

CITY OF SANTA CLARA

PARK AND RECREATION FACILITIES DEVELOPMENT IMPACT FEE STUDY

FINAL

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1. Introduction

This report summarizes an analysis of the need for public facilities and capital improvements to support future development within the City of Santa Clara through 2035. It is the City's intent that the costs representing future development's share of these facilities and improvements be imposed on that development in the form of a development impact fee, also known as a public facilities fee. The public facilities and improvements included in this analysis of the City's public facilities fee program all fall into the parks and recreation facilities category.

Background and Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. To fulfill this objective, public agencies should review and update their fee programs periodically to incorporate the best available information. The primary purpose of this report is to create fees that incorporate current capital facility plans to serve a 2035 service population for the City of Santa Clara.

In 2013, the Santa Clara City Council adopted a strategic objective to develop a draft new housing development impact fee ordinance for parks acquisition and recreation facility development to meet its continued goal of ensuring fiscal responsibility. In May 2013, Willdan Financial Services was selected by the City to conduct a nexus study and to work with the City to engage stakeholders and solicit input on the study and draft ordinance processes.

The City imposes public facilities fees under authority granted by the *Mitigation Fee Act*, contained in *California Government Code* Sections 66000 *et seq.* This report provides the necessary findings required by the *Act* for adoption of the fees presented in the fee schedules contained herein.

Depending on the characteristics of the development project, the City may use the Quimby Act to calculate impact fees. The Quimby Act allows a city to require developers to dedicate at least three acres and up to five acres per 1,000 residents, if the city's existing park standard as of the last Census justifies the higher level.

Public Facilities Financing In California

The changing fiscal landscape in California during the past 30 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out:

- ♦ The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;
- ♦ Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- ♦ Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have had to adopt a policy of "growth pays its own way." This policy shifts the burden of funding infrastructure expansion from existing taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and development impact fees also known as public facilities fees. Assessments and special taxes require approval of property owners and

are appropriate when the funded facilities are directly related to the developing property. Development fees, on the other hand, are an appropriate funding source for facilities that benefit all development jurisdiction-wide. Development fees need only a majority vote of the legislative body for adoption.

Organization of the Report

The determination of a public facilities fee begins with the selection of a planning horizon and development of projections for population and employment. These projections are used throughout the analysis of different facility categories, and are summarized in Chapter 2.

Chapter 3 is devoted to documenting the maximum justified public facilities fee for parks and recreation facilities.

Chapter 4 describes the fee implementation process. The five statutory findings required for adoption of the proposed public facilities fees in accordance with the *Mitigation Fee Act* (codified in *California Government Code* Sections 66000 through 66025) are summarized in Chapter 5.

Facility Standards and Cost Allocation Approach

A facility standard is a policy that indicates the amount of facilities required to accommodate service demand. Examples of facility standards include building square feet per capita and park acres per capita. Standards also may be expressed in monetary terms such as the replacement value of facilities per capita. The adopted facility standard is a critical component in determining development's need for new facilities and the amount of the fee. Standards determine new development's fair share of planned facilities and ensure that new development does not fund deficiencies associated with the existing city infrastructure.

The parks and recreation facilities fees calculated in this report use an existing inventory demand standard translated into facility costs per capita to determine new development's fair share of planned facility costs. A cost standard provides a reasonable method for converting disparate types of facilities, in this case parkland and special use recreational facilities, into a single measure of demand (capital cost per capita). The cost standard is based on the **existing inventory** of parks and recreation facilities. New development would fund the expansion of facilities at the same rate that existing development has provided facilities to date, thus by definition, there is no existing deficiency.

2. Land Use Assumptions

This chapter describes the projections of growth used in this study. The existing service population in 2010 is used as the base year of the study and the planning horizon is the year 2035. This chapter also describes the sources of the unit costs for land and buildings used in this study.

Use of Growth Projections for Impact Fees

Estimates of the existing service population and projections of growth are critical assumptions used throughout this report. These estimates are used as follows:

- ◆ Estimates of total development in 2035 are used to determine the total amount of public facilities required to accommodate the future service population.
- ◆ Estimates of existing and new development are used to allocate the fair share of total planned facility costs between existing and new development.

Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, growth projections distinguish between different land use types. The land use types used in this analysis are defined below.

- ◆ **Single-family:** Detached and attached one-family dwelling units.
- ◆ **Multi-family:** All attached multi-family dwellings such as duplexes, condominiums, plus mobile homes, apartments, and dormitories.
- ◆ **Accessory Dwelling Unit:** dwelling unit not exceeding 640 square feet in floor area, and which includes a kitchen, one-bedroom sleeping quarters, and a bathroom on a lot with an existing single-family dwelling.

The City should have the discretion to impose the parks and recreation facilities fee based on the specific aspects of a proposed development regardless of zoning. The guideline to use is the probable occupant density of the development. The fee imposed should be based on the land use type that most closely matches the probable occupant density of the development.

Growth Projections for City of Santa Clara

Park and recreation facilities in Santa Clara primarily serve residents in the City of Santa Clara. Therefore residents comprise the park and recreation facilities service population.

The base year for this study is the year 2010, the date of the most recent federal census. The planning horizon is 2035. Resident growth between 2010 and 2035 comprises the growth increment in this analysis. The Santa Clara General Plan identified total projected residents in 2035.

Table 1 shows estimates of the growth in terms of residents between 2010 and 2035.

Table 1: Parks Service Population

	Residents
Existing (2010)	116,468
Growth (2010 - 2035)	<u>38,332</u>
Total (2035)	154,800

Note: Figures rounded to the hundreds.

Sources: US Census, 2010; Santa Clara General Plan.

Occupant Densities

Occupant densities ensure a reasonable relationship between the increase in service population and amount of the fee. Developers pay the fee based on the number of additional housing units for residential development. The fee schedule must convert service population estimates into these measures of housing units. This conversion is done with average occupant density factors by land use type, shown in **Table 2**. The residential occupant density factors for both the various types of dwelling units were derived from the most recently available data from US Census' American Community Survey.

Table 2: Occupant Density

<i>Residential</i>	
Single Family	2.90 Residents Per Dwelling Unit
Multi-family and Accessory Dwelling Units	2.24 Residents Per Dwelling Unit

Sources: U.S. Census Bureau, 2010-2012 American Community Survey, Tables B25024 and B25033.

3. Parks & Recreation Facilities

The following chapter documents the nexus analysis, demonstrating the need for new park and recreation facilities demanded by new development. This analysis documents two separate fees based on the *Quimby Act* and the *Mitigation Fee Act*. The City would collect the fee based a standard of 3.0 acres per 1,000 residents if the development was subject to the *Quimby Act* land dedication requirement. For all other development, the City would collect based on the existing standard through the *Mitigation Fee Act*. The City would only collect one of the two fees depending on which was appropriate.

Existing Park and Recreation Facilities Inventory

The City of Santa Clara maintains several park and recreation facilities throughout the city. **Table 3** summarizes the City's existing parkland inventory in 2010, the year of the last census. All facilities are located within the City limits. Additionally, a list of other park facilities not included in this inventory (cemeteries and historic properties) are included in **Appendix Table A.4** for informational purposes only.

Table 3: Park Land Inventory

	Developed Acreage	Unimproved /Open Space
<u>Community Parks</u>		
Central Park	45.04	-
Subtotal Community Parks	45.04	-
<u>Mini/Pocket Parks</u>		
Geof Goodfellow Sesquicentennial Park	0.18	-
Memorial Cross Park	0.34	-
Mid Town Park (BAREC)	-	1.00
Rotary Park	0.20	-
War Memorial Playground	0.87	-
Subtotal Mini/Pocket Parks	1.59	1.00
<u>Neighborhood Parks</u>		
Agnew Park	1.97	-
Bowers Park	8.50	-
Bracher Park	3.45	-
City Plaza Park	1.60	-
Earl R. Carmichael Park	8.32	-
Everett Alvarez Jr. Park	1.61	-
Fairway Glen Park	4.00	-
Former Kaiser Hospital Site	-	2.30
Fremont Park	4.31	-
Fuller Street Park	2.39	-
Henry Schmidt Park	7.50	-
Homeridge Park	4.28	-
Jenny Strand Park	9.69	-
Larry J. Marsalli Park	7.19	-
Lick Mill Park	11.77	-
Live Oak Park	9.98	-
Machado Park	2.65	-
Mary Gomez Park	5.64	-
Maywood Park	6.98	-
Montague Park	5.65	-
Parkway Park	4.49	-
Steve Carli Park	1.60	-
Thamien Park	3.40	-
Warburton Park & Pool	3.95	-
Westwood Oaks Park	1.75	-
Subtotal Neighborhood Parks	122.67	2.30

Table 3: Park Land Inventory (Continued)

	Developed Acreage	Unimproved /Open Space
<i>Public Open Space</i>		
Agnews Historic Park, Mansion & Auditorium	14.50	-
Civic Center Park	1.63	-
Ulistac Natural Area	-	40.08
Subtotal Public Open Space	16.13	40.08
<i>Recreation Facilities</i>		
Reed Street Dog Park	1.72	-
Santa Clara Senior Center	2.14	-
Santa Clara Youth Soccer Park	11.00	-
Subtotal Recreation Facilities	14.86	-
<i>Recreational Trails</i>	3.72	3.87
<i>Joint Use Facilities</i>		
Mission College Sports Complex	19.40	-
Elmer Johnson Field	5.10	-
Mission City Center for the Performing Arts	-	-
Montague Swim Center	2.50	-
Townsend Field	5.00	-
Washington Park Baseball Field	8.20	-
Steve Carli Park Sports Field	3.92	-
Skate Park	0.90	-
Teen Center	1.00	-
Walter E. Schmidt Youth Activity Center	1.50	-
Subtotal Joint Use Facilities	47.52	-
Grand Total	251.53	47.25

Sources: City of Santa Clara; Willdan Financial Services.

Improved Parkland Equivalent

Before calculating the existing standards, unimproved parkland owned by the City must be converted to an equivalent amount of improved parkland. **Table 4** details this conversion. The conversion is based on the ratio of the cost of an improved acre of land relative to an acre of unimproved parkland. The City of Santa Clara Parks and Recreation Department provided the estimate of the value of unimproved park land. The estimate of the value of improved parkland is developed below in Table 6.

Table 4: Improved Parkland Equivalent

Type	Cost per Acre	Acres	Total
Unimproved Parkland ¹	\$ 3,658,000		
Improved Parkland	<u>3,977,000</u>		
Unimproved Parkland Land Costs as a Relative Percentage of Parkland Costs	92%		
Unimproved Parkland		47.25	
	x	<u>0.92</u>	
Equivalent Improved Acres			43.47

Note: Figures have been rounded.

¹ Value of unimproved parkland provided by City of Santa Clara Parks and Recreation.

Sources: City of Santa Clara Parks and Recreation Department; Tables 3, 6 and A.3, Willdan Financial Services.

Park Facility Standards

Park facility standards establish a reasonable relationship between new development and the need for expanded park facilities. Information regarding the City’s existing inventory of existing parks facilities was obtained from City staff.

The most common measure in calculating new development’s demand for parks is the ratio of park acres per resident. In general, facility standards may be based on the Mitigation Fee Act (using a city’s existing inventory of park facilities), or an adopted policy standard contained in a master facility plan or general plan. Facility standards may also be based on a land dedication standard established by the Quimby Act.¹

MITIGATION FEE ACT

The Mitigation Fee Act does not dictate use of a particular type or level of facility standard for public facilities fees. To comply with the findings required under the law, facility standards must not burden new development with any cost associated with facility deficiencies attributable to existing development.² A simple and clearly defensible approach to calculating a facility standard is to use the city’s existing ratio of park acreage per 1,000 residents. Under this approach, new development is required to fund new park facilities at the same level as existing residents have provided those same types of facilities to date.

QUIMBY ACT

The Quimby Act does specify facility standards to use for parkland dedication. The Act only includes dedication of parkland and does not require construction of park improvements. The Act specifies that the dedication requirement must be a minimum of 3.0 acres and a maximum of 5.0 acres per 1,000 residents. Funds collected through the Quimby ordinance

¹ California Government Code §66477.

² See the *benefit and burden* findings in Chapter 11, *Mitigation Fee Act Findings*.

can only be used for purchasing land to create neighborhood and community parks, not open space. The city can require residential developers to dedicate above the three-acre minimum if the city’s existing park standard as of the last Census justifies the higher level (up to five acres per 1,000 residents). The standard used must also conform to the City’s adopted general or specific plan standards.

The Quimby Act only applies to land subdivisions. A city cannot apply the Quimby Act to development on land subdivided prior to adoption of a Quimby ordinance, such as development on infill lots. The Quimby Act also would not apply to residential development on future approved projects on single parcels, such as many types of multi-family development.

The Quimby Act allows payment of a fee in lieu of land dedication. The fee is calculated to fund acquisition of the same amount of land that would have been dedicated. The fee does not include the cost of park improvements because the land dedication requirement does not include improvements.

The Quimby Act allows use of in-lieu fee revenue for any park or recreation facility purpose. Allowable uses of revenue include land acquisition, park improvements including recreation facilities, and rehabilitation of existing park and recreation facilities.

CITY OF SANTA CLARA PARK FACILITIES STANDARDS

To calculate new development’s need for new parks, municipalities commonly use a ratio expressed in terms of developed park acres per 1,000 residents. **Table 5** shows the existing standard for improved park acreage per 1,000 residents and documents the City’s standard as of the last Census for the Quimby Act standard.

Table 5: Existing Level of Service

	Mitigation Fee Act Standard	Quimby Act Standard
Improved Park Acreage	251.53	N/A
Unimproved Park Acreage Equivalent	43.47	N/A
Total - Park Acres	295.00	N/A
Service Population (Residents)	116,468	N/A
Level of Service Standard (Acres per 1,000 Residents)	2.53	3.00

Sources: Tables 1, 3 and 4; Willdan Financial Services.

Parkland Unit Costs

Table 6 shows the estimated cost per acre for developing parkland, including land acquisition, special use facilities and the vehicles and equipment needed to serve those facilities. The land value of \$3.6 million per acre was developed based on recent land transactions within the City limits, and is detailed in **Appendix Table A.3**.

The value of special use facilities, vehicles and equipment (detailed in **Appendix Tables A.1 and A.2**, respectively), is allocated across all parkland and added to the cost of land acquisition per acre to determine the total cost to develop an acre of parkland in the City.

Table 6: Parkland Unit Costs

Item	Total Value	Cost Per Acre
Improvements and Special Use Facilities (<i>Appendix Table A.1</i>)	\$ 78,100,633	
Vehicles and Equipment (<i>Appendix Table A.2</i>)	2,198,000	
Total - Special Use Facilities, Vehicles, Equipment	\$ 80,298,633	
Improved Park Acres	251.53	
Improvements and Special Use Facilities Cost per Acre		\$ 319,000
Land Acquisition (<i>Appendix Table A.3</i>)		\$3,658,000
Total Special Use Facilities, Park Acquisition and Development Cost per Acre		\$3,977,000

Note: Figures have been rounded to the nearest thousand.

Sources: Table 2, and Appendix Tables A.1, A.2 and A.3; City of Santa Clara; Willdan Financial Services.

Facilities Needed to Accommodate New Development

Table 7 shows the park facilities needed to accommodate new development at the existing standard. To achieve the standard by the planning horizon, depending on the amount of development subject to the Quimby Act, new development must fund the purchase and improvement of between 96.98 and 115 parkland acres, at a total cost ranging between \$386 and \$452 million.

The facility standards and resulting fees under the Quimby Act are higher, because development will be charged to provide 3.0 acres of parkland per 1,000 residents, and 2.53 acres of improvements, whereas development not subject to the Quimby Act will be charged to provide only 2.53 acres of parkland per 1,000 residents, and 2.53 acres of improvements. Since the exact amount of development that will be subject to the Quimby fees is unknown at this time, Table 7 presents the range of total facility costs that may be incurred depending on the amount of development subject to the Quimby Act.

Table 7: Park Facilities to Accommodate New Development

	Calculation	Parkland	Improvements	Total Range ¹
<i>Parkland (Quimby Act). Improvements (Mitigation Fee Act)²</i>				
Facility Standard (acres/1,000 residents)	A	3.00	2.53	
Resident Growth (2010-2035)	B	38,332	38,332	
Facility Needs (acres)	$C = (B / 1,000) \times A$	115.00	96.98	
Average Unit Cost (per acre)	D	\$ 3,658,000	319,000	
Total Cost of Parkland To Serve New Development	$E = C \times D$	\$ 420,670,000	\$ 30,936,620	\$ 451,606,620
<i>Parkland and Improvements - Mitigation Fee Act³</i>				
Facility Standard (acres/1,000 residents)	F	2.53	2.53	
Resident Growth (2010-2035)	G	38,332	38,332	
Facility Needs (acres)	$H = (G / 1,000) / F$	96.98	96.98	
Average Unit Cost (per acre)	D	\$ 3,658,000	319,000	
Total Cost of Parkland To Serve New Development	$I = H \times D$	\$ 354,752,840	\$ 30,936,620	\$ 385,689,460

Note: Totals rounded to the thousands.

¹ Values in this column show the range of the cost of parkland acquisition and development should all development be either subject to the Quimby Act, or to the Mitigation Fee Act, respectively.

² Cost of parkland to serve new development shown if all development is subject to the Quimby Act (Subdivisions of 50 units or more). Parkland charged at 3.0 acres per 1,000 residents; improvements charged at the existing standard.

³ Cost of parkland to serve new development shown if all development is subject to the Mitigation Fee Act. Parkland and improvements are charged at the existing standard.

Sources: Tables 1, 5, and 6; City of Santa Clara.

Parks Cost per Capita

Table 8 shows the cost per capita of providing new park facilities at the existing facility standard. The cost per capita is shown separately for land and improvements.

Table 8: Cost per Capita - Existing Level of Service

Calculation	<u>Land</u>		<u>Improvements</u>
	Quimby Fee	Impact Fee	Impact Fee
Parkland Investment (per acre)	A	\$ 3,658,000	\$ 319,000
Existing Level of Service (acres per 1,000 residents)	B	3.00	2.53
Total Cost Per 1,000 capita	$C = A \times B$	\$ 10,974,000	\$ 807,100
Cost Per Resident	$D = C / 1,000$	\$ 10,974	\$ 807

Sources: Tables 6 and 7; Willdan Financial Services.

Use of Fee Revenue

The City plans to use park facilities fee revenue to purchase parkland or construct improvements to add to the system of park and recreation facilities that serves new development. The City may only use impact fee revenue to provide facilities and intensify usage of existing facilities needed to serve new development. Depending on the amount of

development subject to the Quimby Act, new development must fund the purchase and improvement of between 96.98 and 115 parkland acres through the planning horizon of 2035.

Fee Schedule

In order to calculate fees by land use type, the investment in park facilities is determined on a per resident basis for both land acquisition and improvement. These investment factors (shown in Table 8) are investment per capita based on the unit cost estimates and facility standards.

The City anticipates that the park fees would be the primary revenue source to fund new development's investment in park facilities. **Tables 9.a and 9.b** show the park facilities fee based on the minimum Quimby standard and the existing standard, respectively. The City would collect the fee based on only one of the two approaches as appropriate. Each fee includes a component for park improvements based on the City's existing standard. The investment per capita is converted to a fee per dwelling unit.

The total fee includes an administrative charge to fund costs that include: (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Table 9.a: Park Facilities Fee Schedule - Quimby Act

Land Use	A	B	C = A x B	D = C x 0.02	E = C + D
	Cost Per Capita	Density	Base Fee ¹	Admin Charge ^{1, 2}	Total Fee ¹
<i>Single Family</i>					
Parkland	\$ 10,974	2.90	\$ 31,825	\$ 637	\$ 32,462
Improvements	807	2.90	2,340	47	2,387
Total	\$ 11,781		\$ 34,165		\$ 34,849
<i>Multifamily Family</i>					
Parkland	\$ 10,974	2.24	\$ 24,582	\$ 492	\$ 25,074
Improvements	807	2.24	1,808	36	1,844
Total	\$ 11,781		\$ 26,390		\$ 26,918

¹ Persons per dwelling unit or per 1,000 square feet of nonresidential.

² Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2 and 8; Willdan Financial Services.

Table 9.b: Park Facilities Fee Schedule - Mitigation Fee Act

Land Use	A	B	C = A x B	D = C x 0.02	E = C + D
	Cost Per Capita	Density	Base Fee ¹	Admin Charge ^{1, 2}	Total Fee ¹
<i>Single Family</i>					
Parkland	\$ 9,255	2.90	\$ 26,840	\$ 537	\$ 27,377
Improvements	807	2.90	2,340	47	2,387
Total	\$ 10,062		\$ 29,180		\$ 29,764
<i>Multifamily Family</i>					
Parkland	\$ 9,255	2.24	\$ 20,731	\$ 415	\$ 21,146
Improvements	807	2.24	1,808	36	1,844
Total	\$ 10,062		\$ 22,539		\$ 22,990

¹ Persons per dwelling unit or per 1,000 square feet of nonresidential.

² Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2 and 8; Willdan Financial Services.

4. Implementation

Impact Fee Program Adoption Process

Impact fee program adoption procedures are found in the *California Government Code Section 66016*. Adoption of an impact fee program requires the City Council to follow certain procedures including holding a public meeting. A fourteen-day mailed public notice is required for those registering for such notification. Data, such as an impact fee report, must be made available at least 10 days prior to the public meeting. Your legal counsel should inform you of any other procedural requirements as well as advice regarding adoption of an enabling ordinance and/or a resolution. After adoption there is a mandatory 60-day waiting period before the fees go into effect. This procedure must also be followed for fee increases.

Inflation Adjustment

Appropriate inflation indexes should be identified in a fee ordinance including an automatic adjustment to the fee annually. Separate indexes for land and construction costs should be used. Calculating the land cost index may require the periodic use of a property appraiser. The construction cost index can be based on the City's recent capital project experience or can be taken from any reputable source, such as the *Engineering News-Record*. To calculate prospective fee increases, each index should be weighed against its share of total planned facility costs represented by land or construction, as appropriate.

Reporting Requirements

The City should comply with the annual and five-year reporting requirements of the *Act*. For facilities to be funded by a combination of public fees and other revenues, identification of the source and amount of these non-fee revenues is essential. Identification of the timing of receipt of other revenues to fund the facilities is also important.

Fee Accounting

The City should deposit fee revenues into separate restricted fee accounts for each of the fee categories identified in this report. Fees collected for a given facility category should only be expended on new facilities of that same category.

Programming Revenues and Projects with the CIP

The City should commit all projected fee revenues and fund balances to specific projects in its Capital Improvements Program. These should represent the types of facilities needed to serve growth and described in this report. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues. The CIP also provides the documentation necessary for the City to hold funds in a project account for longer than five years if necessary to collect sufficient monies to complete a project.

The City may decide to alter the scope of the planned projects or to substitute new projects as long as those new projects continue to represent an expansion of the City's facilities. If the total cost of facilities varies from the total cost used as a basis for the fees, the City should consider revising the fees accordingly.

5. Mitigation Fee Act Findings

Fees are assessed and typically paid when a building permit is issued and imposed on new development projects by local agencies responsible for regulating land use (cities and counties). To guide the imposition of facilities fees, the California State Legislature adopted the *Mitigation Fee Act* with Assembly Bill 1600 in 1987 and subsequent amendments. The *Act*, contained in *California Government Code* §§66000 – 66025, establishes requirements on local agencies for the imposition and administration of fees. The *Act* requires local agencies to document five statutory findings when adopting fees.

The five findings in the *Act* required for adoption of the maximum justified fees documented in this report are: 1) Purpose of fee, 2) Use of fee Revenues, 3) Benefit Relationship, 4) Burden Relationship, and 5) Proportionality. They are each discussed below and are supported throughout this report.

Purpose of Fee

- ◆ *Identify the purpose of the fee (§66001(a)(1) of the Act).*

We understand that it is the policy of the City that new development will not burden the existing service population with the cost of facilities required to accommodate growth. Council Goal 2013-14 states that as a strategic objective, the City would “*Develop a new Housing Development Impact fee for parks acquisition and facility development.*” The purpose of the fees proposed by this report is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fees advance a legitimate City interest by enabling the City to provide parks and recreational facilities to new development.

Use of Fee Revenues

- ◆ *Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in §65403 or §66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the facilities for which the fees are charged (§66001(a)(2) of the Act).*

Fees proposed in this report, if enacted by the City, would be available to fund expanded facilities to serve new development. Facilities funded by these fees are designated to be located within the City. Fees addressed in this report have been identified by the City to be restricted to funding parks and recreation facilities.

An estimate of the amount of parkland needed to serve new development is identified in *Chapter 3* of this report. More thorough descriptions of certain planned facilities, including their specific location, if known at this time, are included in master plans, capital improvement plans, or other City planning documents or are available from City staff. The City may change the list of planned facilities to meet changing needs and circumstances of new development, as it deems necessary. The fees should be updated if these amendments result in a significant change in the fair share cost allocated to new development.

Benefit Relationship

- ◆ *Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed (§66001(a)(3) of the Act).*

We expect that the City will restrict fee revenue to the acquisition of land, construction of facilities and buildings, and purchase of related equipment, furnishings, vehicles, and services used to serve new development as described above under the “Use of Fee Revenues” finding. The City should keep fees in segregated accounts. Facilities funded by the fees are expected to provide a citywide network of facilities accessible to the additional residents and workers associated with new development. Under the *Act*, fees are not intended to fund planned facilities needed to correct existing deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue and the new development residential and non-residential use classifications that will pay the fees.

Burden Relationship

- ◆ *Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed (§66001(a)(4) of the Act).*

Facilities need is based on a facility standard that represents the demand generated by new development for those facilities. Facilities demand is determined as follows:

The service population is established based upon the number of residents living in Santa Clara. Service population correlates to the demand for parks and recreation facilities.

For parks and recreational facilities, demand is measured by a single facility standard (park acres per 1,000 service population) that can be applied across land use types to ensure a reasonable relationship to the type of development.

The standards used to identify growth needs are also used to determine if planned facilities will partially serve the existing service population by correcting existing deficiencies. This approach ensures that new development will only be responsible for its fair share of planned facilities, and that the fees will not unfairly burden new development with the cost of facilities associated with serving the existing service population.

Chapter 2, Land Use Assumptions provides a description of how service population and growth projections are calculated. Facility standards are described in the *Facility Inventories, Plans & Standards* sections of in Chapter 3.

Proportionality

- ◆ *Determine how there is a reasonable relationship between the fees amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed (§66001(b) of the Act).*

The reasonable relationship between each facilities fee for a specific new development project and the cost of the facilities attributable to that project is based on the estimated service population growth the project will accommodate. Fees for a specific project are based on the project's size or increases in the number of dwelling units. Larger new development projects can result in a higher service population, resulting in higher fee revenue than smaller

projects in the same land use classification. Thus, the fees can ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

See *Chapter 2, Growth Projections*, or the *Service Population* section for a description of how service population or dwelling units adjustment factors are determined for different types of land uses. See the *Fee Schedule* section of *Chapter 3* for a presentation of the proposed facilities fees.

Appendix

Appendix Table A.1: Park Improvements and Equipment Inventory

Name	Description	Building Square Feet	Total Facility Value
<i>Community Parks</i>			
Central Park Tennis Center	Pro Shop, restrooms and bleachers	2,502	\$ 858,288
Central Park - Service Center Shop/Garage	Computers networked w. 6 computers	3,744	1,671,841
Central Park - Service Center Sheds	Sheds	380	35,757
Central Park - Service Center Shop/Garage	Shop/Garage	3,492	616,578
Central Park Ballfield/Scorers' booth(s)	Bleachers, PA system, scoreboard and lights	5,045	107,065
Subtotal Community Parks		<u>15,163</u>	<u>3,289,529</u>
		30,326	\$ 3,289,529
<i>Mini/Pocket Parks</i>			
War Memorial Playground	Restrooms, storage shed and Pixar themed outdoor play equip.	<u>5,000</u>	<u>\$ 172,474</u>
Subtotal Mini/Pocket Parks		5,000	\$ 172,474
<i>Cemetaries</i>			
Agnews Historic Cemetery	Museum building, restrooms, contains Historical collection	600	\$ 129,818
Mission City Memorial Park - All Buildings	Office, Chapel	<u>10,056</u>	<u>1,525,971</u>
Subtotal Public Open Space		10,656	\$ 1,655,789

Sources: City of Santa Clara Parks and Recreation Department; City of Santa Clara PEP-CA Property Schedule, January 17, 2014; Willdan Financial Services.

Table A.1: Park Improvements and Equipment Inventory (Continued)

Name	Description	Building Square Feet	Total Facility Value
<i>Neighborhood Parks</i>			
Agnew Park	Recreation Building, Restrooms, Storage Shed and Outdoor Play Equip.	1,708	\$ 257,890
Bowers Park	Park Building, Restrooms, Storage Shed and Outdoor Play Equipment	1,680	367,949
Bracher Park	Restrooms, Storage Shed and Outdoor Play Equipment	520	273,101
City Plaza Park Gazebo	Gazebo	1,000	162,062
City Plaza Park	Mission Library	8,507	
Earl R. Carmichael Park, Gymnastics Ctr.	Sports Center, Shed, Restrooms, Indoor Gymnastics equipment; Equip.	3,626	432,007
Everett Alvarez Jr. Park	Restrooms, Storage Shed and Outdoor Play Equipment	500	176,368
Fuller Street Park	Restrooms, Storage Shed and Outdoor Play Equipment	500	74,409
Henry Schmidt Park	Recreation Building - Historical collection, Restrooms, Storage; Equipment	2,622	459,381
Homeridge Park	Restrooms, Storage Shed and Outdoor Play Equipment	480	183,197
Jenny Strand Park	Restrooms, Storage Shed and Outdoor Play Equipment	202	120,970
Larry J. Marsalli Park	Scorer's Booth, PA System, Restroom and Storage	530	144,980
Lick Mill Park	Recreation Building w/ kitchen, Storage, Restrooms, Equipment	3,700	889,577
Live Oak Park	Restrooms and storage building, Outdoor Play Equipment	1,500	237,321
Machado Park	Recreation Building, Restrooms, Storage Shed and Outdoor Play Equipment	1,680	322,144
Mary Gomez Park - Includes Pool	Pool locker rooms, restrooms and office; Outdoor Play Equipment	3,148	2,040,040
Maywood Park	Recreation Building, Restrooms, Storage Shed and Outdoor Play Equipment	1,680	324,043
Montague Park - Includes Pool and Buildings	Recreation Building, Storage shed and restrooms, Outdoor Play Equipment	6,350	1,856,355
Parkway Park	Restrooms and Storage building; Outdoor Play Equipment	874	436,265
Steve Carli Park	Restrooms, Outdoor Play Equipment	256	65,023
Thamien Park	Restrooms, Outdoor Play Equipment	500	198,312
Warburton Park - Includes Pool	Restrooms, Outdoor Play Equipment	-	1,061,964
Westwood Oaks Park	Recreation Building, Restrooms, Shed and Outdoor Play Equip.	1,680	340,680
Subtotal Neighborhood Parks		43,243	\$ 10,424,038

Sources: City of Santa Clara Parks and Recreation Department; City of Santa Clara PEPIC-CA Property Schedule, January 17, 2014; Willdan Financial Services.

Table 6: Park Improvements and Equipment Inventory (Continued)

Name	Description	Building Square Feet	Total Facility Value
<i>Recreation Facilities</i>			
Central Park - Community Rec Center	Sound and stage equip.; kitchen; alarm systems, 15 computers	29,630	\$ 15,070,384
George F. Haines International Swim Center	Swim Center Building	8,776	3,734,920
George F. Haines International Swim Center	Swim Center Grandstand	3,700	1,504,783
George F. Haines International Swim Center	Diving Pool Grandstand	400	53,146
George F. Haines International Swim Center	Snackbar/restroom #1	743	141,428
George F. Haines International Swim Center	Snackbar/restroom #2	743	137,655
George F. Haines International Swim Center	Chlorine Storage	60	103,855
George F. Haines International Swim Center	Diving Tower	25	154,437
George F. Haines International Swim Center	Training Pool	3,190	271,541
George F. Haines International Swim Center	Racing Pool	12,996	1,715,980
George F. Haines International Swim Center	Diving Pool Building #10	4,560	650,564
George F. Haines International Swim Center	Warehouse #1	960	222,196
George F. Haines International Swim Center	Warehouse #2	2,300	410,979
George F. Haines International Swim Center	Equipment Shed	900	156,929
Santa Clara Golf and Tennis Club	Restroom	430	148,698
Santa Clara Golf and Tennis Club	Restroom	430	148,698
Santa Clara Golf and Tennis Club	Cart Storage Building	4,572	1,599,527
Santa Clara Golf and Tennis Club	Golf Course Maintenance building	6,000	1,723,434
Santa Clara Golf and Tennis Club	Pro Shop	9,700	9,582,832
Santa Clara Senior Center	Kitchen, alarm, Guard Card Reg. sys., fitness equipment; 35 computers	44,710	14,894,873
Santa Clara Youth Soccer Park	Full Concession kitchen, Offices, Meeting rooms, restrooms	5,855	687,057
Skate Park	Skate Park and Restrooms	432	141,179
Teen Center	Kitchen; 7 computers; 11 stand alones (in lab); 2 laptops	8,750	3,558,506
Walter E. Schmidt Youth Activity Center	Security alarm system; Guard Card Reg. System; 17 Computers	19,746	5,572,728
Subtotal		182,711	\$ 62,386,329
Grand Total - Park Improvements and Recreation Facilities		307,262	\$ 78,100,633

Sources: City of Santa Clara Parks and Recreation Department; City of Santa Clara PEPIC-CA Property Schedule, January 17, 2014; Willdan Financial Services.

**Table A.2: Parks and Recreation Department
Vehicle and Equipment Inventory**

Vehicle	Year	Make	Model	Estimated Replacement Cost
51	1988	Jacobsen	Hyd Drp Tr	\$ 8,112
1376	1989	John Deere	Grdn Tract	7,482
1432	1989	Ditchwitch	2310	32,686
1433	1989	Ditchwitch	S5A	3,936
1436	1989	John Deere	270	7,055
1549	1990	Stow	T3000	-
1585	1990	Ariens	Rt8020	2,763
1656	1991	Generac	Sd060	-
1705	1991	Jacobsen	H6125	9,116
1767	1992	Stihl	Bt-308	3,022
1776	1992	Ford	Super Duty	-
1802	1992	Nac-Robin	Np-2T	1,614
1803	1992	Nac-Robin	Np-2T	1,614
1908	1994	Ditchwitch	1020K	8,298
1909	1994	Jacobsen	H-683	7,117
1951	1994	Beughling	B100	16,775
2020	1995	Sase	Grinder	-
2038	1995	Ford	F350	-
2091	1995	Lily	Wfr	-
2092	1995	Sdi	200-20Ke8M	15,589
2138	1996	Ford	F250	34,278
2139	1996	Ford	F250	34,278
2156	1996	Mightymac	Ps350T-10	2,471
2252	1997	Honda	Hrc216K	-
2292	1997	Ford	F250	33,914
2295	1998	Case	570L/Mxt	60,147
2297	1996	Jacobsen	Gk526	10,940
2298	1998	Ryan	544874B	-
2299	1998	Mightymac	Ps350T-10	2,493
2300	1998	Honda	Em2500Xk1A	-
2380	1999	Billygoat	Bc2401A	2,933
2381	1999	Wacker	Wp1550Aw	2,376
2389	1998	I/R	P175Wjd	16,797
2417	1999	Chetech	28-006-A	13,038
2425	2001	Dodge	Br2500 Hd	29,933
2426	2001	Dodge	Br2500 Hd	29,933
2436	2001	Dodge	Br3500	34,209
2437	2001	Dodge	Br3500	34,209
2438	2001	Dodge	Br3500 Hd	34,232
2444	2001	Dodge	Br2500 Hd	29,060
2473	2000	Wacker	Bs500	3,786
2477	2001	Genie	Tmz34	-
2492	2001	Jacobsen	Hr-9016	105,662
2493	2001	Jacobsen	Hr-9016	105,662
2496	2001	Bcs	850-30	4,461

Source: Santa Clara Parks and Recreation.

**Table A.2: Parks and Recreation Department
Vehicle and Equipment Inventory**

Vehicle	Year	Make	Model	Estimated Replacement Cost
2499	2001	Honda	Em3500	2,319
2515	2001	Dodge	Ram 3500	26,806
2537	2001	Dodge	B3500	24,834
2540	2001	Dodge	Br2500	30,421
2541	2001	Dodge	Br2500	30,421
2542	2001	Dodge	Br2500	30,421
2546	2001	Stone	65Cmed	3,712
2583	2002	Turfco	F15B	9,027
2584	2002	Ryan	544944	4,780
2585	2002	Bluebird	Bc18	4,003
2586	2002	Ryan	Lwnaire28	7,521
2587	2002	Bluebird	P18	2,262
2588	2002	Bluebird	P18	2,262
2589	2002	John Deere	220A	8,529
2592	2002	Ford	Ranger	19,021
2593	2002	Ford	Ranger	19,021
2594	2002	Ford	Ranger	19,021
2595	2002	Ford	Ranger	19,021
2596	2002	Ford	Ranger	20,374
2597	2002	Ford	Ranger	19,021
2599	2002	Case	570L/Mxt	62,032
2635	2002	Tennant	Sweeper	52,474
2641	2002	John Deere	Pro Gator	27,919
2642	2002	John Deere	Pro Gator	27,919
2643	2002	John Deere	Pro Gator	27,919
2644	2002	John Deere	Pro Gator	27,919
2645	2002	John Deere	Pro Gator	27,933
2648	2002	Bobcat Ir	553-F	25,423
2683	2003	Toro	228-D	7,633
2695	2003	Nissan Indust.	Forklift	35,429
2696	2003	Smithco	Sweepstar 50	10,545
2697	2003	New Rider	1000	34,603
2698	2004	John Deere	4610	21,922
2734	2005	Ford	Ranger	21,922
2735	2005	Ford	Ranger	21,922
2736	2005	Ford	Ranger	21,922
2737	2005	Ford	Ranger	21,922
2738	2005	Ford	Ranger	21,922
2739	2005	Ford	Ranger	21,922
2740	2005	Ford	Ranger	13,298
2812	2006	Selma	H6125	13,298
2813	2006	Jacobsen	H6125	33,858
2814	2006	Jacobsen	Utility	33,858
2820	2007	Ford	F350	72,906
2871	2007	Ford	E350	24,008

Source: Santa Clara Parks and Recreation.

**Table A.2: Parks and Recreation Department
Vehicle and Equipment Inventory**

Vehicle	Year	Make	Model	Estimated Replacement Cost
2865	2008	Ford	Ranger	29,934
2956	2009	Ford	Ranger	25,871
2957	2010	Ford	Ranger	25,871
2958	2009	Ford	Ranger	25,871
2959	2009	Ford	Ranger	25,871
2960	2009	Ford	Ranger	25,871
2961	2009	Ford	Ranger	25,871
2962	2009	Ford	Ranger	25,871
2963	2009	Ford	Ranger	25,871
2964	2009	Ford	Ranger	25,871
2965	2009	Ford	Ranger	25,871
2966	2009	Ford	Ranger	25,871
2955	2009	Ford	Ranger	28,078
21904	2001	Genie	Awp	-
799	1978	Christy	1020Hf	10,797
1992	1994	Dayton	5Z591	1,607
2111	1996	Case	1825	22,157
2235	1997	Toro	Wrkman4300	45,267
2236	1997	Steelco	Utility	7,086
2419	1999	Whiteman	Wc92Ph8	3,457
				\$ 2,198,000

Note: Total rounded to the 1,000s.

Source: Santa Clara Parks and Recreation.

Appendix Table A.3: Land Valuation

APN	Description	Sale / Transfer / Appraisal Date	Acreage	Value	Cost per acre
290-26-041	Kaiser Property Park Parcel	9/9/2008	1.92	\$ 7,516,095	\$ 3,914,633
290-26-022	900 Kiely Blvd. (Northwest Parcel)	1/30/2014	3.02	12,365,991	4,094,699
303-17-051	BAREC/Midtown Park Parcel	12/23/2011	1	1,930,000	1,930,000
303-17-053	BAREC land/Midtown Housing in development		11	34,000,000	3,090,909
205-38-021	Texas Instruments	9/23/2011	4.365	44,370,000	10,164,948
290-34-043	Residential 972 Blossom Dr. 95050-5117	11/5/2013	0.14	610,000	4,357,143
220-13-030	Residential 2132 Rockhurst Ct., 95051	1/31/2014	0.16	960,000	6,000,000
290-34-046	Residential 940 Blossom Dr. 95050-5117	6/30/2013	0.14	441,736	3,155,257
224-12-092	Residential 1846 Los Padres., 95050	9/13/2013	0.13	675,000	5,192,308
303-14-030	Residential 202 Kerry Dr., 95050	5/1/2014	0.14	780,000	5,571,429
316-11-026	Residential 3772 Carlisle Ave., 95051	4/30/2014	0.15	1,025,000	6,833,333
104-56-048	Residential 4750 Cheeney St.; 95054	4/22/2008	0.075	823,000	10,973,333
097-95-058	Residential 841 E. River Parkway; 95054	7/21/2011	0.078	1,305,000	16,730,769
101-22-059	Residential 958 Leith Ave., 95054	5/1/2014	0.14	667,000	4,764,286
101-23-031	Residential 744 Orkney Ave., 95054	4/23/2014	0.135	546,000	4,044,444
Various	Reed / Grant Street	12/11/2013	8.745	8,000,000	914,808
224-02-022	Reed / Grant Street	12/11/2013	0.293	320,000	1,092,150
224-02-003	Reed / Grant Street	12/11/2013	0.459	1,050,000	2,287,582
Total / Average Cost per Acre			32.09	\$ 117,384,822	\$ 3,657,988

Sources: Trulia.com; Carneghi-Blum Partners; City of Santa Clara; Willdan Financial Services.

Appendix Table A.4: Cemeteries and Historical Properties

	Developed Acreage	Unimproved/ Open Space
<i>Public Cemeteries and Historical Properties</i>		
Agnews Historic Cemetery	1.07	-
Harris Lass House (History Museum)	0.94	-
Triton Museum Grounds/Headen-Inman House	6.54	-
Mission City Memorial Park	<u>21.60</u>	-
Subtotal Cemeteries	30.15	-

Source: City of Santa Clara.