

CITY OF ALAMEDA

PARK AND RECREATION FACILITIES DEVELOPMENT IMPACT FEE NEXUS STUDY

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1. Introduction

This report summarizes an analysis of the need for parks and recreation facilities to support future development within the City of Alameda through 2040. 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

In 2014, the City passed an impact fee ordinance, including a component for parks and recreation. That impact fee was challenged in court, and the California Court of Appeal on May 15, 2019 ruled that the component of the impact fee relating to parks and recreation should be declared invalid, because it failed to show a "reasonable relationship to the cost of the public facility attributable to the development," in significant part because the City's study appeared to take into account costs that the City was not likely to incur because it had acquired ample land from the United States Navy at no cost as a result of the transfer of portions of the former Alameda Naval Air Station. See *Boatworks, LLC v. City of Alameda*, 35 Cal. App. 5th 290 (2019). Meanwhile, since 2014 the costs of construction, including for park facilities, have increased substantially throughout the San Francisco Bay Area.

In light of the Court of Appeal decision invalidating the prior fee and explaining the flaws with the prior nexus study, and in light of new data concerning the expected costs of constructing parks to meet the needs of future residents, this study takes a fresh look at the data and methodology previously used. It analyzes more specifically the cost of constructing parks on land conveyed to the City at no cost, but in need of environmental remediation to be made usable as parkland. It also relies on the latest data available on the costs of constructing parks in the City of Alameda, to better estimate the expected cost of constructing new facilities that will meet the needs of new development, at a standard equivalent to the park amenities currently enjoyed by City residents. While Willdan has prepared prior reports looking at aspects of these costs, including the original 2014 report and a subsequent report prepared and publicly released in 2017, the 2019 study reflects the most up-to-date thinking and analysis, and is offered as the basis for adopting a new fee.

Unlike the 2017 study, this nexus study does not include a "system standard" approach. The existing standard approach has been recognized as reasonable by the California Court of Appeal, including in the case of *Home Builders Association of Tulare/Kings Counties, Inc. v. City of Lemoore*, 185 Cal. App. 4th 554 (2010). Predicting which future park facilities will be built by 2040, while a reasonable approach, involves uncertainty beyond use of existing cost data. Moreover, given that the system standard approach measures a per capita value that includes existing parks and existing residents, it has a substantial degree of overlap with the existing standard approach. This report thus uses only the existing standard approach – adjusted to take into account the no-cost land, but the need to remediate it to make it useable for parks – to reasonably estimate the impact attributable to new residents.

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 value of facilities per capita, or the value of improvements per acre or 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 resident to determine new development's fair share of future facility costs. A cost standard provides a reasonable method for converting disparate types of facilities, in this case park improvements and special use recreational facilities, into a single measure of demand (capital cost per resident). 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. Growth Projections

This chapter describes the growth projections used in this study. The existing service population in 2019 is used as the base year of the study and the planning horizon is the year 2040. 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 2040 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:** Any residential development that consists of a single residential unit (or units) on individual parcels.
- **Multifamily:** Any residential development that consists of more than one residential unit on individual parcels.

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 Alameda

Residents are the primary users of parks and recreation facilities, so the service population only includes residents. The estimate for residents in 2019 is based on the California Department of Finance's (DOF's) estimates of household population in the City of Alameda. Household population is used because people housed in group quarters (assisted living, congregate care, correctional facilities, etc.) do not contribute significantly to demand for public facilities.

The estimate of total household population in 2040 is based on projections from the Association of Bay Area Government's (ABAG) Plan Bay Area and CA DOF. ABAG estimated a total of 35,100 households in 2040. This figure is multiplied by DOF's estimate of 2.53 persons per household resulting in an estimated population of 88,803 in 2040. **Table 1** summarizes the estimates of the City's current and projected residential population, which are further documented in **Appendix Table A.1**.

Table 1: Park and Recreation Service Population

	Residents
Existing (2019)	77,791
Growth (2019 - 2040) ¹	<u>11,012</u>
Total (2040)	88,803

¹ Growth in residents (household population) projected using Plan Bay Area's estimate of 35,100 households in 2040, multiplied by DOF's estimate of 2.53 persons per household.

Sources: California Department of Finance Table E-5, 2019; California Department of Finance, Plan Bay Area 2040 Final Land Use Modeling Report (July 2017); Seifel Consulting Inc.; Willdan Financial Services.

Occupant Densities

Occupant densities ensure a reasonable relationship between the increase in service population and amount of the fee. Developments 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.

Note that these estimates differ from the assumption of 2.53 residents per household used to estimate population growth in **Table 1**. The assumption used in **Table 1** is the average persons per household Citywide, regardless of unit type, whereas the assumptions in **Table 2** are the average persons per dwelling unit, for each type of unit, respectively.

Table 2: Occupant Density

<i><u>Residential</u></i>		
Single Family	2.71	Residents per Dwelling Unit
Multifamily	1.98	Residents per Dwelling Unit

Sources: Tables B25033 and B25024 from the U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates; Willdan Financial Services.

3. Parks & Recreation Facilities

This nexus study calculates park impact fees using the **existing standard** method. Under this method, new development will fund the expansion of park and recreation improvements at the same level of service that the City currently provides to its existing residents.

Facility Inventories and Standards

This section describes the City's park facility inventory, facility standards, and park facility costs.

Existing Inventory

The City of Alameda maintains many park and recreation facilities throughout the City. Park and recreation facilities collectively consist of the land, buildings, amenities (such as skateparks, boat ramps, and other special facilities) and park improvements (such as benches, paths, and landscaping,) that the City provides to the residents of Alameda for park and recreation activities.

Table 3 summarizes the City's existing inventory of improved park and recreation facilities that are located within the City limits, including land and improvements.¹ This inventory will be the basis of calculating the improved parkland standard that drives the fee calculation. Only improved parkland acreage is included in this inventory. Land that the City owns that does not have improvements is not included in **Table 3**. Certain park-like improvements, most significantly the City-owned golf course, have not been included. Although the Golf Course is a recreational facility, because it is privately operated under a lease from the City and charges fees for its use, Willdan has elected to exclude it from the inventory of park lands that establish the existing standard. Willdan has included existing parks at Alameda Point because these are parks that serve current residents, both in Alameda Point and in West Alameda. New parks at Alameda Point, such as those currently under construction at Site A, are paid for by development at Alameda Point and are not part of the Citywide impact fee. The single exception to this is the sports park at Alameda Point, which is a Citywide facility and is funded in the amount of \$10 million by development at Alameda Point, with the balance paid for by other City resources. A few other parks have been adjusted, either because they were previously omitted (overlooked) or were adjusted in size for accuracy.

¹ This table is similar, but not identical, to the inventories included in the 2014 and 2017 reports. In taking a fresh look at the data, City staff and Willdan learned that its prior report had overlooked, and therefore erroneously omitted, a few parks. The table has also been updated compared with earlier studies by taking into account accurate information concerning the size of the parks.

Note that the calculation/list of existing inventory did not include 14.5 acres of undeveloped land at Estuary Park and Jean Sweeney Park that is open to the public but is not developed, other than existing natural trees and plants. This acreage is zoned Open Space and available to the public, but lacks other park amenities like benches and paths, so is not included in the inventory of existing parks and recreation facilities.

**Table 3: Existing Park and Recreation Facilities
Improved Parkland Inventory**

Facility Name	Location	Parkland Acreage
Bayport Park	Existing City	4.25
Bill Osborne Model Airplane Field	Existing City	1.30
Encinal Boat Ramp	Existing City	0.09
Estuary Park	Existing City	4.26
Franklin Park	Existing City	2.98
Godfrey Park	Existing City	5.45
Grand St Boat Ramp	Existing City	0.09
Jackson Park	Existing City	2.27
Harrington Soccer Field	Existing City	2.02
Jean Sweeney Park	Existing City	10.64
Krusi Park	Existing City	7.46
Leydecker Park	Existing City	5.88
Lincoln Park	Existing City	7.80
Littlejohn Park	Existing City	3.45
Longfellow Park	Existing City	1.14
Main Street Linear Park	Existing City	11.00
Marina Cove Park	Existing City	3.20
Marina Village Park	Existing City	4.50
McKinley Park	Existing City	1.22
Neptune Park	Existing City	3.08
Portola Triangle	Existing City	2.15
Rittler Park	Existing City	4.81
Shoreline Park	Existing City	31.83
Tillman Park	Existing City	4.01
Towata Park	Existing City	1.55
Washington Park	Existing City	14.71
Washington Dog Park	Existing City	5.70
Woodstock Park	Existing City	3.96
Alameda Point Multi-Purpose Field	Alameda Point	4.80
City View Skate Park	Alameda Point	0.55
Enterprise Park (including Hornet Field)	Alameda Point	13.30
Lexington Fields at Alameda Point	Alameda Point	6.96
Main Street Soccer Field	Alameda Point	4.70
Main Street Dog Park	Alameda Point	1.30
Total		182.41

Source: City of Alameda.

Table 4 displays the City's existing investment in special use facilities.² For the purposes of this study, special use facilities are defined as buildings, skate parks, boat ramps, other recreational facilities and the vehicles and equipment necessary to maintain the City's parks and recreation facilities. See **Appendix Table A.2** for a detailed inventory of parks and recreation vehicles and equipment. As with parks, Willdan has excluded certain facilities from this list because of the circumstances of their use. Most notable are the pools at Lincoln Park and Franklin Park, and the buildings and other improvements at the golf course. These pools and associated facilities are owned by the City but operated under lease by the Alameda Swimming Pool Association (ASPA). The ASPA requires a membership to use the pool (which is available to any resident of Alameda), but as with the golf course these facilities are excluded from the analysis to be as conservative as possible, because the facility is not generally open to the public. Although the golf course facilities (including several buildings and a driving range) are significant assets, and are owned by the City, as with the golf course land, Willdan has excluded them from this analysis because they are operated under lease by a private entity that charges fees for use. A few buildings have been added to the analysis because they had been overlooked previously.

² This table is similar, but not identical, to the special use park and recreation facilities inventories included in the 2014 and 2017 reports. City staff and Willdan revised the table to match the City's existing inventory of special use park and recreation facilities in 2019, and to update quantities and unit costs with the most accurate available information.

Table 4: Existing Special Use Park and Recreation Facility Inventory

	Quantity	Units	Unit Cost	Total Value
<u>Buildings</u>				
Franklin Park Building	1,650	Sq. ft.	\$ 592	\$ 976,800
Bayport Recreation Center	1,700	Sq. ft.	592	1,006,400
Godfrey Park Recreation Center	1,500	Sq. ft.	592	888,000
Krusi Park Building	2,300	Sq. ft.	592	1,361,600
Leydecker Park Recreation Center	3,000	Sq. ft.	592	1,776,000
Littlejohn Park Building	1,370	Sq. ft.	592	811,000
Lincoln Park Recreation Center	3,450	Sq. ft.	592	2,042,400
Lincoln Parks & Playgrounds Bldg	252	Sq. ft.	592	149,200
Lincoln Lodge	644	Sq. ft.	592	381,200
Longfellow Park Recreation	1,260	Sq. ft.	592	745,900
McKinley Park Recreation Center	2,800	Sq. ft.	592	1,657,600
Tillman Park Building	1,000	Sq. ft.	592	592,000
Veteran's Building	15,000	Sq. ft.	592	8,880,000
Washington Park Building	1,794	Sq. ft.	592	1,062,000
Woodstock Park Recreation	1,777	Sq. ft.	592	1,052,000
Mastick Senior Center	26,000	Sq. ft.	592	15,392,000
Building 76 - Storage - Alameda Point ¹	2,300	Sq. ft.	242	556,600
Building 134, Gymnasium - Alameda Point	23,382	Sq. ft.	592	13,842,100
Subtotal				\$ 53,172,800
<u>Boat Ramps</u>				
Encinal Boat Ramp				\$ 1,100,000
Grand St Boat Ramp				1,100,000
Subtotal				\$ 2,200,000
<u>Skateboard Park</u>	16,400	Sq. ft.	\$ 72	\$ 1,180,000
<u>Vehicles and Equipment (Appendix Table A.2)</u>				\$ 1,569,516
Total Value - Special Use Facilities				\$ 58,122,316

Notes:

- All facilities are located in The City of Alameda outside Alameda Point except where noted.

- Totals are rounded to the nearest 100.

¹ This facility has a different unit value to reflect its use for storage, rather than active recreation.

Sources: City of Alameda; City of Alameda Parks Improvement Assessment (2012); Willdan Financial Services.

The building facility unit value of \$592 per square foot (applied to all facilities except Building 76) is based on the most recent recreation building construction costs available, from Krusi and Washington Parks. These are the most recent buildings constructed on City parkland and are therefore being used for data about costs. The Washington Park building was completed in 2008, and costs have been adjusted using the Engineering News Record's Construction Cost index. The Krusi Park building has an estimated completed date of December 2019, and cost estimates

include contingencies and soft costs.³ A different value assumption is used for Building 76, as this building is only used for storage. The building inventory unit value for Building 76 is based on the insured cost of that building and reflects a lower standard of construction.

The boat ramp values are based on a 2018 engineer's estimate for a complete renovation of the Encinal Boat Ramp being constructed later this year. The value of the skate park is based on the average cost to build a skate park estimated at \$45 - \$60 per square foot, per the Public Skatepark Development. Given that Bay Area construction costs are well on the high end, the skate park construction costs are assumed to be \$60 per square foot plus 20-percent soft costs, for a total of \$72 per square foot.

Calculation of Acreage Per 1,000 Resident

As one step in measuring the current service standard of parks, Willdan first calculates the relationship between the number of acres of parks available to the residents of Alameda and the number of residents, expressed as acres of park per 1,000 residents. **Table 5** calculates the City's existing parkland standard in these terms. The calculation relies on the estimate of existing improved park acres from **Table 3**, and the existing residential population from **Table 1**. As shown in **Table 5**, the City's current improved parkland standard is 2.34 acres per 1,000 residents.

Table 5: Improved Parkland Acreage per 1,000 Residents

		Total
Total Park Acres (2019)	A	182.41
Residents (2019)	B	77,791
Park Acres per 1,000 Residents	$C = A / (B / 1,000)$	2.34

Sources: Tables 1 and 3.

Existing Parkland Standard: Parkland Improvement and Remediation Costs to Serve New Development

Using the improved parkland acreage per 1,000 residents calculation from **Table 5**, **Table 6** calculates the amount and cost of park improvements needed to serve new development at the City's existing standard, by taking into account how many acres would need to be improved, including remediation costs, to match the existing standard.⁴

³ This new construction replaces an existing building on the site. The facility is therefore included in the inventory of existing parks used to establish the existing standard. Development impact fee funds are not being used to pay for the construction.

⁴ Note, this calculation is ultimately used only to calculate the cost per person to maintain the existing standard for new residents. The existing standard is not measuring the standard in terms of park acres per residents, but instead just using this calculation as a step in the analysis. The existing standard is instead measured in improvement and facilities costs per resident. Meeting the park and recreation needs of the growing community will in some cases require more intensive expenditures regardless of the square footage or acreage of park sites, in order to effectively accommodate the increased demand placed on the park system by new residents in an increasingly populous and dense city. As with existing parks, some parks will be developed more intensively and others less so; some will include more facilities and others none at all. In some cases, the City may be able to best need the demands on the park system created by new residents by developing a smaller acreage of land with more expensive improvements. The existing standard is thus calculated not

The City currently owns enough land to meet the park standard for anticipated growth through 2040, but these sites are in an unimproved state, and because of their prior use by the U.S. Navy, railroad companies, and as a previous landfill, require some level of environmental remediation. Specifically, the City has two significant areas received at no cost that can be used for sites of new parks. First, the City received a significant amount of land at Alameda Point from the United States Navy in a no-cost conveyance, some of which will be used for parks. Second, there are approximately 42 acres available on the site of the former Doolittle landfill at the northern end of Bay Farm Island which will be in a condition capable of being converted to park use before 2040.

Because the City does not need to purchase any new land to meet the existing standard, the calculation in **Table 6** assumes that only the cost of park improvements and the cost to remediate land are needed to serve new development: the fee is being calculated based on the assumption that – with the exception of payment for certain land to be included in Jean Sweeney Park – the City will not need to acquire new land, because it can use the land received from the Navy, and at the former Doolittle landfill to meet the needs for parks attributable to new development. Prior analyses had included the value of the City's existing park land in the calculation of the existing service standard for park and recreation facilities, but this has now been excluded. This significant change in the analysis is intended to address the principal issue identified in the Superior Court and Court of Appeal decisions.

Using these lands, however, comes with increased cost to make them suitable for use as parks. For each of the sites, the land must be remediated to a standard suitable for parks and constructed as a park. Therefore, to determine the cost to maintain the City's current parkland service standard Willdan calculated the cost of improving and remediating land for use as a park.⁵

Park improvement costs are based on four recent City park projects, specified in **Appendix A.3**. The weighted average of these park improvement projects is used as the per acre improvement cost assumption shown in **Table 6**.

Parkland remediation costs are based on two recently completed park projects where soil remediation was required, and a recent bid for future remediation at the former Doolittle landfill. These parkland remediation costs are shown in **Appendix Table A.3**. The weighted average of these parkland remediation projects is used as the per acre remediation cost assumption shown in **Table 6**.

As shown in **Table 6**, through 2040 if the City grows by 11,012 residents as projected, and if future park needs were to be satisfied on a per acre basis, the City would need to remediate and improve 25.77 parkland acres to maintain the existing improved parkland standard of 2.34 acres per 1,000 residents as growth occurs. The cost of these improvements and remediation totals \$30.2 million. It is important to note, however, that this figure is not the basis of determining the fee. The fee is based on the proportional cost *per resident* (and therefore *per residential unit*). If there are fewer new residential units constructed, the fee revenue will be lower, but the need for additional expenditures will also decrease. Conversely, if there are more new residential units constructed, the fee revenue will be higher along with the amount of expenditures needed to maintain the current service standard. Therefore, this approach ensures that each new housing unit pays only for its fair share of the future park land needed to accommodate the growth in demand for parks generated by the people living in that unit.

solely by looking at the number of improved acres per resident, but instead by looking at the existing inventory, and the cost to provide similar levels of improvements and facilities, to determine how much it will cost to provide the current level of park improvements and facilities to new residents.

⁵ While the City may ultimately decide to acquire land to meet parks needs attributable to new development, the cost of remediating land already owned by the City is substantially lower than the cost of acquiring new land, and so the City is using the lower remediation cost rather than the higher acquisition cost, in order to avoid imposing an unreasonably high impact fee on new development. The City recently deposited \$1,098,000 where it exercised eminent domain to acquire 2.92 acres of vacant land for the Jean Sweeney Park, reflecting that land acquisition costs are significantly higher than expected remediation costs on a per acre basis.

This approach also ensures that if an area of the city is rezoned in the future to increase the number of units planned (e.g. in response to statewide Regional Housing Needs Allocations) or downzoned as the result of new flood hazards or sea level rise threats, the park impact fee charged to a particular unit will not need to change.

This approach also allows for developments to provide additional park lands on site (and receive a credit from the park fee) or fund additional parkland or park improvements and facilities through some other mechanism (e.g. development agreement) without impacting the amount that should be paid by other developments citywide.

In the 2017 nexus study, Willdan had drawn a distinction between active and passive parks. This distinction had been included in order to address a ruling by the Alameda County Superior Court in 2016 that some parks, notably Shoreline Park, should not have been considered. The Court of Appeal reversed the Superior Court's decision on this issue, holding, among other things, that the City could reasonably include Shoreline Park in the park inventory. While other documents have labeled these parks under other designations, for example as "Community Open Space," for purposes of the nexus study they are treated as parks because they provide the same kinds of benefits to residents as other parks, and have many of the same kinds of improvements. Willdan has therefore returned to a single inventory of all parks, including parkland like the Shoreline Park. And while the earlier, 2014 report attributed no cost to the construction or development of Portola Triangle and Jean Sweeney Open Space Park, instead valuing those parks based solely on the value of undeveloped land, adopting that approach here would significantly understate the cost and value of these parks, and so they have instead been valued based on the cost of the improvements (and as noted, land values are not included in the analysis of their value at all).

In this 2019 study, Willdan evaluated whether to maintain the 2017 study distinction between "active" and "passive" parks, to take into account that some parks, based on their intended uses, were considered to involve more intensive construction costs, while others, consisting more of paths and open space, were thought to be developed at lower cost. Ultimately, based on new data from 2017 and 2018 actual park construction costs, it determined that a more reasonable approach was to apply a single average cost to all parks, rather than attempt to distinguish among parks in the existing inventory. Review of the data showed that while the costs were lower for certain kinds of parks, parsing distinctions between the parks is difficult, and the difference in costs does not significantly affect the final number: using an average that includes costs of developing all kinds of parks results in an impact fee comparable to that of developing two different cost numbers, and applying them proportionally to different kinds of parks to estimate the impact attributable to future development. In fact, some parks will be more expensive, and some will be less expensive (and the examples in Appendix A.3 do indeed vary). An estimated per acre cost based on an overall average reasonably projects the overall cost to the City to construct park improvements.

Table 6: Cost of Park Improvements to Serve Projected New Development

		Total
Park Acres per 1,000 Residents Standard	A	2.34
Projected Growth in Residents	B	11,012
Park Acres Needed to Serve Projected New Development	$C = A / 1,000 \times B$	25.77
Park Improvement Cost per Acre	D	\$ 933,600
Land Remediation Cost per Acre	E	236,700
Total Cost per Acre	$F = D + E$	\$ 1,170,300
Cost of Improvements and Remediation to Serve Projected New Development	$G = C \times F$	\$ 30,158,631

Sources: Appendix Table A.3, Tables 1 and 5.

Park and Recreation Facility Cost per Resident - Existing Standard

Table 7 calculates the cost per new resident of providing improved and remediated parkland at the existing facility standard. The cost per acre for parkland improvements and remediation is multiplied by the existing acreage per 1,000 residents standard to determine the total cost needed to serve 1,000 residents. The resulting cost to serve 1,000 residents is then divided by 1,000 to determine the cost on a per resident basis.

Table 7: Park Improvements Cost per Resident

		Total
Park Improvement and Remediation Cost per Acre	A	\$ 1,170,300
Existing Park Acres per 1,000 Residents	B	2.34
Cost to Serve 1,000 Residents	$C = A \times B$	\$ 2,738,502
Cost per Resident	$D = C / 1,000$	\$ 2,739

Sources: Tables 5 and 6.

In addition to improved park land, Willdan has calculated the current level of service for other types of park and recreation facilities (termed “special use facilities”) in Alameda (as specified in **Table 4**). Because the facilities are not measured in acres, this standard is measured as the number of dollars of value of these facilities per resident. As new development occurs, it must pay to maintain this standard by paying a fee in the exact same proportion. **Table 8** calculates the existing special use facilities standard, in dollars per capita. The City’s investment in special use facilities from **Table 4** is divided by the existing residents (from **Table 1**) to determine the City’s existing investment in special use facilities on a per resident basis.

Table 8: Special Use Facilities Cost per Resident

Total Value of Special Use Facilities	\$ 58,122,316
Existing Service Population	<u>77,791</u>
Cost per Resident	\$ 747

Sources: Tables 1 and 4.

Existing Standard: Cost per Resident Summary

Table 9 summarizes the total cost per new resident needed to maintain the City's' current park and recreation facilities standard. The cost per resident to provide park improvements and remediation at the existing park improvements standard from **Table 7** is combined with the cost per resident needed to maintain the City's existing per resident standard for special use facilities from **Table 8**. Assuming a population growth of 11,012 residents, total fees generated will be \$38,387,832.

Table 9: Cost per Resident Summary

Park Facilities Cost per Resident	\$ 2,739
Special Use Facilities Cost per Resident	<u>747</u>
Total Cost per Resident	\$ 3,486

Sources: Tables 7 and 8.

Fee Schedule

Table 10 shows the park and recreation facilities fee schedule, calculated using the existing standard method detailed above. The fee levels are based on the cost per resident calculated in **Table 9**. The cost per resident is converted to a fee per housing unit of new development based on the average number of residents per dwelling unit by housing type, calculated using the most recent data available from the US Census American Community Survey and presented earlier in **Table 2**.

The total maximum justified fee includes a two percent (2%) administrative charge to fund costs that include: a standard overhead charge applied to all City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and meeting the requirements of the Mitigation Fee Act.

In Willdan's experience with impact fee programs across the state, two percent of the base fee is a reasonable estimate of costs associated with fee program administration. The City Finance Department confirms that this estimate is conservative based on the City's experience administering the DIF program. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 10: Park and Recreation Facilities Impact Fee - Existing Standard

Land Use	A	B	C = A x B	D = C x 0.02	E = C + D
	Cost Per Resident	Residents Per Unit ¹	Base Fee ²	Admin Charge ^{2, 3}	Total Fee ²
<i><u>Residential</u></i>					
Single Family	\$ 3,486	2.71	\$ 9,447	\$ 189	\$ 9,636
Multifamily	3,486	1.98	6,902	138	7,040

¹ Average residents per dwelling unit.

² Fee per dwelling unit.

³ 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 9.

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

The City has kept its impact fee program up to date by periodically adjusting the fees for inflation. Such adjustments should be completed regularly to ensure that new development will fully fund its share of needed facilities. We recommend that the following indices be used for adjusting fees for inflation:

- Buildings – Engineering News-Record’s Construction Cost Index (CCI)
- Equipment – Consumer Price Index, All Items, 1982-84=100 for All Urban Consumers (CPI-U)

The indices recommended can be found for local jurisdictions (state, region), and for the nation. We recommend that the national indices be used to adjust for inflation, as the national indices are not subject to frequent dramatic fluctuations that the localized indices are subject to.

While fee updates using inflation indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, the City will also need to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available.

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 a separate restricted fee account. 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.

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).

Development impact fees are designed to ensure that new development will not burden the existing service population with the cost of facilities required to accommodate growth. The purpose of the fees proposed by this report is to provide 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 park and recreation 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 new and expanded parks and recreation facilities to serve new development. Facilities funded by these fees are designated to be located within the City. Fees addressed in this report shall be restricted to funding parks and recreation facilities.

An estimate of the total cost of park and recreation improvements needed to serve new development (assuming a population growth of 11,012 persons) is identified in *Chapter 3* of this report (\$38,387,832).

Table 11 below identifies preliminary planned parks and recreation facilities the City currently plans to construct or expand. Proceeds from the fees proposed in this report may be used to contribute to the cost of these future park and recreation facilities. As the total cost of these park and recreation facilities exceeds the amount of revenue the City expects to generate from the current fee, the City will continue to identify additional sources of funding for these identified improvements. The City may also identify additional or alternative parks and recreation facilities in future master plans and/or capital improvement plans, including capital improvement plans adopted and updated in accordance with Government Code section 66002, and proceeds from such fees may be used to help fund such additional or alternative future parks and recreation facilities.

Table 11: Preliminary List of Planned Facilities

Project	Cost Estimate 2019
Estuary Park – Phase 2	\$ 3,580,000
Jean Sweeney Open Space Park Construction	11,990,000
City Aquatic Center	12,000,000
East End Dog Park	160,000
Alameda Point Sports Complex	35,168,000
Adding maintenance vehicles to fleet	100,000
Total	\$ 62,998,000

Source: City of Alameda.

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 construction of park improvements, 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 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 Alameda. 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, Growth Projections provides a description of how service population and growth projections are calculated. Facility standards are described in the *Facility Inventories and Standards* section 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* for a description of how service population or dwelling unit occupancy factors are determined for different types of land uses. See the *Fee Schedule* section of *Chapter 3* for a presentation of the proposed parks and recreation facilities fees.

Appendix

Appendix Table A.1.

	DOF E-5 DATA							Plan Bay Area 2040
Year	POPULATION			HOUSING UNITS		Vacancy Rate	Persons per Household	Households
	Total	Household	Group Quarters	Total	Occupied (Households)			
2019	79,316	77,791	1,525	33,120	30,742	7.2%	2.53	
2040								35,100
	ESTIMATED POPULATION							
2040	90,328	88,803	1,525		35,100		2.53	35,100
Notes	(a)	(b)	(c)		(d)		(e)	(f)

Notes:

- (a) Calculated - equals sum of (b) plus (c).
- (b) Calculated - equals (d) times (e); households times household size
- (c) Assumed to be consistent to the 2019 level.
- (d) Assumed to be consistent to the "Households" figure by ABAG data.
- (e) Assumed to be consistent to the 2019 level.
- (f) Per Plan Bay Area 2040 Final Land Use Modeling Report (July 2017)

Source: California Department of Finance, 2040 Final Land Use Modeling Report (July 2017).

Appendix Table A.2: Park and Recreation Department Vehicle

Vehicle Make/Model	Vehicle Type	Model Year	Replacement Cost
19 Chevrolet Colorado	Light & Med Truck	2019	\$ 36,540
19 Chevrolet Colorado	Light & Med Truck	2019	36,540
96 Ford Ranger	Light & Med Truck	1996	36,540
03 John Deere 1445 (Mower)	Construction Equipment	2003	15,000
07 Chevrolet C-3500 (Dump)	HD Truck	2007	62,153
07 Chevrolet C-3500 (Dump)	HD Truck	2007	62,153
96 Ford Tractor	Construction Equipment	1996	15,000
01 Ford F-450	HD Truck	2001	62,153
14 Chevrolet Tahoe	Light & Med Truck	2014	53,035
07 Chevrolet C-2500	Light & Med Truck	2007	53,035
97 Ford Ranger	Light & Med Truck	1997	36,540
97 Ford Ranger	Light & Med Truck	1997	36,540
05 Ford F-450 Stake Bed W/ Lift Gate	HD Truck	2005	62,153
99 Toro 30581 (Mower)	Construction Equipment	1999	15,000
90 Ford Ranger	Light & Med Truck	1990	36,540
07 Chevrolet 2500 Utility Body	HD Truck	2007	62,153
02 GMC G-2500	Light & Med Truck	2002	37,050
03 Dodge Dakota	Light & Med Truck	2003	36,540
90 Ford Ranger	Light & Med Truck	1990	36,540
08 Chevrolet Colorado	Light & Med Truck	2008	36,540
00 Dodge Dakota	Light & Med Truck	2000	36,540
99 Dodge Dakota	Light & Med Truck	1999	36,540
02 Dodge Dakota	Light & Med Truck	2002	36,540
07 Chevrolet G-3500	Light & Med Truck	2007	37,050
Hustler Turf Master Mower	Construction Equipment	1999	15,000
85 Dodge Ram 350	Light & Med Truck	1985	37,050
16 Champion Passenger Bus	HD Truck	2016	161,511
06 Pace American	Towed Equipment	2006	15,000
Load Trail Utility Trailer	Towed Equipment	2002	15,000
02 Cargo Sport Cargo Trailer	Towed Equipment	2002	15,000
06 Dargo Utility Cargo Trailer	Towed Equipment	2006	15,000
16 Ford F-150 SuperCab	Light & Med Truck	2016	40,000
16 Ford F-150 SuperCab	Light & Med Truck	2016	35,000
16 Ford F-150 SuperCab	Light & Med Truck	2016	35,000
17 Ford F-150 SuperCab	Light & Med Truck	2017	35,000
17 Ford F-150 SuperCab	Light & Med Truck	2017	35,000
17 Ford F-150 SuperCab	Light & Med Truck	2017	35,000
17 Chevrolet Colorado	Light & Med Truck	2017	30,000
17 Ford Transit 150	Light & Med Truck	2017	40,000
19 Chevrolet Colorado	Light & Med Truck	2019	36,540
Total			\$ 1,569,516

Source: City of Alameda Recreation and Parks Department.

Appendix Table A.3: Construction and Remediation Costs

	Total Cost	Acres Built	Cost per Acre
<u>Construction Costs (Including Hard and Soft Costs)</u>			
Estuary Park	\$ 5,520,231	4.26	\$ 1,295,829
Sweeney Park	6,208,800	5.37	1,156,201
Cross Alameda Trail - Sweeney Park	3,044,375	5.27	577,680
Cross Alameda Trail - Appezzato Way	<u>5,877,683</u>	<u>7.22</u>	814,084
Weighted Cost per Acre	\$ 20,651,089	22.12	\$ 933,594
<u>Remediation Costs</u>			
Cross Alameda Trail - Appezzato Way	\$ 1,340,317	7.22	\$ 185,639
Cross Alameda Trail - Sweeney Park	898,907	5.27	170,571
Doolittle Landfill ¹	<u>10,660,158</u>	<u>42.00</u>	253,813
Weighted Cost per Acre	\$ 12,899,382	54.49	\$ 236,729

¹ Total estimated cost of \$8,903,899 from December 2012 adjusted to June 2019 using the Engineering News Record's Construction Cost Index.

Sources: City of Alameda; Willdan Financial Services.