



COUNTY OF EL DORADO

PARK IMPACT FEE NEXUS STUDY

APRIL 2018
PUBLIC REVIEW DRAFT

PREPARED FOR:

**BOARD OF SUPERVISORS
COUNTY OF EL DORADO**

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

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EXECUTIVE SUMMARY

INTRODUCTION

This Park Impact Fees Nexus Study ("Nexus Study") was prepared pursuant to the "Mitigation Fee Act" as found in Government Code § 66000. The Nexus Study was prepared in conjunction with the 2017 Parks and Trails Master Plan Update ("Master Plan") of the County of El Dorado ("County") prepared by Foothill Associates. The purpose of this Nexus Study is to establish the legal and policy basis for the imposition of the following two new park impact fees ("fees"):

- Community Park Impact Fee
- Regional Park and Trail Impact Fee

The purpose of the **Community Park Impact Fee** is to fund the one-time cost of expanding neighborhood and community park and recreational facilities in unincorporated El Dorado County not served by another park and recreation provider in order to maintain the existing level of service. More specifically, the unincorporated areas not served by El Dorado Hills Community Services District, Cameron Park Community Services District, Georgetown Divide Recreation District, Rolling Hills Community Services District, Cosumnes River Community Services District, and the Tahoe Paradise Resort Improvement District would be subject to the fee.

The purpose of the **Regional Park and Trail Impact Fee** is to fund the one-time cost of expanding regional park and recreational facilities and trails throughout all El Dorado County in order to maintain the existing level of service. The proposed fee would be imposed by the El Dorado County, the City of Placerville, and the City of South Lake Tahoe.

For purposes of this Nexus Study, the term "facilities" will refer to the development of parks, recreational facilities, and trails. Facilities do not include, parkland acquisition, the construction of community use buildings (except for restrooms) or the construction of swimming pools.

In order to impose such fees, this Nexus Study will demonstrate that a reasonable relationship or “nexus” exists between new development and the need for additional park 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 (“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.

METHODOLOGY / APPROACH

To determine the County's park impact fees consistent with these **substantive requirements**, this Nexus Study utilizes a per capita standard-based methodology is utilized. Under this method, the cost components are based on the County's existing level of service (“LOS”) standards and defined on a per capita basis. The total per capita costs are then applied to four 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 County. 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 County 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.

The Nexus Study also details the **procedural requirements** for adoption of the Nexus Study and proposed park impact fee programs (“fee programs”) by the County Board. 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 County’s updated Master Plan, the County General Plan and applicable County code sections, the following general findings are presented:

1. The County currently does not impose a park impact fee on new development in many unincorporated areas of the County such as the communities of Diamond Springs, Pollock Pines and Shingle Springs.
2. Park impact fees, pursuant to the Mitigation Fee Act, are needed to ensure that the County can develop park and recreation facilities and improvements needed for the population growth created by new development in these communities served by the County Parks and Trails Division.
3. According to the County’s Master Plan and the El Dorado County’s General Plan, the County’s goal is to provide 5.0 acres of neighborhood parks, community parks, and regional parks for every 1,000 residents.
4. Based on the County’s current population and existing park acres, the County’s existing level of service is 2.14 acres of developed parks and 0.33 miles of trails for every 1,000 residents.
5. A reasonable relationship or “nexus” exists between new development in the County and the need for additional developed parks and recreational facilities 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 park and recreational facilities and trails funded by the fee.

6. The County may adopt the following fees at or below the levels determined by this Nexus Study. If the County chooses to adopt a fee lower than justified, the adopted fees for each land use classification must be reduced by the same percentage. The **Community Park Impact Fee** would be imposed by the County on all new residential development in the unincorporated areas not served by another park and recreation provider. The **Regional Park and Trail Impact Fee** would be imposed by the County, the City of Placerville and the City of South Lake Tahoe on all new residential development in the County.

FIGURE 1 – MAXIMUM PARK IMPACT FEE SCHEDULE

| Residential Land Use Category | Unit | Maximum Community Park Impact Fee ¹ | Maximum Regional Park and Trails Impact Fee ² |
|-------------------------------|------|--|--|
| Single-Family Housing | DU | \$613 | \$1,216 |
| Multi-Family Housing | DU | \$496 | \$1,019 |
| Mobile Homes | DU | \$448 | \$914 |
| Accessory Dwelling Units | DU | \$228 | \$437 |

Notes:

¹ See Figure 8.

² See Figure 9.

SUMMARY OF GENERAL RECOMMENDATIONS

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

1. 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.).
2. The County should comply with the annual reporting requirements under Government Code § 66006(b).
3. Following the fifth fiscal year after the first deposit of fee revenue and every five years thereafter, the County should comply with the reporting requirements under Government Code § 66001(d).
4. The cost estimates presented in this Nexus Study are in 2018 dollars. The enabling County ordinance and resolution setting the new fees should include a provision establishing an automatic annual inflationary adjustment of the park impact fee. The adopted park impact fees should be adjusted annually 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.
5. In conjunction with the proposed **Community Park Impact Fee**, the County should adopt a Quimby Land Dedication and In-Lieu Fee Ordinance as authorized by the Quimby Act (California Government Code § 66477).

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 County's existing level of service ("LOS") for such facilities. This section first determines the LOS standard for neighborhood and community park and recreational facilities, regional park and recreational facilities, and regional trails. Then, a per capita is established based on their respective LOS standard and the estimated development cost per acre.

LEVEL OF SERVICE STANDARDS

Figure 2 on the following page presents the acres of developed parks and trails, their current population and the existing level of service expressed as developed acres per 1,000 residents. County population growth was determined by Foothill Associates based on figures from the Sacramento Area Council of Governments. The developed acres figures are from the 2017 County Parks and Trails Master Plan Update.

As shown, it is estimated that the population in the unincorporated areas not served by another park and recreation provider, as of January 2018, is approximately 70,786 residents. Over the next 20 years, it is projected that the County will grow by 12,222 residents to a population of 82,586 by 2037. Also, it is estimated that the County's population, as of January 2017, is approximately 185,135 residents. Over the next 20 years, it is projected that the County will grow by 30,862 residents to a population of 215,997 by 2037.

FIGURE 2 – LEVEL OF SERVICE STANDARDS

| Cost Component | Existing Facilities | Population (2018) ¹ | Level of Service ("LOS") Standard per 1,000 residents | | |
|-------------------------------|---------------------|--------------------------------|---|-------------|-------------|
| | | | Master Plan | Existing | Nexus Study |
| | <u>Acres</u> | | <u>(Acres per 1,000 Residents)</u> | | |
| Developed Neighborhood Parks | 2.7 | 70,786 | 2.0 | 0.04 | 0.04 |
| Developed Community Parks | 83.7 | 70,786 | 1.5 | 1.18 | 1.18 |
| Developed Regional Parks | 168.0 | 185,135 | 1.5 | 0.91 | 0.91 |
| Total Developed Parks | 254.4 | | 5.0 | 2.13 | 2.13 |
| | <u>Miles</u> | | <u>(Miles per 1,000 Residents)</u> | | |
| Regional Class 1 Bike Trails | 18.4 | 185,135 | NA | 0.10 | 0.10 |
| Regional Natural Trails | 42.3 | 185,135 | NA | 0.23 | 0.23 |
| Total Developed Trails | 60.7 | | NA | 0.33 | 0.33 |

Source: 2017 El Dorado County Parks and Trails Master Plan Update; SCI Consulting Group

Notes:

¹ Neighborhood and community parks exclude areas not served by El Dorado Hills CSD, Cameron Park CSD, Georgetown Divide Recreation District, Rolling Hills CSD, Cosumnes River CSD, and the Tahoe Paradise Resort Improvement District.

DEVELOPED NEIGHBORHOOD AND COMMUNITY PARKS

According to the County's Updated Master Plan, neighborhood parks are identified as being within walking or biking distance of the residents they serve, generally 2 to 10 acres in size, and preferably located adjacent to schools. Typical improvements include play area, turf, and picnic facilities. Community parks and recreation facilities are intended to provide a focal point and gathering place for the larger community and range from 10 to 44 acres in size. They may include sports fields and courts, picnic facilities, play areas, a swimming pool, and a community center.

For the unincorporated areas in the County not served by another park and recreation provider, the County owns and maintains a total of five (5) neighborhood and community parks totaling 86.4 developed acres, or 1.23 acres for every 1,000 residents. The County's Master Plan standard for developed neighborhood and community parks is 3.5 acres per 1,000 residents. Therefore, in order to maintain the existing level of service, an additional 14.4 acres of developed park area will be required to accommodate the anticipated population growth of 11,800 new residents by 2037.

DEVELOPED REGIONAL PARKS

According to the County's updated Master Plan, regional parks and recreation facilities shall incorporate natural features and serve a region involving more than one community. Size may range from 30 to 10,000 acres with the preferred size being several hundred acres. Facilities may include all those found at neighborhood and community parks, as well as special use facilities such as amphitheaters, trails, campgrounds, and interpretive centers.

The County owns and maintains a total of six (6) regional parks with a total of 168 developed acres or 0.91 acres for every 1,000 residents. The County's Master Plan standard for developed parks is 1.5 acres per 1,000 residents. Therefore, to accommodate the anticipated Countywide population growth of 30,862 new residents by 2037, an additional 28.0 acres of developed park area will be required in order to maintain its existing level of service.

DEVELOPED REGIONAL TRAILS

The County owns and maintains over 60 miles of trails (or 0.33 miles for every 1,000 residents) within the County. It is the County's intention to maintain its existing level of service of trails. Therefore, to accommodate the anticipated population growth of 30,862 new residents by 2037, an additional 10.1 mile of developed trails will be required in order to maintain its existing level of service.

PER CAPITA COST COMPONENTS

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 neighborhood and community parks and regional parks and trails based on the County's existing level of service standards for such facilities.

PARK DEVELOPMENT COSTS PER CAPITA

Figure 3 calculates the per capita cost of developed neighborhood and community park and recreational facilities in the unincorporated areas of the County not served by another park and recreation provider and the per capita cost for developed regional parks. As presented, the County's LOS standard, expressed as developed acres per 1,000 population, is multiplied by the estimated per acre cost for park development to arrive at a per capita cost.

For purposes of this Nexus Study, park and recreational facilities include all park and recreational amenities such as fields, courts, trails, playgrounds, picnic areas and areas used for active recreation. Community use buildings, recreation buildings, and aquatics facilities are excluded. Parkland acquisition costs are also excluded because parkland for neighborhood and community parks is to be acquired through the proposed Quimby land dedication/in-lieu ordinance.

The cost per acre for developed neighborhood and community parks is \$181,000 based on a 2017 replacement cost for the existing level of improvements in El Dorado County neighborhood and community parks. The cost per acre for developed regional parks is \$325,000 based on a 2017 replacement cost for the existing level of improvements in El Dorado County regional parks. Since parks have varying levels of density of park and recreational facilities, the use of the replacement cost per acre for existing parks for the County ensures proportionality between existing development and new development. See Appendix A for more detail.

FIGURE 3 – PARK DEVELOPMENT COST PER CAPITA

| Cost Component | Nexus Study | | Acres per Capita ¹ | Average Park Development Cost per Acre ² | Park Development Cost per Capita |
|------------------------------|-------------|---------------------------|----------------------------------|---|--|
| | Calc | LOS Standard ¹ | | | |
| | | a | b = a / 1,000 | c | d = b * c |
| Neighborhood/Community Parks | | 1.22 | 0.0012 | \$181,000 | \$220.93 |
| Regional Parks | | 0.91 | 0.0009 | \$325,000 | \$294.92 |

Source: 2017 El Dorado County Parks and Trails Master Plan Update; SCI Consulting Group

Notes:

¹ See Figure 2. Expressed as developed park acres per 1,000 residents.

² Based upon the average replacement cost per acre for existing parks within the County in 2018 dollars. Rounddown to the nearest thousand. See the 2017 Parks and Trails Master Plan Update for more information.

REGIONAL TRAIL DEVELOPMENT COST PER CAPITA

Figure 4 presents calculation of the per capita cost of developed regional trails in the County. As presented, the County's LOS standard, expressed as developed miles per 1,000 population, is multiplied by the estimated per mile cost for trail development to arrive at a per capita cost. The cost per mile of class I bike path is \$1,223,000 based on the average cost per mile provided by the City of Folsom and the City of Placerville, and actual costs for Class I bike trail projects recently completed by the County Parks and Trails Division. The cost per mile for natural trails is \$36,000 assuming a 4-foot wide trail, and including contingency, planning, specifications, environmental, and administrative costs.

FIGURE 4 – REGIONAL TRAIL DEVELOPMENT COST PER CAPITA

| Cost Component | Nexus Study | | Acres per Capita ¹ | Trail Development Cost per Acre ² | Trail Development Cost per Capita |
|------------------------------|---------------------------|-------------|----------------------------------|--|---|
| | LOS Standard ¹ | | | | |
| | Calc | a | b = a / 1,000 | c | d = b * c |
| Regional Class 1 Bike Trails | | 0.10 | 0.00010 | \$1,223,000 | \$121.62 |
| Regional Natural Trails | | 0.23 | 0.00023 | \$36,000 | \$8.22 |
| Total Trails | | 0.33 | 0.00033 | \$396,248 | \$129.83 |

Source: Foothill Associates; SCI Consulting Group

Notes:

¹ See Figure 2. Expressed as developed park acres per 1,000 residents.

² Based upon the average replacement cost per acre for existing trails within the County in 2018 dollars. Rounded down to the nearest thousand. See the 2012 Parks and Trails Master Plan Update for more detail.

PARK IMPACT FEE DETERMINATION

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 County and regional parks and trails. The total cost per capita for each is then applied to four residential land use categories in proportion to the demand they create as measured by their respective average household size.

PARK IMPACT FEE COST COMPONENTS

The figure below summarizes the per capita cost components, for the **Community Park Impact Fee** and the **Regional Park and Trail Impact Fee**, calculated in the previous section and include an additional three percent for administration of the fee programs. The fee program administrative cost component is designed to offset the cost of collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act.

FIGURE 5 – PARK IMPACT FEE COST COMPONENTS

| Cost Components | Per Capita Costs |
|---|------------------|
| Neighborhood/Community Park Development | \$220.93 |
| Fee Program Administration ¹ | \$6.63 |
| Total Community Cost per Capita | \$227.56 |
| Regional Park Development | \$294.92 |
| Trail Development | \$129.83 |
| Fee Program Administration ¹ | \$12.74 |
| Total Regional Cost per Capita | \$437.49 |

Notes:

¹ Estimated at 3 percent of total costs for the administration of the fee programs including periodic nexus study updates, collection, accounting, annual reporting and other associated costs.

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 County'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 three residential land uses.

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

For the purposes of these park impact fee programs, 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 four residential land use categories are as follows:

- ***"Single-family housing"*** means attached and detached one-family dwelling units.
- ***"Multi-family housing"*** 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 unit"*** 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 FACTORS

Based on 2010 U.S. Census information, the figures on the following page presents the dwelling unit occupancy factor calculation for the four residential land use categories used for the Community Park Impact Fee and the Regional Park and Trail Impact Fee. 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. The dwelling unit occupancy factor for the **Community Park Impact Fee** includes for Diamond

Springs, Pollock Pines and Shingle Springs census-designated places. The dwelling unit occupancy factor for the **Regional Park and Trail Impact Fee** is countywide.

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

FIGURE 6 – DWELLING UNIT OCCUPANCY FACTOR (COMMUNITY PARK IMPACT FEE)

| Land Use Categories | Occupied Dwelling Units | Total Number of Occupants | Dwelling Unit Occupancy Factor |
|--------------------------|-------------------------|---------------------------|--------------------------------|
| | Calc a | b | c = a / b |
| Single-Family Housing | 28,586 | 76,690 | 2.68 |
| Multi-Family Housing | 1,018 | 2,207 | 2.17 |
| Mobile Homes | 2,738 | 5,363 | 1.96 |
| Accessory Dwelling Units | NA | NA | 1.00 |
| Average (2010 Census) | 32,342 | 84,260 | 2.61 |

Source: U.S. Census Bureau, 2010 Census for Diamond Springs, Pollock Pines and Shingle Springs census-designated places.

FIGURE 7 – DWELLING UNIT OCCUPANCY FACTOR (REGIONAL PARK AND TRAIL IMPACT FEE)

| Land Use Categories | Occupied Dwelling Units | Total Number of Occupants | Dwelling Unit Occupancy Factor |
|--------------------------|-------------------------|---------------------------|--------------------------------|
| | Calc a | b | c = a / b |
| Single-Family Housing | 55,694 | 154,723 | 2.78 |
| Multi-Family Housing | 7,543 | 17,575 | 2.33 |
| Mobile Homes | 3,784 | 7,916 | 2.09 |
| Accessory Dwelling Units | NA | NA | 1.00 |
| Average (2010 Census) | 67,021 | 180,214 | 2.69 |

Source: U.S. Census Bureau, 2010 Census for El Dorado County.

PARK IMPACT FEE DETERMINATION

The figures below present the calculation of the maximum justified park impact fees. As shown, the per unit fee for the four residential land use categories is determined by multiplying their respective total cost per capita by their respective dwelling unit occupancy factor. The County may adopt fees lower than the justified amounts shown below, provided that it reduced by the same percentage for each land use category.

FIGURE 8 – MAXIMUM COMMUNITY PARK IMPACT FEE

| Residential Land Use Category | Unit | Total Cost Per Capita ¹ | Dwelling Unit Occupancy Factor ² | Maximum Community Park Impact Fee ³ |
|-------------------------------|------|------------------------------------|---|--|
| | Calc | a | b | c = a * b |
| Single-Family Housing | DU | \$227.56 | 2.68 | \$609 |
| Multi-Family Housing | DU | \$227.56 | 2.17 | \$493 |
| Mobile Homes | DU | \$227.56 | 1.96 | \$446 |
| Second Unit | DU | \$227.56 | 1.00 | \$227 |

Notes:

¹ See Figure 5.

² See Figure 6.

³ Proposed fee is rounded down to the nearest dollar.

FIGURE 9 – MAXIMUM REGIONAL PARK AND TRAIL IMPACT FEE

| Residential Land Use Category | Unit | Total Per Capita Costs ¹ | Dwelling Unit Occupancy Factor ² | Maximum Regional Park and Trails Impact Fee ³ |
|-------------------------------|------|-------------------------------------|---|--|
| | Calc | a | b | c = a * b |
| Single-Family Housing | DU | \$437.49 | 2.78 | \$1,216 |
| Multi-Family Housing | DU | \$437.49 | 2.33 | \$1,019 |
| Mobile Homes | DU | \$437.49 | 2.09 | \$914 |
| Accessory Dwelling Units | DU | \$437.49 | 1.00 | \$437 |

Notes:

¹ See Figure 5.

² See Figure 7.

³ Proposed fee is rounded down to the nearest dollar.

PROJECTED PARK IMPACT FEE REVENUE

Figure 10 projects park impact fee revenue through 2037 for the Community Park Impact Fee and the Regional Park and Trail Fee. Total fee revenue (in 2018 dollars) is estimated by multiplying the total cost per capita by the service population growth estimated for the period for the respective areas subject to the fee. 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 10 – PROJECTED PARK IMPACT FEE REVENUE

| Fee | Current Household Population (2018) ¹ | Household Population Growth (By 2037) ² | Total Cost per Capita ³ | Projected Fee Revenue (2018\$) | |
|------------------------------------|--|--|------------------------------------|--------------------------------|-----------|
| | Calc | a | b | c | d = b * c |
| Community Park Impact Fee | 70,786 | 11,800 | \$227.56 | \$2,685,149 | |
| Regional Park and Trail Impact Fee | 185,135 | 30,862 | \$437.49 | \$13,501,873 | |

Source: 2017 El Dorado County Parks and Trails Master Plan Update; SCI Consulting Group

Notes:

¹ See Figure 2.

² See Page 6.

³ See Figure 5.

The fee revenue must be deposited into separate park impact fee accounts or funds in a manner to avoid any commingling of the fees with other revenues and funds of the County. 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 fee programs are designed not to be dependent on a specific capital improvement plan and specific level of new development. Only enough fee revenue will be generated to develop new and expand facilities to maintain its existing level of service.

NEXUS FINDINGS

This section frames the results of Nexus Study in terms of the legislated requirements to demonstrate the legal justification of the 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 **Community Park Impact Fee** is to fund new or expanded neighborhood and community park and recreation facilities to meet the needs of the new residential population generated by new residential development in the unincorporated areas not served by another park and recreation provider.

The purpose of the **Regional Park and Trails Fee** is to fund new or expanded regional park and recreational facilities and trails to meet the needs of the new residential population generated by new residential development throughout the County. 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 County.

USE OF FEE REVENUE

Community Park Impact Fee revenue will be used to fund the development cost of neighborhood and community parks and recreational facilities to serve new development. A summary of the allowable and prohibited uses of the fee revenue is provided in figure 11 on the following page.

Regional Park and Trails Fee revenue will be used to fund the development cost of regional parks and recreational facilities and trails to serve new development. A summary of the allowable and prohibited uses of the fee revenue is provided in figure 12 on the following page.

FIGURE 11 – USES OF COMMUNITY PARK IMPACT FEE REVENUE

| <u>Allowable Uses</u> | <u>Prohibited Uses</u> |
|--|---|
| <ul style="list-style-type: none"> • <i>Development of new neighborhood and community park and recreational facilities (100%)</i> • <i>Development of new park and recreational facilities in existing neighborhood and community parks that expand service capacity (100%)</i> • <i>Neighborhood and community park and recreational facility costs already incurred to provide growth-related capacity (100%)</i> • <i>Portion of a park and recreational facility renovation projects in neighborhood and community parks that expands service capacity</i> | <ul style="list-style-type: none"> • <i>Existing deficiencies, such as improvements to existing park and recreational facilities that do not expand service capacity</i> • <i>Parkland acquisition, development of regional parks and trails, community use buildings, and swimming pools.</i> • <i>Operational, maintenance or repair costs</i> |

FIGURE 12 – USES OF REGIONAL PARK AND TRAIL IMPACT FEE REVENUE

| <u>Allowable Uses</u> | <u>Prohibited Uses</u> |
|--|--|
| <ul style="list-style-type: none"> • <i>Development of new regional parks, recreation facilities, and trails (100%)</i> • <i>Development of park, recreational facilities and trails in existing regional parks that expand service capacity (100%)</i> • <i>Regional park, recreational facility and trail costs already incurred to provide growth-related capacity (100%)</i> • <i>Portion of a regional park, recreational facility, and trail renovation projects that expands service capacity</i> | <ul style="list-style-type: none"> • <i>Existing deficiencies, such as improvements to existing park and recreational facilities that do not expand service capacity</i> • <i>Parkland acquisition, development of neighborhood and community parks, community use buildings, and swimming pools.</i> • <i>Operational, maintenance or repair costs</i> |

BENEFIT RELATIONSHIP

The fees will be used to expand the County's parks, recreational facilities, and trails 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 fees will be used to expand County parks, recreational facilities, and trails required to serve new development in order to maintain the County's existing level of service. The County will deposit fee revenue into separate park impact fee accounts or funds 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" findings. 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 four residential land use categories and the County's level of service standards.

PROPORTIONALITY

The amount of park and recreational facilities needed to serve a unit of development is based on the County'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 four 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

The following are the general requirements for adoption of the Nexus Study and proposed park impact fee programs ("fee programs").

The specific statutory requirements for the adoption of the fee programs may be found in the Mitigation Fee Act (California Govt. Code § 66000 et seq.).

1. The County Board of Supervisors shall conduct at least "one open and public meeting" as part of a regularly scheduled meeting on their respective proposed fee programs.
2. At least 14 days before the meeting, the County 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 County 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 their respective public hearings, the County Board of Supervisors shall consider adoption of ordinances establishing the proposed fee programs and associated resolutions setting the fees.
6. The fees may become effective 60-days after the adoption of the ordinances or longer as specified by the resolution setting the fees.
7. The County resolutions setting the fees should also include a formal request that the City of Placerville Council and the City of South Lake Tahoe Council adopt and implement the Regional Park and Trails fee on behalf of the County on new development in their cities.

FEE PROGRAM ADMINISTRATION REQUIREMENTS

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 fees should be deposited into separate funds or accounts 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

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 County 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 County 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 County may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

FIVE-YEAR REPORTING REQUIREMENTS

For the fifth fiscal year following the first receipt of any park impact fee proceeds, and every five years thereafter, the County must comply with Government Code Section 66001(d)(1) by affirmatively demonstrating that the County still needs unexpended park impact fees to achieve the purpose for which it was originally imposed and that the County has a plan on how to use the unexpended balance to achieve that purpose. Specifically, the County 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 County intends to construct specific park improvements with the accumulated funds; (2) explain how the County 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 County requires additional funds and, if so, when it anticipates receiving those funds.

The County 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.

IMPROVEMENTS IN-LIEU OF FEES

Subject to certain restrictions, if a developer dedicates land, constructs park and/or recreational facilities for the County, 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 2018 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.

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.

APPENDICES

Appendix A – Park Development Costs Estimates

Appendix B – Trail Development Costs Estimates

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APPENDIX A – PARK DEVELOPMENT COSTS ESTIMATES

FIGURE 13 – NEIGHBORHOOD AND COMMUNITY PARK COSTS

| Park | Replacement Cost | Acres | Cost per Acre |
|--|------------------|-------|---------------|
| Bradford Park | \$1,666,998 | 2.7 | \$617,407 |
| Forebay Park | \$1,319,687 | 12.6 | \$104,737 |
| Henningsen Lotus Park | \$6,811,083 | 49.1 | \$138,719 |
| Joe's Skate Park | \$1,422,993 | 1.0 | \$1,422,993 |
| Pioneer Park | \$4,421,943 | 21.0 | \$210,569 |
| Average Improvement Cost/Acre (Rounded): | | | \$181,000 |

FIGURE 14 – REGIONAL PARK COSTS

| Park | Replacement Cost | Acres | Cost per Acre |
|--|------------------|-------|---------------|
| Chili Bar (Lower) | \$165,944 | 9.7 | \$17,108 |
| EDC Fairgrounds | \$35,297,573 | 48.0 | \$735,366 |
| Railroad Park | \$523,237 | 6.3 | \$83,053 |
| Cronan Ranch | \$42,328 | 64.1 | \$660 |
| El Dorado Beach | \$8,707,454 | 6.3 | \$1,382,136 |
| South Lake Tahoe Recreation Area | \$11,255,520 | 35.1 | \$320,670 |
| Average Improvement Cost/Acre (Rounded): | | | \$325,000 |

APPENDIX B – TRAIL DEVELOPMENT COSTS ESTIMATES

FIGURE 15 – CLASS I BIKE PATH COSTS

| Cost Source | Cost/Mile |
|--|-------------|
| El Dorado County - Missouri Flat to Railroad Park | \$1,899,091 |
| El Dorado County - El Dorado Hills Boulevard Bike Path | \$1,032,727 |
| El Dorado County - Silva Valley Parkway/Harvard/Green Valley | \$1,760,000 |
| City of Folsom | \$750,000 |
| City of Placerville | \$675,000 |
| Average Cost/Mile (Rounded): | \$1,223,000 |

FIGURE 16 – NATURAL TRAILS COSTS

| Item | Unit | Qty | Unit Cost | Total |
|-----------------------------------|------|--------|-----------|----------|
| Natural Trail - 1 mile 4 ft. wide | SF | 21,120 | \$1.20 | \$25,344 |
| Contingency (20%) | | | | \$5,069 |
| PS&E (20%) | | | | \$5,069 |
| Administrative (3%) | | | | \$760 |
| Total Cost/Mile: | | | | \$36,242 |

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