

**MEMORANDUM  
DEPARTMENT OF FACILITY SERVICES  
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **JULY 27, 2010**

From: **JD JAMES DURFEE / MARK RIDEOUT** 

Subject: **COUNTY PARK DEDICATION FEE PROGRAM**

**ACTION REQUESTED / RECOMMENDATION:** None – Information Only.

**BACKGROUND:** Through two separate items later on the agenda today, your Board will be asked to consider staff's recommendation for approval of two Budget Revisions to appropriate County Park and Recreation Facilities Impact Fees (Park Dedication Fees). These Park Dedication Fees would partially fund projects at Placer County's Hidden Falls Regional Park and at Auburn Recreation District's Recreation Park in Auburn. These funding requests have generated considerable discussion in the affected communities, and resulted in some confusion over the Placer County Park Dedication Fee program. Prior to presenting these funding requests, the Department of Facility Services believes it is helpful to provide an overview of the Park Dedication Fee program.

Existing State laws that govern new residential development allow local entities to charge a monetary exaction or "fee" in connection with the approval of a project. These fees are designed to defray all or a portion of the costs necessary to provide new residents with a wide variety of public facilities. Within this framework, many agencies have the ability to assess park mitigation fees, including counties, cities, and public recreation districts that have completed the appropriate legal processes. The nexus between a development project's impact on recreation and an appropriate offsetting fee is the basis for the Placer County Park Dedication Fee program. Regulations that govern the collection and use of these funds are contained in State law (Govt Code 66477 "Quimby Act" and 66000/AB1600 "Mitigation Fee Act"), and have been incorporated into the Placer County Code (Section 15.34.010 "Building and Development Parks and Recreational Facilities Fees" and 16.080.100 "Subdivisions Parks and Recreation Facilities" and 17.54.100(D) "Planned Developments").

The development of new residential land uses in the unincorporated areas of Placer County generates an additional need for both active and passive recreational facilities. To mitigate this impact, and implement goals and objectives of the Placer County General Plan, since 1979 Placer County has operated a parkland-dedication / in-lieu-fee program. Through this program, when a development project does not include the construction of amenities or the dedication of parkland, Placer County collects Park Dedication Fees. In some cases, a combination of parkland dedication, constructed facilities, and fees is provided. These fees are based on the estimated cost to build recreational facilities that maintain a ratio of 5 acres of active parkland and 5 acres of passive parkland per 1,000 residents. This successfully assures that new development projects pay their fair share of the significant costs to provide adequate facilities for our citizens.

To update and refine the Park Dedication Fee program, Facility Services contracted with Hausrath Economics Group to prepare the Placer County Park and Recreation Facilities Impact Fee Study, dated September 2003 (the "Study"). On May 1, 2004, your Board adopted a Resolution that accepted this Study and required Ordinances. The Department

continues to implement the recommendations contained in the Study. To provide the basis for imposing these public facility impact fees, the Study evaluated existing facilities, service population areas, facility standards, and the costs of construction. This analysis was conducted for both active and passive parks, and census data was utilized to calculate per capita costs. The resulting fee structure reflects the various types of residential development applied to average household size. The current fee structure includes the following CPI adjusted amounts: new single family dwelling units \$3,920, second dwelling unit or mobile home \$2,855, age restricted dwelling units \$2,585. A portion of these fees is collected at the time of parcel creation, and the remainder is collected at the time of building permit. Fees collected at the time of building permit are reduced by the amount of previous fees paid on that parcel. Placer County provides staff to administer the Park Dedication Fee program. None of the Park Dedication Fees collected, however, are used for program administration.

Pursuant to legislation governing the Park Dedication Fee program, these monies can be utilized only for capital costs, and not for ongoing or deferred maintenance. They are collected and distributed to mitigate the additional demands that new residents would place on existing recreational facilities, by acquiring and/or constructing and/or rehabilitating amenities to maintain appropriate service levels. Another legal requirement for the use of Park Dedication Fees is that there must be a nexus between the development project location and where the fee is utilized. The 16 geographical benefit areas of Placer County, commonly known as Recreation Areas, are commonly used as a guideline to evaluate funding applications; however, they have no legal status or bearing.

Within each Recreation Area there may be a variety of public recreation providers, including both schools and special districts (including the Auburn Recreation District, North Tahoe Public Utility District, and Tahoe City Public Utility District). So the County can be fair and consistent in dealing with the various entities, the Placer County Parks Commission has developed policies and procedures governing the application for Park Dedication Fees. Applicants must first demonstrate a nexus between the requested project and the residents who paid the Park Dedication Fee. A maintenance plan is also required in order to demonstrate that the new or rehabilitated recreational facility would be maintained in a safe and useable manner.

The success of the Park Dedication Fee program is due in large part to the cooperative working relationship that the Parks Division has developed with public recreation providers throughout Placer County including Recreation Districts, PUD's and Service Districts, and schools. The application process begins with informal discussions between the entity and staff, and then a formal submittal is provided for the Parks Administrator's review. With concurrence that a nexus exists and that the project is permissible, the applicant seeks public input and recommendation from a Municipal Advisory Council to the Parks Commission. The Commission then evaluates the application and testimony before providing a recommendation to your Board. The Placer County Board of Supervisors has the ultimate authority to allocate the Park Dedication Fees it collects, through the land use entitlement process, and does so by approving a Use Agreement that clearly defines the project. Over its 31-year history, this program has distributed over \$12 million dollars to projects throughout Placer County.