintenance bldg.	-	955	955			
Valley View Parks Maintenance Center	-	10,000	10,000			
Subtotal Maintenance Facilities	9,175	10,955	20,130	57,872	0.348	348
Aquatic Facilities [5]						
	1	1	2	57,872	28,936	-

"facility_standards"

[1] Includes gymnasium and teen and senior centers.

[2] Pro-rated at 40 percent to account for joint use with school district/other public agencies.

[3] Includes offices, temp. buildings, etc.

[4] Includes maintenance and storage facilities--stand-alone or portion when attached to another facility.

[5] Aquatic facilities includes the 10,000-sq.-ft. EDH Community Park Pool Pumphouse.

Table 4
EDHCSD Park Impact Fee Nexus Study
Park and Recreational Facilities Requirements - New Development

Item/Facility Type	Requirements [1]	<i>Formula [2]</i>	Acres/Facilities Funded by New Development
Parks	5 acres per 1,000	$(18,828 * 5) / 1,000$	94.1 acres
Recreation Facilities			
Aquatics Facilities	1 per 28,936 pop.	$22,397 / 28,936$	0.77 facilities
Community Centers (incl. gym, teen, senior)	1,272 sq. ft. per 1,000	$(22,397 / 1,000) * 1,272$	28,478 sq. ft.
Operations Facilities			
Administrative Office	289 sq. ft. per 1,000	$(22,397 / 1,000) * 289$	6,479 sq. ft.
Maintenance Facilities	348 sq. ft. per 1,000	$(22,397 / 1,000) * 348$	7,791 sq. ft.

"park_req"

[1] See Table 3 for calculation of Recreational and Operations Facilities requirements.

[2] Population Assumptions	<u>Total CSD</u>	<u>Total excl. Serrano</u>
2006 Population	35,475	25,197
2020 Population	57,872	44,025
New Pop./Park Users 2006-2020	22,397	18,828

The following sections provide more detail regarding the methodology by which park and recreation facility costs are allocated to new development for the CSD Park Impact Fee update.

These development standards are used to calculate park and recreation facilities required to meet the future needs of the EDHCSD. These calculations are therefore based on residential population growth. New nonresidential population growth is not considered when applying these standards. However, as **Chapter IV** explains, nonresidential users do benefit from certain major park facilities, and therefore a portion of the cost is allocated to these users when calculating the fee.

A summary of the nexus study methodology used to determine new development's share of remaining park and recreation facility costs are shown below.

Item	Methodology	Standard
Park Development	Master Plan standard	5 acres per 1,000 people
Recreation Facilities		
Community Centers	Buildout LOS Standard	1,272 bldg. sq. ft. per 1,000 people
Aquatics Centers	Buildout LOS Standard	1 aquatics center per 28,936 people
Operations Facilities		
Administrative Facilities	Buildout LOS Standard	289 bldg. sq. ft. per 1,000 people
Maintenance Facilities	Buildout LOS Standard	348 bldg. sq. ft. per 1,000 people

PARK DEVELOPMENT

Based on the CSD Existing Conditions Summary, July 2005, the CSD currently provides approximately 182.7 developed park acres³ in addition to approximately 100 acres of Homeowner's Association privately maintained park areas. In combination, the number of park acres per 1,000 people exceeds the standard 5.0 acres per 1,000 people. The 2006 CSD Park Master Plan standard for park development is 5.0 acres per 1,000 people, which is consistent with the Quimby Act and many other local park service providers in the region. Although the current and Buildout LOS does and will exceed the 2006 CSD

³ Table A-2: EDHCSD Park and Recreation Facility Inventory. Includes Neighborhood, Village, Community and Special Use Areas.

Park Master Plan standard, the CSD has made a policy decision to apply the 2006 CSD Park Master Plan standard of 5.0 park acres per 1,000 people.

As shown in **Table 4**, using the 2006 CSD Park Master Plan standard, approximately 18,900 new residents (excluding new residents in Serrano) will demand approximately 94.1 acres of developed parks.

RECREATION AND OPERATIONS FACILITIES

COMMUNITY CENTER, ADMINISTRATION, AND MAINTENANCE FACILITIES

Based on the adopted 2006 CSD Park Master Plan and associated CIP, the CSD is planning new recreation and operations facilities that ultimately will serve all CSD residents. With these new facilities, the CSD will be delivering such recreation and operations facilities at a LOS that exceeds the existing LOS.

While the CSD seeks to increase its LOS for all beneficiaries of such facilities, it acknowledges that new development only will be responsible for its proportional share of recreation and operations facilities. The means by which to determine this share is called the Buildout LOS Standard in this Nexus Study.

The Buildout LOS Standard represents the LOS for facilities that the CSD plans to provide to its constituents at buildout of the 2006 CSD Park Master Plan—2020. This standard is based on all existing and planned recreation and operations facilities the CSD will provide based on the 2006 CSD Park Master Plan and CIP. In all cases, the 2006 CSD Park Master Plan buildout standard is measured in building square footage. The only exception to this is aquatics center facilities, where the CSD has one existing aquatics center facility and is planning one additional facility for a total of two facilities at 2006 CSD Park Master Plan buildout.

Table 3 shows the total existing and planned CSD recreation and operations facilities that together comprise the estimated buildout recreation and operations facilities planned. By dividing by the residential population at buildout, **Table 3** also shows the Buildout LOS Standards for community centers, operations facilities, and aquatics centers.

Using the Buildout LOS Standard, new development will contribute towards its fair share of recreation and operations facilities consistent with the LOS provided to all beneficiaries of such facilities at 2006 CSD Park Master Plan buildout. Under this approach, new development is not being asked to fund or is not being allocated the cost

of new and planned facilities that should be funded by existing development. The CSD has and will continue to aggressively seek additional funding for park and recreation facilities development to pay for existing development's share of new park and recreation facilities.

As an example, the Buildout LOS Standard for community center space is 1,272 building square feet per 1,000 people. As shown on **Table 5**, new development would be responsible for a total of 28,478 building square feet of community center space. **Table 5** shows the total buildout community center square footage and proportional square footage of community center responsibility between existing and new development using the Buildout LOS Standard. **Figure 1** shows the calculations from **Table 5** in a more illustrative manner.

The CSD will need to fund approximately 15,000 community center square feet through other funding sources, and is discussed further in Chapter III.

AQUATICS CENTER FACILITIES

The Nexus Study uses a Buildout LOS Standard for aquatic centers as well, which, at buildout, will be very near the currently proposed 2006 CSD Park Master Plan standard. Unlike recreation and operations facilities, building square feet is not an applicable measurement standard for aquatic centers. Typical standards for aquatic centers would be total facility valuation or number of facilities (centers) per service population. Consistent with the 2006 CSD Park Master Plan and CSD direction, the number of facilities per service population is the standard used in this report. At buildout of the 2006 CSD Park Master Plan, the CSD will have two aquatic centers, which, as shown in **Table 4**, equates to a Buildout LOS Standard of one aquatic center per 28,936 people.

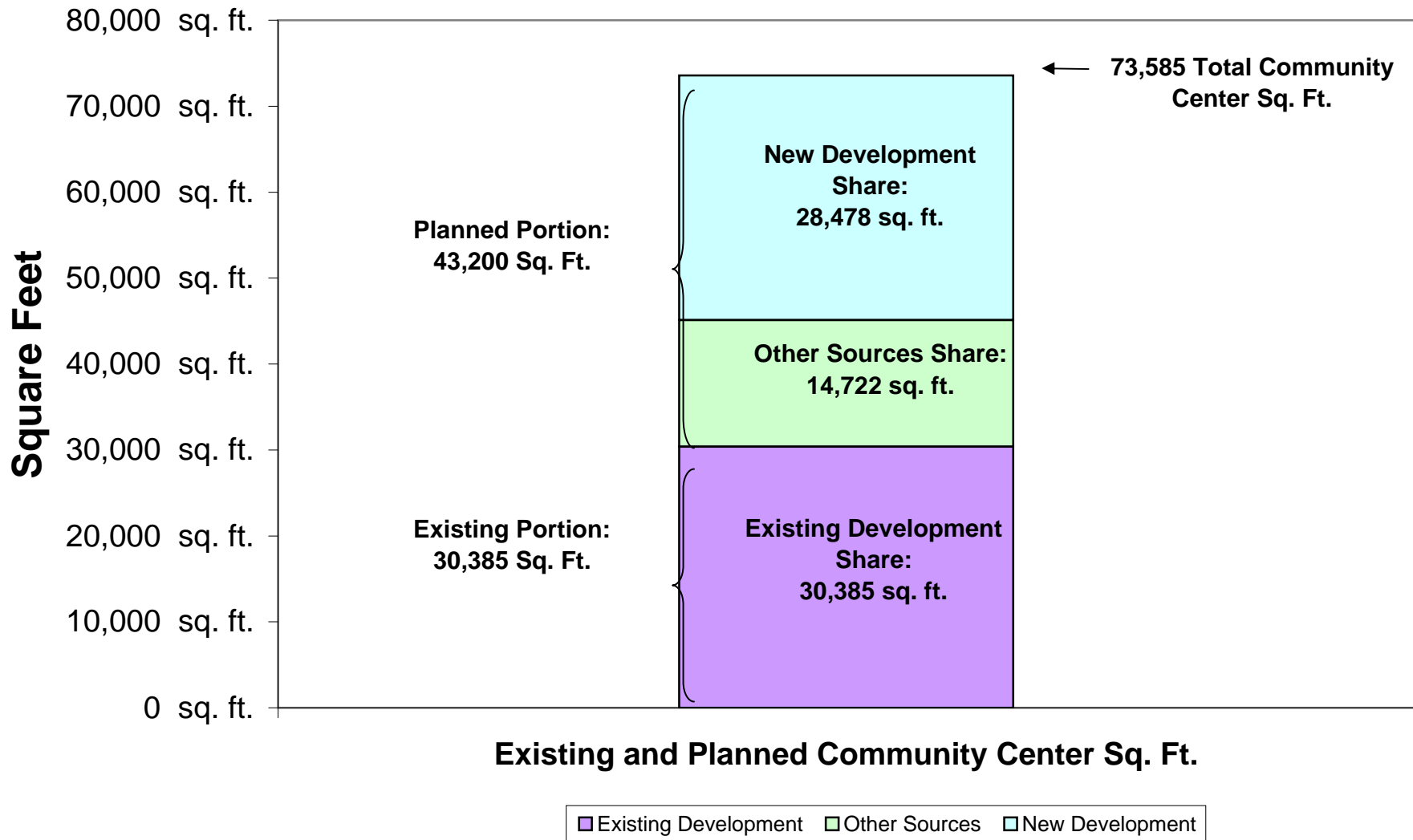
Using this standard, new development will be responsible for 0.77 of an aquatic center. The remaining cost between the planned aquatic center and revenue for an aquatic center payable from new development would need to be funded by other CSD sources.

Table 5
EDHCSD Park Impact Fee Nexus Study
Distribution of Community Center Facilities

Item	Calculation	Total	Existing Development	New Development
Population	<i>a</i>	57,872	<i>population</i> 35,475	22,397
Distribution of Community Center Bldg. Sq. Ft. (based on Master Plan buildout facility std.)	$b = (a/1,000 \times 1,272)$	73,585	<i>building square feet</i> 45,107	28,478
Existing Community Center Bldg. Sq. Ft.	<i>c</i>	30,385	30,385	-
Share of New Community Center Bldg. Sq. Ft.	$d = b - c$	43,200	14,722	28,478

"comm_shares"

Figure 1 Buildout Level of Service Example: Community Center



III. 2006 CSD PARK MASTER PLAN AND CSD PARK IMPACT FEE COST ESTIMATES

This chapter describes the 2006 CSD Park Master Plan, and the cost estimates of park and recreation facilities that are included as part of this Nexus Study. All park and recreation facility cost estimates are based on the 2006 CSD Park Master Plan or were provided by the CSD and based on recent park and recreation facility construction experience.

2006 CSD PARK MASTER PLAN

In November 2006, the CSD adopted the 2006 CSD Park Master Plan. The 2006 CSD Park Master Plan, which guides park and recreation facilities development through 2020, contains the following three categories of costs:

- New park and recreation facilities;
- Upgrades/rehabilitation of existing park and recreation facilities; and
- Ongoing operations and maintenance costs.

As discussed in this report, *only the new park and recreation facilities costs are included as part of the CSD Park Impact Fee update.* In addition to the 2006 CSD Park Master Plan, the CSD has an updated park and recreation facilities CIP, which is based on information from the 2006 CSD Park Master Plan, as well as information from recent park development bid awards and engineering cost estimates.

The following sections describe the estimated cost of new park and recreation facilities that are the basis of this CSD Park Impact Fee update.

CSD PARK IMPACT FEE COST ESTIMATES

All park and recreation facility cost estimates are based on the 2006 CSD Park Master Plan, were provided by the CSD based on recent park and recreation facility construction experience or from independent consultants (park development and engineering).

NEW PARK AND RECREATION FACILITIES

As described above, the facilities included as part of this CSD Park Impact Fee update are only new park and recreation facilities and only that portion of new park and

recreation facilities that are attributable to new development. **Table 6** shows the estimated total \$63.7 million in park and recreation facility costs by type of park and recreation facility. This \$63.7 million figure is derived by applying the standards described in **Chapter II** to the costs discussed in this chapter. Costs of any existing deficiencies cannot be allocated to new development as part of this CSD Park Impact Fee update.

Park Development

As shown in **Table 7**, the CIP identifies a total of approximately 118 developable acres of planned neighborhood, village, and community parks. The per acre costs for each park type were provided by independent cost estimators and the back-up data are provided in **Appendix Table B-1**. These park development cost estimates include, but are not limited to, the following types of park development improvements:

- Grading;
- Permits;
- Utilities;
- Design;
- Project management costs;
- Lighting;
- Asbestos mitigation;
- Turf;
- Irrigation;
- Sports fields;
- Hardcourts;
- Picnic shelters; and
- Permanent restrooms.

It is important to note that the park development cost estimates do not include the cost of major recreation facilities or operations facilities. The cost for major recreation facilities are discussed in more detail in the next section of this report.

Table 6
EDHCSD Park Impact Fee Nexus Study
Total Park Costs Funded by CSD Park Impact Fee (2006\$)

Item	Acres/Facilities Funded by New Development	Cost per Unit	Total Cost
Parks	<i>Table 4</i> 94.1 acres	<i>Tables 7 & 8</i> \$ 482,511 avg. per acre	\$ 45,422,692
Recreational and Special Use Facilities			
Aquatics Facilities	0.77 facility	\$ 8,190,000 per facility	\$ 6,339,263
Community Centers (incl. gym, teen, senior)	28,478 sq. ft.	\$ 294 per sq. ft.	\$ 8,372,532
Operations Facilities			
Administrative Office	6,479 sq. ft.	\$ 294 per sq. ft.	\$ 1,904,826
Maintenance Building/Yard	7,791 sq. ft.	\$ 217 per sq. ft.	\$ 1,688,050
TOTAL			\$ 63,727,363

"cost_summary"

Table 7
El Dorado Hills CSD Park Fee Update
Cost Estimates for New Neighborhood, Village, and Community Parks

Project	Developable Acres	PIF Cost Allocation
Neighborhood Parks		
Creekside Greens	1.7	1.7
Laurel Oak Park	1.7	1.7
Windsor Point Park	1.0	1.0
East Ridge Greens	2.0	2.0
Valley View South Park	3.0	3.0
Bass Lake Hills Neighborhood Park(s)	11.2	11.2
Rancho Dorado Park	2.0	2.0
Valley View North Park	1.0	1.0
Subtotal New Neighborhood Park Acres	23.6	23.6
Cost per Acre [1]		\$682,246
Total Neighborhood Park Development Cost		\$16,107,838
Village Parks		
Lake Forest Park	2.0	2.0
Valley View Elementary	4.5	4.5
Carson Creek Village Park	3.0	3.0
Marble Valley Village Park	5.5	5.5
Subtotal New Village Park Acres	15.0	15.0
Cost per Acre [1]		\$371,773
Total Cost		\$5,576,588
Community Parks [2]		
Valley View Community Park (Phases 2 and 3) [3]	45.0	31.4
Bass Lake Active Sports Park (Phase One)	12.8	8.9
Promontory Community Park (Remaining)	4.7	3.3
Carson Creek Community Park	17.0	11.9
Subtotal Community Park Acres	79.5	55.5
Cost per Acre [1]		\$427,499
Total Cost		\$23,738,267
Total New Parks	118.1	94.1
Overall Average Cost per Acre		\$482,511
Total Cost		\$45,422,692

"parks"

[1] See **Table B-1** for cost estimate back-up detail.

[2] PIF acres pro-rated at 70% to obtain the total of 94.1 required park acres.

[3] Note that this acreage excludes 10 acres assumed for the Community Center and Aquatics Center, which is Phase 1.

The estimated park development cost assigned to new development is based on the following allocation of planned park development costs.

Item	Percentage
Neighborhood Parks	100%
Village Parks	100%
Community Parks	70%

As shown in **Table 7**, applying the above allocation to remaining park development costs results in new development being allocated approximately 23.6 neighborhood park acres, 15 village park acres, and 55.5 community park acres, for a total of 94.1 park acres. The estimated total cost of new development's share of new park development cost equals approximately \$45.4 million.

RECREATION FACILITIES

In this Nexus Study, recreation facilities include community centers and aquatics centers. These multipurpose facilities will include a variety of recreational opportunities through facilities including, but not limited to, the following improvements:

- Large multipurpose community meeting rooms;
- Smaller meeting rooms and classrooms;
- Gymnasiums;
- Exercise facilities;
- Pools;
- Locker rooms;
- Daycare centers;
- Teen centers and senior centers; and
- Kitchens/concession/banquet facilities.

Community Center Facilities

The 2006 CSD Park Master Plan includes the proposed Valley View community center and Promontory community building. Consistent with the 2006 CSD Park Master Plan recommendation, the Valley View community center facility is planned to be a 40,000 square foot building, to be constructed with the adjacent 10,000 square foot aquatics center, located in the Valley View community park. The community building, located in

the Promontory community park, is approximately 3,200 building square feet (see **Table 3**).

As shown in **Table 8**, the per square foot cost for community center building space is \$294. This figure is based on a comparable development project—the recently developed community center in the City of Woodland.

Based on the Buildout LOS Standard for community center facilities of 1,272 building square feet per 1,000 people (discussed in the previous chapter), new development generates the need for 28,478 additional community center square feet. The cost of community center facilities allocated to new development in the CSD Park Impact Fee update equals approximately \$8.4 million, which is calculated by multiplying the 28,478 building square feet required by approximately \$294 per building square foot (see **Table 6**).

The difference between the total \$12.7 million cost for new community centers and the portion of the cost that will be funded by the CSD Park Impact Fee from new development (approximately \$8.4 million) will need to be funded through other CSD sources and not by the CSD Park Impact Fee.

Aquatics Center Facilities

The 2006 CSD Park Master Plan includes one additional aquatics center. The aquatics center facility is planned to include a 10,000-square-foot building along with a recreational pool, competition pool and diving pool. The CSD anticipates that the aquatics center will be constructed in conjunction with the adjacent community center in the Valley View community park.

As shown in **Table 8**, the CSD estimates the cost of the new aquatics center facility at approximately \$8.2 million, which includes the cost of the building and aquatics facilities. The cost of the building space was estimated using the same cost per square foot assumption as the community center estimate. The pool facilities' costs were estimated by the CSD utilizing data obtained from independent consultants (see Appendix **Table B-2**).

Based on the Buildout LOS Standard for aquatics center facilities of one aquatics center per 28,936 people (discussed in the previous chapter), new development generates the need for approximately 77 percent of an aquatics center. The cost of aquatics center facilities allocated to new development in the CSD Park Impact Fee update equals approximately \$6.3 million, which equals 0.77 aquatics center facilities multiplied by an estimated cost of \$8.2 million per aquatics center.

Table 8
EDHCSD Park Impact Fee Nexus Study
Recreation and Operations Facility Cost Basis

Type of Facility	Square Footage	Development Cost	Cost per Sq. Ft.
Community Center Building [1]			\$294
Aquatics Center			
Aquatics Facilities [2]		\$5,250,000	
Aquatics Ctr. Building [1]	10,000	\$2,940,000	\$294
Total Aquatics Center		\$8,190,000	
Administrative Building [1]			\$294
Maintenance Facility [3]			\$217

"cost_assumps"

Source: CSD

[1] Cost per sq. ft. based on Woodland Community Center.

[2] See **Table B-2** for cost estimate back-up data.

[3] Cost per sq. ft. based on Promontory Maintenance Building estimate.

OPERATIONS FACILITIES

Operations facilities include administrative office space and maintenance building space. Using the 2006 CSD Park Master Plan and comparable construction cost estimates, the CSD provided the estimated cost of administrative and maintenance space.

Administrative Facilities

Based on the Buildout LOS presented in **Table 3**, the CSD will provide 289 square feet of administrative facility space per 1,000 population. Using that standard, new development can be expected to fund 6,479 square feet of administrative facilities. The cost estimate for this facility is the same as the community center assumption and is based on the recently-constructed Woodland Community Center cost per square foot - \$294 (see **Table 8**).

New development can, therefore, be expected to fund 6,479 square feet of administrative facilities at a cost of \$294 per square foot for a total cost of approximately \$1.9 million (see **Table 6**).

Maintenance Facilities

A similar methodology was used to calculate the cost for new maintenance facilities to support the CSD parks and recreation facilities. The LOS at buildout of the CSD is 348 square feet per 1,000 population (**Table 3**). With 22,397 new residents anticipated, new development can be expected to fund the development of approximately 7,800 square feet.

The cost per square foot to provide maintenance facilities was based on the actual cost of the maintenance building purchased for Promontory park as provided by the CSD. That facility had a cost of \$195,000 and was 900 square feet for a cost of \$217 per square foot. That figure was applied to the number of anticipated square feet to be funded by new development (7,800) for a total cost to new development of \$1.7 million.

COMPARISON OF PARK AND RECREATION FACILITY COST AND ESTIMATED CSD PARK IMPACT FEE REVENUE

Table 9 compares the estimated \$81.2 million in planned new park and recreation facility cost estimates with the estimated \$63.7 million in estimated CSD Park Impact Fee revenue from new development. The difference between estimated costs and CSD Park Impact Fee revenues equates to approximately \$17.5 million.

Table 9
EDHCSD Park Impact Fee Nexus Study
Comparison of Buildout Costs and Estimated Fee Revenue

Facilities	New Park Users	Fee Revenue per User	Estimated Fee Revenue from New Development	Estimated Development Cost	Surplus/ (Deficit) [1]
<i>Formula</i>	<i>Table 11</i> <i>a</i>	<i>Table 14</i> <i>b</i>	<i>a * b = c</i>	<i>Tables 7 & 8</i> <i>d</i>	<i>c - d</i>
Parks					
Neighborhood and Village	18,828	\$1,152	\$21,684,425	\$21,684,425	\$0
Community	20,305	\$1,169	\$23,738,267	\$33,986,174	(\$10,247,907)
Recreational Facilities					
Aquatics Facilities	24,004	\$264	\$6,339,263	\$8,190,000	(\$1,850,737)
Community Centers (incl. gym, teen, senior)	24,004	\$349	\$8,372,532	\$12,700,800	(\$4,328,268)
Operations Facilities					
Administrative Office	22,397	\$85	\$1,904,826	\$2,352,000	(\$447,174)
Maintenance Building/Yard	22,397	\$75	\$1,688,050	\$2,373,583	(\$685,533)
Total	NA	\$3,094	\$63,727,363	\$81,286,983	(\$17,559,620)

"fund"

Source: 2006 CSD Park Master Plan and EPS.

[1] Funding for deficit amounts would have to come from other CSD funding sources.

The \$17.5 million difference between costs and fee revenues equals existing development's share of future park and recreation facility costs. More than one-half (\$10.2 million) of the difference is for community park land development. Through the CSD Park Impact Fee update, new development is being asked to fund 5.0 acres of park development per 1,000 people. In addition, the CSD currently delivers park land in excess of 5.0 park acres per 1,000 people. Because of these two factors, the CSD could choose to make a policy decision not to develop new park acres beyond the 94.1 acres needed to serve new development. Such a decision would not have an impact on the cost of park development that has been allocated to new development.

The remaining deficit between buildout cost estimates and CSD Park Impact Fee revenue (approximately \$7.3 million) is for recreational and operations facilities. Because new development is being asked to fund their proportionate share of the Buildout LOS for such facilities, the CSD has to identify funding sources to fund the deficit amount for these facilities that is attributable to existing development. If the additional deficit financing is not attainable, then the CSD would not reach its Buildout LOS Standard and consequently, the CSD Park Impact Fee would need to be updated to reflect the revised Buildout LOS Standard.

CSD FUNDING SOURCES

The CSD has and will continue to rely on multiple funding sources, including the PIF, to fund the development of park and recreational facilities. As Table 4 in Chapter 5 of the Master Plan illustrates, the CSD has consistently used General Fund money to support park development. For park development in 2006, the CSD used over \$900,000 of General Fund revenues, \$190,000 in Quimby fees, and \$64,000 in grants in addition to PIF resources.

Appendix E of the Master Plan identifies many sources of funding, including the PIF, which the CSD will use to fund new park and recreation facilities. The major sources of funding include the following mechanisms:

- **General Fund Revenue**—is generated primarily by property taxes and is used for operational and capital facility uses.
- **Landscaping and Lighting Assessment District**—permits a public agency to assess housing units or land parcels to fund operational and capital facilities needs.
- **General Obligation Bonds**—are voter-approved bonds that are used for capital improvements and then repaid through property tax assessment. A two-thirds voter majority is required to approve General Obligation bonds.

- **Joint Use Facilities/Partnerships** –can be an effective way to combine the resources of multiple agencies. For example, school districts frequently partner with park and recreation departments to maximize usage of ball fields, community centers, etc.
- **Grants**—can be obtained from a variety of public and private sources such as the National Park Service, California State Parks, California Parks and Recreation Department, and private foundations.
- **Donations**—can be made by philanthropic organizations and individuals.
- **Other sources**—include public land trusts, property exchanges, exactions, revenue bonds, etc.

As is the case with all local park jurisdictions, the CSD does not control the future availability of funds for park and recreation development from most sources. Grants are competitive, bonds require voter approval, and General Fund resources are used to meet a variety of operational and capital facility needs. The CSD will implement its Master Plan by continuing to seek and leverage all available funding mechanisms for park and recreational facility development. Historically, the CSD has used its general fund to aggressively fund park and recreation facilities to serve its constituents. Looking forward, the CSD likely will rely on a combination of many funding sources to provide the level of park and recreation facility standards desired by the community as expressed in the Master Plan.

IV. CSD PARK IMPACT FEE ALLOCATION FACTORS AND NEXUS FINDINGS

Having established the financial impact of new development as it relates to the provision of additional parks and recreation facilities, those costs need to be distributed equitably over various anticipated land uses in the form of a per-unit fee for residential development, and a per square foot fee for nonresidential development. This chapter describes the methodology used to convert the overall cost burden of developing park and recreation facilities into the per-unit and per square foot CSD Park Impact Fee.

As discussed in previous chapters, the standards for service levels are based on the residential population of EDHCSD. The costs of new parks and recreation facilities are, however, divided among both residential and nonresidential development.

COMMON USE FACTORS

The purpose of allocating certain improvement costs among the various land uses is to provide an equitable method of funding required infrastructure. The keys to apportioning the cost of regional improvements to different land uses are the assumptions that the demands placed on public facilities are related to land use type and that such demands can be stated in relative terms for all particular land uses. It is by relating demand for facilities to land use types that a nexus, or reasonable relationship, can be established to apportion the fair share costs to that land use.

A dwelling unit equivalent (DUE) is a common use factor that allows allocation of improvement costs among land uses. A DUE is defined as the amount of facility use for each land use type relative to a single-family unit, so the DUE for a single-family unit is 1.0. The DUE factors used in this study are based on park use factors and developed specifically for El Dorado Hills based on methodology consistent with many other park development impact fee programs throughout the Sacramento Region.

Table 10 presents the DUE factors used to calculate the updated CSD Park Impact Fee for residential development. Non-age-restricted single-family residences generate more park users per unit than age-restricted and multifamily units. Therefore, on that basis, the fee charged to such units is proportionately higher.

Table 10 also shows the calculation used to derive the DUE factors for nonresidential development. DUEs for commercial, office, and industrial development are based on a common use factor of building square feet per employee. These factors are used to derive a DUE factor per 1,000 square feet.

Table 10
CSD Park Impact Fee Nexus Study
Dwelling Unit Equivalent (DUE) Factors

Land Use	Residents per Unit [1]	Employees per 1,000 Sq. Ft.	Percentage of Park User [2]	Park Users per DUE	DUE Factor
<i>Formula</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d = a * c or b * c</i>	<i>per unit</i>
Single-Family (includes Duplexes)	3.08	NA	100%	3.08	1.00
Age-Restricted	1.80	NA	100%	1.80	0.58
Multifamily	2.54	NA	100%	2.54	0.83
Mobile Home	2.25	NA	100%	2.25	0.73
					<i>per 1,000 sq. ft.</i>
Commercial	NA	2.22	22%	0.49	0.16
Office	NA	2.86	22%	0.63	0.21
Industrial	NA	1.00	22%	0.22	0.07

"due_equivs"

Land Use:	Sq. Ft. Per Employee
	<i>(a)</i>
Commercial	450
Office	350
Industrial	1,000

[1] Census 2000 for El Dorado Hills Census Designated Place. Age-restricted figure from 2004 Nexus Study.
 [2] See Table 12.

CALCULATION OF RESIDENTIAL AND NONRESIDENTIAL FEES

New residential park users are based on anticipated population growth. As illustrated in **Table 11**, new park users for park development excludes population anticipated by future Serrano development. As a result of contractual provisions related to park facilities, Serrano development shall pay an adjusted park fee that excludes park development costs. Serrano private park sites will be constructed and maintained by a homeowners' association so park development costs are not allocated to the remaining Serrano units. The Serrano public parks are maintained by the CSD through its General Fund. Serrano is obligated to contribute to other facilities, such as recreational facilities and operations facilities.

Park facilities are enjoyed by and benefit both residents and employees of an area. Residents benefit from all types of park and recreational facilities. Employees benefit primarily from the larger community parks, often through the use of recreational activities after work, such as sports or other leagues. Employees also may walk or eat lunch in a park, or a business may have a company party at a picnic area. Employees and their children enroll in CSD recreation programs, swim lessons and classes. Therefore, employees working in the CSD area are also considered users of park facilities. As a result, this Nexus Study allocates a portion of the costs of future development to projected new employees. Nonresidential development is required to pay for its impact on community and recreational facilities, as shown in **Table 11**. However, nonresidential development is not considered to impact neighborhood or village parks and operations facilities, and therefore does not share in these costs. Also, nonresidential development in the Serrano Specific Plan area is not charged for park development but is charged for community centers and aquatics facilities.

A "park user percentage" assumption is used to determine the ratio of park use between an employee and a resident. This percentage accounts for the fact that employees do not have the same amount of time available for park use as residents do; therefore, their impact is not as great. **Table 12** details the number of hours available for park use for a resident park user versus an employee park user. Based on these available hours, an employee park user is equivalent to approximately 22 percent of a resident park user.

Table 13 calculates the expected square feet of new nonresidential development, and estimates the number of employees expected to result from this new development. Approximately 4.2 million new square feet of nonresidential development is expected to occur, resulting in approximately 7,300 new employees. Using the 22 percent employee user equivalent established in **Table 12**, approximately 1,600 new park users are expected to result from this new nonresidential development. The park users generated

Table 11
EDHCSD Park Impact Fee Nexus Study
New Service Population

Item	Parks		Recreational Facilities [2]	Operations Facilities [3]
	Neighborhood/ Village	Community		
New Park Users (2006-2020)				
New Residents	22,397	22,397	22,397	22,397
Less Future Serrano Res. [1]		(3,570)	(3,570)	
Nonresidential Park Users		0	1,607	0
Less Future Serrano Users		0	(129)	
Total New Users for Park Cost Allocation		18,828	24,004	22,397

"park_users"

[1] See Table 2.

[2] Community Centers and Aquatic Facilities.

[3] Administrative and Maintenance Facilities.

Table 12
CSD Park Impact Fee Nexus Study
Park Usage for Residents and Employee

	Maximum Weekend Hours	Maximum Mid-week Hours	Maximum Hours Per Week	Percentage of Household Population [2]	Person Hours
Resident Park User					
Employed Resident [1]	20	0	20	49.5%	10
Non-employed Resident	20	50	70	50.5%	35
Weighted Average for Residents					45
Employee Park User					
Employee	0	10	10		10
Employee Park User as Percentage of Resident Park User					22%

"park_usage"

[1] Excludes weekday hours to avoid double counting of employed residents.

[2] Employed Resident Percentage Calculated Below:

Total Jan. 1, 2006 El Dorado County Household Population	175,154
Total 2005 Employed Labor Force El Dorado County (annual average)	86,700
Employed Percentage of Household Population	49.5%

Table 13
CSD Park Impact Fee Nexus Study
Calculation of Nonresidential Square Feet and Employees

Land Use Type	Remaining Acres	Less: Adjustment Factor (15%)	Remaining Developable Acres	FAR [2]	Expected Sq. Ft.	Employees per Sq. Ft.	Expected Employees	User Equivalents [3]	Expected Nonres. Park Users
	<i>a</i>	<i>b=a*15%</i>	<i>c=a-b</i>	<i>d</i>	<i>e=c*d*43,560</i>				
Nonresidential	<i>acres</i>								
Commercial	128.6	19.3	109.3	0.25	1,190,664	450	2,646	22%	585
Office	71.5	10.7	60.7	0.25	661,562	350	1,890	22%	418
Industrial	145.2	21.8	123.4	0.40	2,150,914	1,000	2,151	22%	475
Subtotal	345.3	51.8	293.5		4,003,140		6,687		1,478
Serrano Nonresidential [1]									
Commercial	12.5	1.9	10.6	0.25	115,243	450	256	22%	57
Office	12.5	1.9	10.6	0.25	115,243	350	329	22%	73
Industrial	0.0	0.0	0.0	0.40	-	1,000	-	22%	0
Subtotal	24.9	3.7	21.2		230,487		585		129
Total	370.2	55.5	314.7		4,233,627		7,272		1,607

"sqft_emps"

- [1] Nonresidential development within Serrano is not required to pay for park development.
 [2] Floor area ratios have been assumed based on typical FARs for each development type.
 [3] See Table 12.

by development in the Serrano community are segregated because Serrano nonresidential development is not required to pay for community park development.

FEE CALCULATION

Based on the findings, costs, and calculations discussed in this report, the development impact fees for each land use in the CSD have been calculated using the methodology described at the beginning of this chapter. **Table 14** shows the cost per park user for each type of park facility, based on each facility's assigned number of users and the cost for that facility.

Table 15 uses the DUE factor for each land use and the cost per park user for each type of park facility to calculate a total park impact fee for each land use. The costs of County and CSD administration have been added to the park and facilities development costs to establish the proposed CSD Park Impact Fee. The result is the CSD Park Impact Fee calculation by type of residential unit and nonresidential square footage.

Table 15 calculates the fees for residential and nonresidential development. As mentioned, while costs are allocated to nonresidential development, County Ordinance 13.30.050 exempts nonresidential development from paying a park development impact fee.

The fees are payable at time of building permit issuance for new development. No fees are to be collected from existing development unless the existing development was subject to prior agreements requiring fee funding for future improvements.

Fees may be reduced for specific developments if the developer provides eligible facilities/parks, or if facility contributions are otherwise satisfied based on development agreements or other contractual provisions. Fee credits are discussed in the "Fee Credit" section of **Chapter V**.

FINDINGS FOR PARK AND RECREATION FACILITIES FEE

As outlined in the introduction to this report, the authority to collect a development impact fee is outlined in Government Code Section 66000 *et seq.* Among other conditions, these procedures require that a proper nexus must exist between the proposed exaction and the purpose of the condition. This section of the report presents the findings necessary to establish the development impact fees in accordance with Government Code Section 66000 *et seq.* Specifically, each local agency imposing a fee must determine the following items:

Table 14
CSD Park Impact Fee Nexus Study
Development Impact Cost

Park Component	Total Cost	New Park Users/ Service Population	Cost per Park User
	<i>Table 6 & Table 7</i>	<i>Table 11</i>	
Parks			
Neighborhood and Village Parks	\$ 21,684,425	18,828	\$ 1,152
Community Parks	\$ 23,738,267	20,305	\$ 1,169
Recreational and Special Use Facilities			
Aquatics Facilities	\$ 6,339,263	24,004	\$ 264
Community Centers (incl. gym, teen, senior)	\$ 8,372,532	24,004	\$ 349
Operations Facilities			
Administrative Office	\$ 1,904,826	22,397	\$ 85
Maintenance Facility	\$ 1,688,050	22,397	\$ 75
Total	\$ 63,727,363	NA	\$ 3,094

"dev_cost"

Table 15
EDHCSD Park Impact Fee Nexus Study
Updated CSD Park Impact Fee Calculation

Item/CSD Park Impact Fee Component	Cost per User [1]	Persons per DUE (SF Unit) [2]	Cost per DUE	Cost per Dwelling Unit						Cost per Sq. Ft.				
				Single-Family	Serrano	Age Restricted [1]	Multi-family	Serrano M/F	Mobile Home	Serrano Comm.	Serrano Office	Comm.	Office	Industrial
DUE Factor [3]				1.00	1.00	0.58	0.83	0.83	0.73	0.16	0.21	0.16	0.21	0.07
Parks														
Neighborhood and Village Parks	\$1,152	3.08	\$3,544	\$3,544	NA	\$2,073	\$2,928	NA	\$2,596	NA	NA	NA	NA	NA
Community Parks	\$1,169	3.08	\$3,597	\$3,597	NA	\$2,104	\$2,972	NA	\$2,635	NA	NA	\$ 0.57	\$ 0.74	\$ 0.26
Recreational and Special Use Facilities														
Aquatics Facilities	\$264	3.08	\$813	\$813	\$813	\$475	\$671	\$671	\$595	\$ 0.13	\$ 0.17	\$ 0.13	\$ 0.17	\$ 0.06
Community Centers (incl. teen, senior)	\$349	3.08	\$1,073	\$1,073	\$1,073	\$628	\$887	\$887	\$786	\$ 0.17	\$ 0.22	\$ 0.17	\$ 0.22	\$ 0.08
Operations Facilities														
Administrative Office	\$85	3.08	\$262	\$262	\$262	\$153	\$216	\$216	\$192	NA	NA	NA	NA	NA
Maintenance Building/Yard	\$75	3.08	\$232	\$232	\$232	\$136	\$192	\$192	\$170	NA	NA	NA	NA	NA
Subtotal Park Impact Fee				\$9,521	\$2,380	\$5,569	\$7,867	\$1,966	\$6,975	\$ 0.30	\$ 0.39	\$ 0.88	\$ 1.13	\$ 0.39
County Administrative Fee (1%)				\$95	\$24	\$56	\$79	\$20	\$70	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
CSD Administrative Fee (2%)				\$190	\$48	\$111	\$157	\$39	\$139	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.01
Total Park Impact Fee				\$9,806	\$2,452	\$5,736	\$8,103	\$2,025	\$7,184	\$ 0.32	\$ 0.41	\$ 0.91	\$ 1.16	\$ 0.41

"fee_calc"

[1] See Table 14.

[2] Age-Restricted units include both single-family and multifamily age-restricted units.

[3] See Table 10.

- Purpose of the fee;
- Use of the fee;
- Relationship between the use of the fee and the type of development;
- Relationship between the need for the facility and the type of project; and
- Relationship between the amount of the fee and the cost portion attributed to new development.

PURPOSE OF FEE

The park fee developed through this Nexus Study would fund the park improvements necessary to serve new residential and nonresidential development in the CSD based on the LOS described in **Chapter II**. New development in the CSD will increase the service population and, therefore, the need for new parks and recreation facilities.

USE OF FEE

For each thousand additional residents, the fee will be used to improve 5.0 acres of park land to include turf, landscape, and recreation facilities (park land will be acquired through land dedications and Quimby In-Lieu Fees). The fee also will be used to plan, design, and develop other facilities, such as community center, aquatics center, administration space, and maintenance space needed to meet the recreational needs of the new population. The fee also will fund the studies and administration to support the program.

RELATIONSHIP BETWEEN USE OF FEE AND TYPE OF DEVELOPMENT

The development of new residential land uses in the CSD will generate additional need for park and recreation facilities, and administrative and maintenance facilities. The fees will be used to develop and expand the user capacity for neighborhood, village and community park land, community center, aquatics center, administration space, and maintenance space to serve new residential and nonresidential development.

RELATIONSHIP BETWEEN NEED FOR FACILITY AND TYPE OF PROJECT

Each new residential and nonresidential development project will generate additional demand for park and recreation services. The CSD's park standard is 5.0 park acres per

1,000 population with improved park land. The standards for recreation and other facilities are described in this report.

This report allocates a portion of the park facility costs to nonresidential development. The park facility costs allocated to nonresidential development include community park development, community centers, and aquatics facilities which reflects the benefit its employees receive from these facilities. Nonresidential development is currently exempt under County ordinance from paying its portion of the costs.

RELATIONSHIP BETWEEN AMOUNT OF FEE AND COST OF OR PORTION OF FACILITY ATTRIBUTED TO NEW DEVELOPMENT

The amount of park and recreation facilities needed by each land use has been estimated by applying the park cost per user to the appropriate common use factor for each land use. The common use factor for residential land uses is the number of persons per household for single-family, duplex, multifamily, mobile home, and other units. The common use factor for nonresidential land uses is based on the number of employees generated on a square foot basis for commercial, office, and industrial development, and on the ratio of park usage availability for an employed resident as compared to a non-employed resident.

V. IMPLEMENTATION

The proposed fee presented in this report is based on the best development cost estimates, administrative cost estimates, and land use information available at this time. If costs change significantly in either direction, if the type or amount of new projected development changes, if other assumptions significantly change, or if other funding becomes available, the CSD Park Impact Fee should be updated accordingly.

After establishing the fee presented in this report, the CSD should conduct periodic reviews of park and recreation facility costs and other assumptions used as the basis of this analysis. Based on these reviews, the CSD may make necessary updates to the CSD Park Impact Fee.

The cost estimates presented in this report are in constant 2007 dollars. When the CSD does not update the fee by reviewing facility costs or other assumptions, the costs and fees will be adjusted automatically for inflation as outlined in this chapter.

IMPLEMENTING RESOLUTIONS

After consideration by the CSD Board of Directors, the proposed CSD Park Impact Fee update needs to be adopted by the County Board of Supervisors through a resolution updating the fee. The fee will be effective 60 days after the County's final action on the resolution updating the fee.

FEE COLLECTION AND EXEMPTIONS

All new development that occurs in the CSD, except as specifically exempted herein, shall pay the proposed fee at the time of building permit issuance at the CSD Park Impact Fee rates that are in effect at that time.

EXEMPTIONS FROM THE FEE

Existing development is exempt from the proposed fee. In addition, with written approval from the CSD Board of Directors, any or all portions of the proposed fees may be waived if it can be determined that a proposed project will not impact any facility for which the fees are collected. Written fee waivers may be available on a case-by-case basis for certain temporary structures such as a mobile home used for construction management purposes.

Additionally, County Ordinance 13.30.050 specifically exempts all non-residential land uses from being charged a park development impact fee.

REIMBURSEMENTS, FEE CREDITS, AND ADJUSTMENTS

As is typical with development impact fee programs, many of the public infrastructure facilities are needed up-front, in advance of when adequate revenue from the fee collection would be available to fund such improvements. Consequently, some type of private funding is necessary to pay for the public improvements when they are needed. This private financing may be in the form of land secured bonds, developer equity, or other form of private financing.

When this occurs, development impact fee programs need a mechanism to address situations where developers privately fund public facilities that would normally be funded by the fee program. To address this issue, the County, with recommendation from the CSD, should permit fee credits and reimbursements to provide the necessary link between collection of the CSD Park Impact Fee and the private construction and dedication of eligible park improvements. Reimbursements and fee credits are approved by the CSD Board on a case-by-case basis.

Developers/landowners who fund construction of park and recreation facilities included in this report will be eligible for fee credits/reimbursements against the appropriate fee or fees. Fee credits/reimbursements will be available for the facility construction cost as shown in this report or actual costs if the CSD Park Impact Fee is updated to include actual costs. Fee credits/reimbursements will be adjusted annually by the inflation factor used to adjust the fee. Once fee credits have been determined, they will be used at the time the respective fees would be due.

The CSD reserves the authority to reduce the CSD Park Impact Fees for properties under certain circumstances if necessary. Any reduction in the fees will be based on the CSD's independent analysis and review of the particular property. The CSD will make recommendations to the County for reduction of the County-imposed fee in such cases.

FEE CREDIT/REIMBURSEMENT TO DEVELOPERS

Fee credits/reimbursements for constructing park and recreation facilities in the CSD will be provided under the following conditions:

- Board approved, developer-installed/acquired improvements shall be considered for reimbursement from the CSD Park Impact Fee;

- The value of any developer-installed/acquired improvements for reimbursement/fee credit purposes shall not exceed the total cost estimate (as adjusted for inflation) used to establish the amount of the fees in this report or actual costs if the CSD Park Impact Fee is updated to include actual costs; and
- The use of accumulated fee revenues shall be used in the following priority order: 1) critical projects as determined by CSD Board findings; 2) repayment of inter-fund loans; and 3) repayment of accrued reimbursement to private developers. The CSD has discretion to determine the criteria for a “critical project.” One example of a critical project would be one that when failure to complete the project prohibits further development from occurring.

Once all criteria are met, fee credits may be taken against fees when payable at building permit issuance. To obtain fee credits, the park improvement projects must meet all criteria, and developers must apply to the CSD before payment of fees on the first unit associated with a final subdivision map. The CSD maintains the flexibility to allocate fee credits in a manner it chooses. Fee credits granted shall be on a per-unit basis. In addition to the aforementioned fee credits, the CSD also may consider credits for private facilities on a case by case basis.

Reimbursements will be due to developers who have advance funded a facility (or facilities) in excess of their fair share of that (those) park facility cost (or facilities costs). In this instance, developers first would obtain fee credits up to their fair share requirement for a facility, then would await reimbursement from fee revenue collections from other fee payers.

To obtain reimbursements, developers must enter into a reimbursement agreement with the CSD. When funds are available, reimbursements will be paid quarterly, semi-annually, or as otherwise determined by the CSD. As noted, reimbursements will be paid only after the CSD accepts the park improvements. It is important to note that reimbursements are an obligation of the CSD Park Impact Fee Fund and not an obligation of the CSD General Fund or other operating funds.

Developers will be eligible for fee credits/reimbursements up to 100 percent of the fee, excluding the administration component of the fee. Eligible public facility costs, which are used to determine fee credits/reimbursements, will be based on cost schedules in this report or actual construction costs if the fees are updated to include the actual costs. Cost schedules in this report will be automatically adjusted annually by the inflation factor described in this chapter.

To the extent to which new development funds all or a portion of the CSD Park Impact Fee obligation through participation in a land-secured financing district, the CSD also

should provide fee credit/reimbursement against the CSD Park Impact Fee in an amount not to exceed the present value of anticipated land-secured financing proceeds that would be generated by the property that is participating in the land-secured financing district.

ANNUAL INFLATION ADJUSTMENT AND PERIODIC FEE REVIEW

The proposed fee will be adjusted by County annually to account for the inflation of construction costs. (For ease of administration, the ordinance[s] and resolution[s] adopted to exact the fee should reference the automatic annual inflation adjustment.) Each year, on January 1, the CSD Park Impact Fee will be escalated based on the Engineering News Record (ENR)'s Construction Cost Index (CCI) to reflect changes in construction costs. The escalation shall be based on the change in the ENR CCI for the 12-month period ending in October of the prior year.

The proposed fee is subject to periodic update based on changes in developable land, cost estimates, or outside funding sources. The CSD periodically will review the costs and fee to determine if any updates to the fee are warranted. During the periodic reviews, the CSD will analyze these items:

- Changes to the required facilities listed in the Nexus Study;
- Changes in the cost to update or administer the fee;
- Changes in costs greater than inflation;
- Changes in assumed land uses; and
- Changes in other funding sources.

Any changes to the fee based on the periodic update will be presented to the County for approval before an increase or decrease in the fee.

FEE ADMINISTRATION

The proposed fee will be collected by County at the time of building permit issuance. The CSD may use the fees when collected by County and transferred to the CSD or may wait until a sufficient fund balance can be accrued. According to Government Code Section 66006, the CSD is required to deposit, invest, account for, and expend the fees in a prescribed manner.

FIVE-YEAR REVIEW

The fifth fiscal year after the first deposit into the fee account or fund, and every five years thereafter, the CSD and County are required to make all of the following findings with respect to that portion of the accounts or funds remaining unexpended:

- Identify the purpose for 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 plan area improvements; and
- Designate the approximate dates that the funding referred to in the above paragraph is expected to be deposited in the appropriate account or fund.

The CSD must refund the unexpended or uncommitted revenue portion for which a need could not be demonstrated in the above findings, unless the administrative costs exceed the amount of the refund.

APPENDICES

APPENDIX A: POPULATION BACK-UP DATA

APPENDIX B: COST ESTIMATE BACK-UP DATA

APPENDIX A

POPULATION BACK-UP DATA

Table A-1	Projected Remaining Units to Be Built
Table A-2	Current Total Population Estimates

**Table A-1
EDHCSD Park Impact Fee Nexus Study
Projected Remaining Units To Be Built**

Plan Area	Single Family			Multifamily			Total	
	Remaining Units	Persons per Household	Estimated Residents	Remaining Units	Persons per Household	Estimated Residents	Remaining Units	Estimated Residents
Valley View	1,977	3.08	6,084	550	2.54	1,398	2,527	7,482
The Promontory	400	3.08	1,231	129	2.54	328	529	1,559
Marble Valley	375	3.08	1,154	0	2.54	0	375	1,154
Serrano	1,160	3.08	3,570	0	2.54	0	1,160	3,570
Bass Lake Hills	1,309	3.08	4,028	0	2.54	0	1,309	4,028
Villadoro	67	3.08	206	0	2.54	0	67	206
Pedregal	97	3.08	298	0	2.54	0	97	298
Rancho Dorado	207	3.08	637	0	2.54	0	207	637
Carson Creek - Age-Restricted	935	1.80	1,683	305	1.80	549	1,240	2,232
Other [2]	400	3.08	1,231	0	2.54	0	400	1,231
Total New Development	6,927		20,122	984		2,275	7,911	22,397
Existing Residents [3]			35,475			0		35,475
Total Residents at Buildout			55,597			2,275		57,872

"new_dev"

Note: Amounts shown above are known unit counts based on the source cited for each plan area. Unit counts are subject to change and the actual number of units built may be different than shown above.

[1] Conversations with local developers and home builders have shown that some of the above plan areas are not anticipated to build out to their full specific plan estimated number of units. As a result, total number of units has been adjusted downward by 5% to account for the possibility of under development.

[2] Includes estimated remaining units not currently under a development agreement.

[3] Based on California State Department of Finance Population Estimates and building permit data through August 2006 (see Table A-2)

Table A-2
EDHCSD Park Impact Fee Nexus Study
Current Total Population Estimates

Date	Permits [1]	Population per Unit [2]	Total Population
Jan. 1, 2005 (DOF)			33,247
Permits Issued	724	3.08	2,228
Aug. 31, 2006 est.			35,475

"total_pop"

[1] Source is EDHCSD (Jan. 1, 2005 through December 31, 2006)

[2] See Table 10.

APPENDIX B

COST ESTIMATE BACK-UP DATA

Table B-1	Park Development Cost Estimates
Table B-2	Aquatics Facility Cost Calculation

Table B-1
EDHCSD Park Impact Fee Nexus Study
Park Development Cost Estimates

Item	Neighborhood Park	Village Park	Community Park
<u>Basis for Assumptions</u>			
Hard Costs [1]	1.5 Acre Park	10.0 Acre Park	30.0 Acre Park
Grading (% slope)	3%	5%	7%
Soft Costs (% of development cost)	21%	21%	21%
<u>Per Acre Costs</u>			
Hard Costs	\$502,640	\$196,750	\$188,405
Grading	\$61,200	\$110,500	\$164,900
Soft Costs	\$118,406	\$64,523	\$74,194
Total	\$682,246	\$371,773	\$427,499

"park_cost"

Source: "El Dorado Hills CSD Park Impact Fee: Park Cost Assumption Analysis" prepared by Hollingshead, Matsuoka & Associates, Inc. (hard costs), Cooper Thorne Associates (grading), EDHCSD (soft costs)

[1] Parks are located in Elk Grove. Grading assumption revised to reflect El Dorado Hills' terrain.

Table B-2
EDHCSD Park Impact Fee Nexus Study
Aquatics Facility Cost Calculation

Description	Dimensions	Sq. Ft.	Depth	Cost per Sq. Ft.	Cost
Diving Pool	30 x 30	900	15' - 20'	\$200	\$180,000
Competition Pool	50m x 25yds	13,455	5'	\$200	\$2,691,000
Recreation		8,000	0' - 6'	\$277	\$2,216,000
Total/Subtotal		22,355			\$5,087,000
Design (approx. 3%)					\$163,000
Total (Rounded)					\$5,250,000

"aqua_cost"

Source: EDHCSD