



Date: August 22, 2023

Honorable Mayor and Council Members:

Author and title: Lucas Kannall, Assistant Planner

Title: **Truckee Donner Recreation and Park District Fee Update**

Jen Callaway, Town Manager

Recommended Action: That the Town Council conduct a public hearing and adopt Resolution 2023-56 (Attachment #1) approving an annual inflationary increase to the Truckee-Donner Recreation and Park District (TDRPD) impact fees to fund the cost of new or expanded parks and recreational facilities attributable to new development and adopt Resolution 2023-57 updating subdivision park and recreational fees "Quimby Fees" required for tentative maps and applicable to newly created parcels.

Discussion: The TDRPD Board of Directors is requesting that the Town Council approve an annual inflationary increase to the recreation impact fees that are charged to new building permits within the Town in order to fund the one-time cost of improving and expanding the District's facilities, apparatus and equipment needed to maintain its existing level of service and expanding the District's recreational facility capacity and associated administrative costs. Additionally, the District is requesting that the Town update subdivision park and recreational fees "Quimby Fees" that are charged per lot to new subdivisions.

Town Authority: California Government Code Sections 66000 et. seq., the Mitigation Fee Act, provides statutory authority for local agencies to adopt mitigation fees. The Town has used this authority in the past to adopt mitigation fees on behalf of special districts, since those districts do not have the authority to adopt mitigation fees themselves. The Town has previously adopted mitigation fees on behalf of the Truckee Fire Protection District and Truckee Donner Recreation and Park District and transfers these fees back to the districts.

The "Quimby Act", or California Government Code Section 66477, allows for the dedication of land or fees in lieu of dedication of land for neighborhood and community parks by the Town based on specific park standards. The Town, on behalf of the Truckee Donner Recreation and Park District, implements the Quimby Act pursuant to Development Code Section 18.92.095, with the current Quimby Parkland Dedication Requirement and In-Lieu Fee adopted by Town Council in October of 2017 through Resolution No. 2017-39.

Background: The District is the primary park and recreation service provider for the population of the Town of Truckee and some surrounding unincorporated areas of Nevada County and Placer County. Established in 1963, the district covers approximately 220 square miles and operates and maintains 116.85 acres of developed parks and six community recreation centers. Expansion of park facilities are funded through impact fees and subdivision park and recreational fees or Quimby fees". The collection of impact fees was allowed through Resolution No. 95-37, which was adopted by Town Council in October of 1995 and provides authority for the Town to impose development impact fees on behalf of the Town

as well as special districts. The legal and policy basis for imposing the current park impact fee, which was supported by TDRPD's 2013 Nexus Study Update was adopted by Town Council through Resolution No. 2013-39 on December 10, 2013. The purpose of the park impact fees is to help fund park facilities necessary to serve future growth and development within the district while prohibiting the funding of existing deficiencies in public facilities. The use of fee proceeds for rehabilitating existing parks and recreational facilities is limited in that they may only cover a portion of an improvement that expands service capacity.

The implementation of the Quimby Act, which is codified as Government Section 66477 and implemented by the Town pursuant to Development Code, Section 18.92.095 was originally implemented by Town Council on May 15, 2008 through Resolution No. 2008-29 and was subsequently updated in 2013 and 2017. The Quimby Act enables the dedication of land or the payment of in-lieu fees for the dedication of neighborhood and community parks as part of the creation of new subdivisions. The amount of land required to be dedicated is determined by the proposed number of dwelling units within the subdivision with the goal of providing 5 acres of park land for every 1,000 residents. In lieu of providing land, a fee may be paid to cover the cost of acquiring new land for community parks to serve the proposed expanded population.

Truckee Donner Recreation and Park District Request: TDRPD has provided two nexus studies, prepared by SCI Consulting Group, justifying the proportional increase in fees. The Impact Fee Nexus Study requests that the Town Council increase the parks impact fee requirements to adjust for annual inflation, while the Quimby Land Dedication and In-Lieu Fee Study Update justifies the District's request that Quimby land dedication and in-lieu fees be updated to reflect current conditions within Truckee.

The Impact Fee Nexus Study uses "functional service population" as a reasonable indicator of demand for park and recreation services and, therefore, the demand for park and recreational facilities required to provide such services. Due to the large number of second homes within the Town, the Nexus Study evaluated demand generated by second homes and full-time residential homes and determined a facility demand for each new housing unit constructed. Using this "per capita" determination for expected growth, the Nexus Study demonstrates a reasonable relationship between the amount of the fee and the cost of parks and recreational facilities attributable to new development on which the fee is imposed. Since the demand for park and recreational services is inherently driven by population and different residential land uses have varying household sizes, different fees were established for single-family and multi-family housing. The recommended fee increase is as follows:

Land Use Category	Current Impact Fee	Proposed Impact Fee
Single-Family	\$1.99	\$2.21
Multi-Family	\$2.85	\$3.57
ADU under 750 sq ft	Exempt	Exempt
ADU over 750 sq ft	\$1.99	\$2.21

The District is requesting that the adopted park impact fee be automatically adjusted annually by averaging the net percentage change in the Engineering News-Record Construction Cost Index for San

Francisco for the proceeding calendar year. Nexus Studies and fee programs must be updated at least every eight years, requiring a new study to be performed in January of 2031.

The Quimby Land Dedication and In-Lieu Fee Study Update Nexus Study recalculated the factors that determine the amount of land required to be dedicated or in-lieu fees to be paid to the District for a new subdivision based on current market conditions. The analysis took current park inventory and resident population into consideration and determined that under the Quimby Act, the District is eligible for the maximum dedication allowed of 5.00 acres of land for every 1,000 new residents. By determining the estimated number of residents per household for each land use category and multiplying by the allowed acreage dedication, the study was able to determine the square feet of land to be dedicated per housing unit. The study also determined that in-lieu fees shall be paid at a rate of \$653,000 per acre by analyzing local vacant land sales during the beginning of 2023. Parcels that contained special features such as river, creek or lake access, adjacent to greenbelts, or golf courses were excluded from this determination to not artificially increase the value of land within the Town.

Quimby Fees	Existing Fees	Proposed Fees
Quimby Dwelling Unit Occupancy Factor	2.56 people per SFR	2.65 per SFR
	1.89 people per MFR	2.32 per MFR
Quimby Land Dedication Requirement	558 sq ft per SFR	557 sq ft per SFR
	411 sq ft per MFR	505 sq ft per MFR
Quimby Land Value	\$420,000	\$653,000 per acre
Quimby In-Lieu Fee	\$5,380 per SFR	\$8,650 per SFR
	\$3,963 per MFR	\$7,570 per MFR

The fee increase request was approved by the TDRPD Board of Directors at its April 27, 2023 public hearing. A copy of TDRPD's adopted Resolution 2023-317 which formally requests Town Council to adopt and implement the approved fee increases is included as Attachment #3.

Priority:

<input checked="" type="checkbox"/> Enhanced Communication	<input type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/> Core Service

Fiscal Impact: There is no direct cost expected at this time other than staff time of approximately 8 hours to process the District's request.

Public Communication: The Truckee Donner Recreation and Park District Board of Directors held a noticed public hearing on the matter at their April 27, 2023 meeting. Notice of the Town's public hearing was also provided in accordance with Government Code Section 66000 et. seq. and published in the July

21st edition of the Sierra Sun. Notification was also published as part of the regular Town Council agenda packet.

Attachments:

1. Proposed Town Council Resolution 2023-56
2. Proposed Town Council Resolution 2023-57
3. TDRPD Board Resolution 2023-317
4. 2023 Park Impact Fee Nexus Study Update
5. 2023 Quimby Land Dedication and In-Lieu Fee Study Update