



INFRASTRUCTURE SUBCOMMITTEE AGENDA REPORT

Meeting Date: December 12, 2022

To: Infrastructure Subcommittee

From: Noreen Leek, Parks & Recreation Director

Subject: Park Development Impact Fee Study

Community Goal/Result

Fiscally Prudent, Community Building

Purpose

Adopt park Development Impact Fees (DIF), encouraging a more strategic approach to funding improvements and reducing the impact on the City's General and CIP funds to develop parks and recreational facilities.

Recommendation

Review the Park Development Impact Fee report (Attachment 1) from NBS Financial Consulting Group and identify next steps.

Background

In 2021, City staff proposed contracting with NBS Financial Consulting Group to study park Development Impact Fees. Development Impact Fees (DIF) are a one-time fee imposed to generate funds for new or expanded infrastructure required because of development, whether commercial or residential. They are generally not used for ongoing operations and maintenance. A fiscal tool used nationwide (and specifically in California), impact fees have proven to be valuable for ensuring that new development pays its fair share towards parks and recreation facilities.

The Quimby Act (AB 1359) was approved by the Governor on September 28, 2013. It allows for a fee on landowners as a condition of approval for tentative or parcel subdivision maps, to be used to develop parkland and recreational facilities. One of the requirements that needs to be met is that the dedicated land or fees, or combination thereof, shall be used only for the purposes of developing or rehabilitating neighborhood or community parks or recreational facilities to serve the subdivision for which the land was dedicated, or fees were paid. The act provides that the dedication of land, or the payment of fees, or both, shall not exceed the proportionate amount necessary to provide 3 acres of park area per 1,000 persons residing within a subdivision subject to the act, except as specified.

The City has an existing Quimby Act ordinance that requires dedication of park land or payment of fees in lieu of dedication by residential subdivisions. That means the park land acquisition impact fees calculated in Chapter 3 would not apply to residential subdivisions but would apply to new residential development that does not involve a subdivision or parcel map. The park land impact fees would also apply to all new non-residential (e.g., commercial and industrial) development in Brisbane. Unlike the impact fees for park land acquisition, the impact fees for park improvements calculated in Chapter 3 are

intended to apply to all new residential and non-residential development in the City, including residential subdivisions.

Discussion

NBS has supported the City through this process, analyzing the impacts of future development and proposing impact fees based on their assessments. Impact/in-lieu fees for the following types of facilities are addressed in the report: 1. Park Land and Park Improvements, 2. Recreation Facilities, and 3. Open Space and Trails. The impact fee analysis for each type of facility addressed in this report is presented in a separate chapter beginning with Chapter 3. In each case, the relationship between development and the need for a particular type of facility is defined in a way that allows the impact of additional development on facility needs to be quantified. The impact fees are based on the cost of facilities and other capital assets needed to mitigate the impacts of additional development.

1. Impact fees for park land and park improvements are based on the existing level of service as required by recent amendments to the Mitigation Fee Act. For park land and park improvements, that level of service is defined in terms of acres of existing parks per capita of existing service population. For purposes of the impact fee calculations, that level of service is converted into per-capita costs for park land and park improvements using estimates of per-acre costs for park land acquisition and park improvements.
2. Regarding recreation facilities, the standard used to calculate impact fees is the existing level of service, which is defined as the current relationship between the replacement cost of existing recreation facilities and the existing service population.
3. The standard used to calculate impact fees for open space and trails is the existing level of service. The existing level of service for open space land is defined as the current relationship between the value of the existing City-owned open space land and the existing service population. The existing level of service for trail improvements is defined as the current relationship between the replacement cost of the City's existing trails and the existing service population.

Service population is used in impact fee calculations in this study to represent the impact of development on the need for parks, recreation facilities, open space and trails. Service population is a weighted composite of resident population and employees working in Brisbane. Residents are included to represent the demand created by residential development and employees are included to represent the demand created by non-residential development.

Fiscal Impact

Impact fees per unit calculated in the report are summarized in Table S.1, below.

Table S.1: Summary of Parks, Recreation, Open Space and Trails Impact Fees

Development Type	Units ¹	Park Land	Park Imprvmts	Recreation Facilities	Open Sp/ Trails	Total
Residential <800 Sq. Ft. Unit	DU	\$ 14,842	\$ 2,438	\$ 5,096	\$ 1,499	\$ 23,875
Residential 800-1,200 Sq. Ft. Unit	DU	\$ 15,479	\$ 2,543	\$ 5,315	\$ 1,563	\$ 24,900
Residential 1,200-2,100 Sq. Ft. Unit	DU	\$ 16,116	\$ 2,648	\$ 5,533	\$ 1,627	\$ 25,925
Residential >2,100 Sq. Ft. Unit	DU	\$ 16,753	\$ 2,752	\$ 5,752	\$ 1,692	\$ 26,949
Commercial	KSF	\$ 3,185	\$ 523	\$ 437	\$ 322	\$ 4,467
Lodging	Room	\$ 557	\$ 92	\$ 77	\$ 56	\$ 782
Office	KSF	\$ 4,778	\$ 785	\$ 656	\$ 482	\$ 6,701
Industrial	KSF	\$ 1,752	\$ 288	\$ 241	\$ 177	\$ 2,457
Public Facilities	KSF	\$ 4,778	\$ 785	\$ 656	\$ 482	\$ 6,701

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite

Table S.2 shows the proposed impact fees from Table S.1 with the addition of a 0.55% administrative fee to cover annual administrative costs and periodic impact fee update studies. That percentage is calculated as the estimated annual administrative cost (\$3,500) plus the average annual cost of preparing an impact fee update study every five years (\$5,600) divided by the projected annual revenue from impact fees calculated in this report (\$1,665,491). The annual revenue estimate assumes that total revenue of \$33,309,816 will be collected over 20 years. Potential revenue from impact fees calculated in this report is shown in Chapters 3, 4 and 5. No revenue is projected for the park land impact fees because it isn't possible to know how much future residential development will pay Quimby Act fees in lieu of park land dedication instead of the park land impact fees calculated in this study. The administrative charge proposed in this section should not be applied to any in-lieu fees collected pursuant to the City's park land dedication ordinance, since those fees are not addressed here.

Table S.2: Summary of Parks, Rec, Open Space and Trails Impact Fees Incl 0.55% Admin Charge

Development Type	Units ¹	Park Land	Park Imprvmts	Recreation Facilities	Open Sp/ Trails	Total
Residential <800 Sq. Ft. Unit	DU	\$ 14,924	\$ 2,452	\$ 5,124	\$ 1,507	\$ 24,006
Residential 800-1,200 Sq. Ft. Unit	DU	\$ 15,564	\$ 2,557	\$ 5,344	\$ 1,572	\$ 25,037
Residential 1,200-2,100 Sq. Ft. Unit	DU	\$ 16,205	\$ 2,662	\$ 5,564	\$ 1,636	\$ 26,067
Residential >2,100 Sq. Ft. Unit	DU	\$ 16,845	\$ 2,767	\$ 5,784	\$ 1,701	\$ 27,097
Commercial	KSF	\$ 3,203	\$ 526	\$ 440	\$ 323	\$ 4,492
Lodging	Room	\$ 560	\$ 92	\$ 77	\$ 57	\$ 786
Office	KSF	\$ 4,804	\$ 789	\$ 660	\$ 485	\$ 6,738
Industrial	KSF	\$ 1,761	\$ 289	\$ 242	\$ 178	\$ 2,471
Public Facilities	KSF	\$ 4,804	\$ 789	\$ 660	\$ 485	\$ 6,738

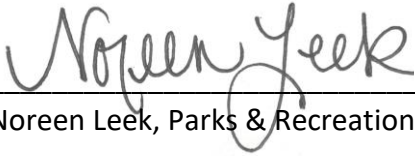
¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite

The impact fees calculated are intended to represent the maximum amounts justified by the data and analysis presented in this report. The City Council may choose to adopt no fees, or any fees up to the

amounts shown in the tables above and may choose to adopt those fees with or without the administrative charge reflected in Table S.2.

Attachments

1. Parks & Recreation Impact Fee Study Report



Noreen Leek, Parks & Recreation Director

Clay Holstine, City Manager