



January 10, 2018

By Electronic Mail

Mr. Allan Priest, President, and Board Members
c/o Kevin Loewen, General Manager
El Dorado Hills Community Services District
1021 Harvard Way
El Dorado Hills, CA 95762

Subject: **2017 Nexus Study Update**
 Board of Directors Meeting
 January 11, 2018

Dear President Priest and Board Members,

On behalf of Serrano Associates, I have the following comments regarding the 2017 Nexus Study Update:

1. We concur with the findings and conclusions that the North State Building Industry Association provided to your staff and you in their letter dated January 10, 2018.
2. The Nexus Study improperly eliminates a reduced park impact fee (PIF) for Serrano, increasing the single-family PIF nearly 500% (from \$2,452 to \$11,718). Prior to preparation of this Nexus Study Update, the District had always recognized that the Serrano project was conditioned to mitigate its impacts upon park and recreation facilities through actual dedication and construction of park facilities, rather than solely through the payment of fees. The District has historically and properly applied a credit against portions of the fee to development within the Serrano project. Without those credits, the Serrano project would be mitigating its impacts twice, once through dedication and construction of park facilities, and a second time through payment of fees intended to construct those same categories of facilities, a clear violation of the Mitigation Fee Act and Nexus principles. The District must continue its historical and lawfully correct practice of applying a reduced fee to the Serrano project.

The Nexus Study completely ignores certain parks and open space facilities we have constructed or otherwise provided for to mitigate the impacts of new development in Serrano pursuant to the El Dorado Hills Specific Plan, Development Agreement, and Public Facilities Financing Plan. To date, the requirements in those governing documents have resulted in the set aside of approximately 900 acres of open space and 26.5 acres of developed neighborhood parks, neither of which are reflected in the Nexus Study's inventory of existing parks and open spaces. As a result, the existing levels of service are considerably understated. The governing documents also required that we improve and dedicate 28

acres of public parks, consisting of the 10-acre Village Green Park (complete), 5.5-acre Allan Lindsey Park (complete), and the 12.5-acre Village J Lot H Park (pending).

At the time of the District's prior Nexus Study in 2007, the staff and Board recognized Serrano's obligation to provide for certain parks and open space facilities, and properly agreed to exclude Serrano from those fee components. The proposed Nexus Study takes a significant departure from that approach and, if not corrected, will necessarily result in a challenge to the Nexus Study and Development Fee update. We ask that you revise the Nexus Study to include an adjusted Serrano fee for both single family and multi-family land uses, consistent with your historical practice and applicable law.

Best regards,



Kirk Bone
Director of Government Relations

Enclosures (5):

November 28, 2006 email and letter to Wayne Lowery
March 15, 2007 email to Dianna Hillyer
March 21, 2007 email to Dianna Hillyer
April 12, 2007 letter to Kirk Bone
July 26, 2017 letter to Allan Priest

cc w/o enclosures:

Katie Donahue, North State Building Industry Association
George Carpenter, Winn Communities
Price Walker, Elliott Homes
Bill Fisher, Pacific States Development
Sean MacDiarmid, Lennar Communities

cc with enclosures:

John Hidahl
Mike Ranalli
Brian Veerkamp
Shiva Frentzen
Sue Novasel

Andrea Brown

From: Kirk Bone
Sent: Tuesday, November 28, 2006 4:42 PM
To: Wayne Lowery
Cc: Andrea Brown; mcook@hsmiaw.com; 'Dianna Hillyer'
Subject: Attached

Will you please send this along to all your Board members? Thank you.

Kirk Bone



EST. 1956
PARKER DEVELOPMENT COMPANY
50 Years of Pride in the Communities We Build
4525 Serrano Parkway • El Dorado Hills, CA 95762
tel 916/939-4060 • fax 916/939-4116



SERRANO

Via Electronic Mail

November 28, 2006

Board of Directors
El Dorado Hills Community Services District
c/o Mr. Wayne Lowery
1021 Harvard Way
El Dorado Hills, CA 95667

RE: Park Impact Fee Nexus Study

Members of the Board:

Thank you for the opportunity to comment upon the Park Impact Fee Nexus Study. This is an important document which merits serious consideration prior to adoption, as it provides the basis upon which the District will collect funding for important and necessary facilities. I have compiled comments based upon the analysis I could conduct in the very short time afforded me and have provided them below. However, my primary comment is that the Board should allow adequate time for the community, specifically including the building industry, to review and provide thoughtful comment upon such an important document. The analysis should stand or fall on its merits, after careful consideration and thoughtful comment. That is only possible if adequate review time is provided. Therefore, I would request that this matter be continued for *at least* two weeks. This continuance would afford the community a better opportunity to understand the issues, and would allow the new board to carefully consider a fee program they must oversee into the future.

My initial comments are as follows:

- The proposed fee increase more than doubles the existing fee. While that increase may be justified, it should raise some concerns, such as:
 - o Why is the increase so high? Was the prior fee unreasonably low?
 - o How does the new fee compare to our neighbors (e.g. Folsom, Roseville)?
 - o Are there certain facilities that are causing the increase that could be eliminated or reduced in scope?

SERRANO ASSOCIATES, LLC
4525 SERRANO PARKWAY EL DORADO HILLS, CALIFORNIA 95762
916-939-4060 FAX 916-939-4114

- The per acre park development cost seems extraordinarily high. Could the preparer provide background information on the development of this per acre cost estimates?
- The facilities costs on a per square footage basis seem extraordinarily high. Could the preparer provide background information on the development of these cost estimates?

We appreciate that the District continues to exclude Serrano from the park development cost portion of the fee, recognizing Serrano's obligation to independently construct park facilities. However, Serrano is included in the Open Space/Trails portion of the fee and we should not be included. Serrano has already met its agreed upon open space obligation and Serrano's open space preservation alone far exceeds the number of Open Space acres (in total and per 1000 residents) the District would like to preserve under this plan. Serrano is required to preserve hundreds of acres of public and private open space. Additionally, Serrano has independently constructed and maintains miles of trails throughout that Open Space. Accordingly, Serrano should be excluded from the Open Space portion of the fee. Please make that modification.

We welcome a discussion about publicly accessible Open Space. Under the 2004 General Plan, many projects will have significant Open Space. The preservation of high-quality, safely accessible and usable public Open Space must include a long-term plan for maintenance. If the public benefits from Open Space, then, at a minimum, there should be a plan in place that provides the maintenance necessary to assure long-term safe use. The maintenance of public Open Space is no different than any other privately constructed infrastructure which is then dedicated to the public.

We appreciate your attention to our concerns. We are confident that with the appropriate amount of time to consider the community's concerns and questions related to your fee update, the District will arrive at an appropriate fee which provides for the required facilities. We look forward to working with you to that end.

Best regards,



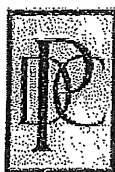
Kirk Bone
KB

Andrea Brown

From: Kirk Bone
Sent: Thursday, March 15, 2007 10:43 AM
To: Dianna Hillyer
Cc: Wayne Lowery; Mike Cook (mcook@hsmlaw.com); Andrea Brown; jgomes@epssac.com; John Costa
Subject: FW: Park Fees

Sorry I meant Table 15.

Kirk Bone



EST. 1958
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50 Years of Pride in the Communities We Build
4525 Serrano Parkway • El Dorado Hills, CA 95762
tel 916/939-4060 • fax 916/939-4116

From: Kirk Bone
Sent: Thursday, March 15, 2007 10:14 AM
To: 'Dianna Hillyer'
Cc: 'Wayne Lowery'; Mike Cook (mcook@hsmlaw.com); 'John Costa'; jgomes@epssac.com
Subject: FW: Park Fees

We agreed that a footnote be added to Table 4 that states that regardless of land use that the Neighborhood and Village and Community Park component of the Fee not be charged to any permit issued in Serrano.

Kirk Bone



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From: Wayne Lowery [mailto:wlowery@edhcsd.org]
Sent: Wednesday, March 14, 2007 5:44 PM
To: Kirk Bone
Cc: mcook@hsmlaw.com; Andrea Brown; Dianna Hillyer; John Costa
Subject: RE: Park Fees

Kirk, this came arrived in just the last couple of minutes. Hot off the (virtual) press, I guess. //wayne

From: Kirk Bone [mailto:KBone@parkerdevco.com]
Sent: Wednesday, March 14, 2007 4:51 PM
To: Dianna Hillyer
Cc: mcook@hsmlaw.com; Andrea Brown; John Costa; Wayne Lowery
Subject: Park Fees

3/19/2007

I just received a report from John Costa regarding the revised fee schedule. There's no information about our rates for nonresidential or the higher density residential units for our project. Do you have that information? Will you send me a copy of your staff report? Thank you.

Kirk Bone



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3/19/2007

18-0792 C 7 of 11

Andrea Brown

From: Kirk Bone
Sent: Wednesday, March 21, 2007 9:01 AM
To: Dianna Hillyer
Cc: 'Michael J. Cook'; Andrea Brown
Subject: Park Fee Nexus

Request that the following be inserted in the nexus report:

1. On page 2, paragraph 3 in the Summary Section, add the following sentence to the end of that paragraph: "The adjusted fee for multifamily and other residential and non-residential development within Serrano will also be based upon Serrano's contribution to all facilities except parkland development."
2. Please add the following footnote to Table 15: "Park fees imposed on all development in Serrano (e.g. single family, multi-family commercial, etc.) shall exclude any component related to Neighborhood and Village Parks and Community Parks."

Kirk Bone



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EL DORADO HILLS
COMMUNITY SERVICES DISTRICT

April 12, 2007

Mr. Kirk Bone
Parker Development Company
4525 Serrano Parkway
El Dorado Hills, CA 95762

RE: Amended Final Report – EDH CSD Park Impact Fee Nexus Study Update

Dear Kirk

Thanks for the phone call this afternoon regarding the District's updated Nexus Study that is being presented to the CSD Board of Directors for approval at tonight's public hearing. We appreciate the fact that you have taken the time to review and provide comments on the plan.

As we discussed this afternoon, we will make a wording correction in the Summary section, page 2, and paragraph 4 as follows: "The park cost allocation to nonresidential development or other residential land uses within the Serrano community is similarly not based on park development costs, only the costs associated with the major recreation facilities." We will also correct the fee referred to earlier in the same paragraph as \$3,161 to \$3,121.

Finally, with respect to the possibility of different residential land uses within the Serrano community, when those projects are identified as other than single family, the appropriate allocation, based on dwelling type, will be applied to the Serrano single family fee. The information for the appropriate calculation can be found in Table 15 and would be calculated as follows: DUE Factor x Serrano Total Impact Fee = adjusted Serrano fee. For example, a Serrano Specific Plan Multi Family project would pay $0.83 \times \$3,121 = \$2,590.43$ per unit.

If you have any questions or would like to discuss the Nexus Study further, please feel free to contact me directly.

Sincerely,

Dianna Hillyer
EDH CSD Planning Director

cc: Jamie Gomes, Principal-in-Charge, EPS



July 26, 2017

By Electronic Mail

Mr. Allan Priest, President, and Board Members
c/o Kevin Loewen, General Manager
El Dorado Hills Community Services District
1021 Harvard Way
El Dorado Hills, CA 95762

Subject: 2017 Nexus Study Update
Administrative and Finance Committee Meeting
July 27, 2017 - Agenda Item No. 2

Dear President Priest and Board Members,

On behalf of Serrano Associates, I have the following comments regarding the 2017 Nexus Study Update:

1. We concur with the findings and conclusions that the North State Building Industry Association will be sharing with your staff and consultants at a meeting scheduled for August 3, 2017.
2. The staff report on page 5 states that your staff met with us, but does not explain the reason for the meeting or acknowledge the information we provided to staff. To reiterate, we have significant concerns that the Nexus Study eliminates a reduced park impact fee (PIF) for Serrano, increasing the single-family PIF more than 500% (from \$2,452 to \$12,740). I have attached the information provided and summarize below.

The Nexus Study completely ignores certain parks and open space facilities we have constructed or otherwise provided for to mitigate the impacts of new development in Serrano pursuant to the El Dorado Hills Specific Plan, Development Agreement, and Public Facilities Financing Plan. To date, the requirements in those governing documents have resulted in the set aside of approximately 900 acres of open space and 26.5 acres of developed neighborhood parks, neither of which are reflected in the Nexus Study's inventory of existing parks and open spaces. As a result, the existing levels of service are considerably understated. The governing documents also required that we improve and dedicate 28 acres of public parks, consisting of the 10-acre Village Green Park (complete), 5.5-acre Allan Lindsey Park (complete), and the 12.5-acre Village J Lot H Park (pending).

Mr. Allan Priest, President and Board Members
2017 Nexus Study Update
July 26, 2017 – Page Two

At the time of the District's prior Nexus Study in 2007, the staff and Board recognized Serrano's obligation to provide for certain parks and open space facilities, and agreed to exclude Serrano from those fee components. The proposed Nexus Study takes a significant departure from that approach and we are hopeful to not have to re-litigate these issues in 2017. We ask that you update the Nexus Study to include an adjusted Serrano fee for both single family and multi-family land uses.

Best regards,



Kirk Bone
Director of Government Relations

Enclosures (4):

November 28, 2006 email and letter to Wayne Lowery
March 15, 2007 email to Dianna Hillyer
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cc: Katie Donahue, North State Building Industry Association
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