

City of Sacramento Park Impact Fee Nexus Study Update

FINAL REPORT

Prepared by New Economics & Advisory

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List of Acronyms

AHS	American Housing Survey
CIP	Capital Improvement Project
EDU	Equivalent Dwelling Unit
LOS	Level of Service
MSA	Metropolitan Statistical Area
PIF	Park Impact Fee

1. Executive Summary

This Park Impact Fee (PIF) Nexus Study Update has been prepared for the City of Sacramento (City) pursuant to the “Mitigation Fee Act” found in California Government Code 66000. The purpose of this 2015 Nexus Study Update is to establish the legal and policy basis to allow the City to impose a fee on new residential and non-residential development within the City.

The City originally adopted the PIF in August of 1999; it was updated in April of 2002, and again in April of 2004. Modifications were also proposed in 2007 and 2011, but were not acted upon owing to the economic recession occurring at that time. The amount of the fee adopted in 2004 was \$4,277 per single-family unit.

Current Fee and Purpose

With annual increases for inflation, effective as of July 1, 2015, the current PIF is \$5,962 per single-family unit, \$3,513 per multifamily unit, and \$0.42 per retail building square foot, \$0.57 per office building square foot, and \$0.18 per industrial building square foot. In Specified Infill Areas, the current PIF is \$2,770 per single-family unit, \$1,636 per multifamily unit, and \$.19 per commercial retail square foot, \$0.27 per office square foot, and \$0.18 per industrial square foot.

New residents and employees create the need for additional parks and park facilities. The current PIF funds the development of Neighborhood and Community parks for new residential and non-residential development based on a citywide level of service goal (LOS) of 5 acres of Neighborhood and Community Parks per 1,000 persons. Parkland acquisition for Neighborhood and Community parks is not included in the current PIF because it is instead addressed through the City’s Quimby Ordinance and the City’s Quimby In-Lieu Fee Program.

Other park facilities described in the City’s Parks and Recreation Master Plan, including community centers, outdoor pool facilities, linear parks and parkways, and Regional parks are *not* funded through the existing PIF. There is no dedicated funding source for these facilities or for land acquisition for regional parks or parkways.

Overview of LOS Goals and Standards

This PIF Nexus Study relies on a LOS approach. Park LOS ratios include a number of acres per 1,000 persons, as well as a number of persons per park facility. As a result, the scale of park facilities needed to serve new development will depend on the amount of development that occurs over time.

The proposed LOS standards for park and recreation are summarized in **Figure 1.1** and described in more detail in **Section 3** of this Nexus Study update. The proposed LOS standards are different than the prior LOS goals that formed the basis for the current PIF.

The current PIF is based on the General Plan LOS goal of 5 acres per 1,000 residents to provide Neighborhood and Community parks, and does not include any Regional parks

or other Citywide Parks and Citywide Facilities, (hereafter referred to as “Citywide Parks and Facilities”).

The proposed PIF relies on a lower LOS for new development:

- **The proposed PIF relies on a lower LOS standard for Neighborhood and Community Parks that will be implemented by an amendment to the City’s Quimby Ordinance.** This reduction, to 1.75 acres per 1,000 residents in the Central City and 3.50 acres per 1,000 residents in the Remaining City lessens the burden on new development by lowering the amount of parkland required on-site, thereby creating additional developable land within new projects that can create increased project value and help absorb the cost of other infrastructure costs. The lower LOS standard also results in lower PIF rates for the development of Neighborhood and Community parks.
- **The proposed PIF includes a *new* Citywide Parks and Facilities component of 1.50 acres per 1,000 residents, 1 Outdoor Pool Facility for every 30,000 residents, and 1 Community Center for every 50,000 residents.** The Parks Master Plan includes a LOS goal of 8 acres per 1,000 residents for Citywide Parks and Facilities; however, at this time, there is no dedicated funding source for Citywide Parks and Facilities. As a result, over time the City has utilized limited other funding resources to build Citywide Parks and Facilities. This process has resulted in relatively few new Citywide Parks and Facilities, land that is undeveloped and the facilities are also not equitably distributed throughout the City. The proposed Citywide Parks and Facilities PIF-funded component would provide funding for less than twenty percent of the need—or 1.50 acres per 1,000 residents-- to allow all areas of the City to add and/or expand existing larger facilities that may fill a particular gap for a sub-area of the City while also enhancing the City’s overall park and recreation offerings and improving the City’s image and branding value as it relates to quality of life.
- **In the Central City, the LOS standard includes 1.75 acres per 1,000 population for Neighborhood and Community Parks and 1.50 acres per 1,000 population for Citywide Parks and Facilities, for a total of 3.25 acres per 1,000 population funded by the PIF.** In addition, there are LOS goals/standards for Outdoor Pool Facilities (1 every 30,000 population) and Community Centers (1 every 50,000 population). The reduced Neighborhood and Community LOS standard was developed to reflect the ongoing difficulties of acquiring and developing parkland in the Central City for Neighborhood and Community parks. The lower LOS also accounts for a surplus-- when measured at the lower LOS standards-- of existing Neighborhood and Community parks. This surplus reduces the net obligation of new development, thereby further reducing the fee rate for the Neighborhood and Community PIF component.
- **In the Remaining City, the LOS standard includes 3.50 acres per 1,000 population for Neighborhood and Community Parks and 1.50 acres per 1,000 population for Citywide Parks and Facilities, for a total of 5.00 acres per 1,000 population funded by the PIF.** In addition, there are LOS standard for Outdoor Pool Facilities (1 every 30,000 population) and Community Centers (1 every 50,000 population). This LOS

standard was developed to reflect the City’s desire to reduce the amount of local parkland required within new development projects in suburban areas and, thereby, lessen the burden on new projects to provide public land onsite. In turn, a Citywide park component is added to reflect the City’s desire to fund larger and more expansive, strategically-located park and recreation facilities serving the entire city. Up until now, the City has not had any dedicated funding source for citywide park and recreation facilities.

1.1 *Parks & Rec Facility Level of Service (LOS) Goals and Standards*
Proposed Standards: 2016 PIF

Facility	CENTRAL CITY	REMAINING CITY
	Proposed LOS	Proposed LOS
Neighborhood and Community Parks	[1]	[1]
Neighborhood Parks Standard	0.875 acres per 1,000 pop.	1.75 acres per 1,000 pop.
Community Parks Standard	0.875 acres per 1,000 pop.	1.75 acres per 1,000 pop.
Subtotal N & C Parks Standard	1.75 acres per 1,000 pop.	3.50 acres per 1,000 pop.
<i>Portion Funded by PIF</i>	<i>1.75 acres per 1,000 pop.</i>	<i>3.50 acres per 1,000 pop.</i>
Citywide Parks and Facilities	[2]	[2]
Citywide Parks Goal	8.00 acres per 1,000 pop.	8.00 acres per 1,000 pop.
<i>Citywide Portion Funded by PIF (Standard)</i>	<i>1.50 acres per 1,000 pop.</i>	<i>1.50 acres per 1,000 pop.</i>
Citywide Facilities (100% Funded by PIF)		
<i>Outdoor Pool Facilities Goal/Standard</i> [3]	<i>1 per 30,000 pop.</i>	<i>1 per 30,000 pop.</i>
<i>Community Center Goal/Standard</i>	<i>1 per 50,000 pop.</i>	<i>1 per 50,000 pop.</i>
Total LOS Goal	9.75 acres per 1,000 pop.	11.50 acres per 1,000 pop.
Total LOS Standard Funded by PIF	3.25 acres per 1,000 pop.	5.00 acres per 1,000 pop.

Prepared by New Economics & Advisory, August 2016.

[1] Goals will be established in a Quimby amendment expected to be adopted at the same time as the Nexus Study.

[2] LOS goals identified in City of Sacramento Parks and Recreation Master Plan 2005-2010, 2009 Technical Update, Table 7 and 8.

[3] Includes swimming and wading pool.

New Maximum Justifiable Fee

This Nexus Study calculates a maximum justifiable fee with a LOS for park and recreation facilities that is substantially different from the existing PIF and will be adopted in conjunction with an amendment to the City’s Quimby Ordinance. These changes may require updating the Parks and Recreation Master Plan. The maximum justifiable fee is designed to fund park improvements necessary to serve new residential and nonresidential development in the Central City and Remaining City. However, as shown in **Figure 1.2**, the maximum justifiable PIF includes not only Neighborhood and Community park development, but also Citywide Parks and Facilities.

1.2 *Maximum Justifiable PIF and PIF Components*
FY 2015/16

Land Use Category	CENTRAL CITY			REMAINING CITY (INCLUDING HOUSING INCENTIVE ZONES)		
	N + C Parks	CW Parks/ Facilities [1]	Maximum	N + C Parks	CW Parks/ Facilities [1]	Maximum
			Justifiable PIF (N, C, & CW)			Justifiable PIF (N, C, & CW)
Level of Service Standard Funded by PIF (Acres per 1,000 Pop.)	1.75	1.50	3.25	3.50	1.50	5.00
Residential (per Building Sq. Ft.)	\$1.00	\$0.85	\$1.86	\$1.69	\$1.45	\$3.14
Nonresidential (per Building Sq. Ft.)						
Commercial	\$0.09	\$0.32	\$0.41 [2]	\$0.29	\$0.54	\$0.83 [2]
Office	\$0.15	\$0.51	\$0.66 [2]	\$0.47	\$0.87	\$1.34 [2]
Industrial	\$0.04	\$0.15	\$0.20 [2]	\$0.14	\$0.26	\$0.39 [2]

[1] Includes Citywide parks (Regional parks, Linear Parks/Parkways, Open Space) and facilities (Community Centers, Outdoor Pool Facilities).

[2] Totals may not appear to reflect the sum of fee components because of rounding. If the City adopts the maximum justified fee rates, figures that include three decimal points should be considered to ensure accurate amounts and future inflation-related adjustments.

Prepared by New Economics & Advisory, October 2016.

Whereas the existing PIF only funds Neighborhood and Community park development, the maximum justifiable PIF rates fund citywide park and recreation facilities. In addition, these PIF rates include some variation in LOS between the Central City and areas outside the Central City (herein referred to as the “Remaining City”). The following park and recreation facility components and LOS standards are included in the proposed PIF:

- **Neighborhood and Community park development:** 1.75 acres per 1,000 population in the Central City, and 3.50 acres per 1,000 population in the Remaining City.
- **Citywide park development:** 1.50 acres per 1,000 residents in all areas of the City.
- **Citywide Facilities development:** 1 Outdoor Pool Facility for every 30,000 residents and 1 Community Center for every 50,000 residents.

New Proposed Fee Rates

While the Nexus Study calculates a maximum justifiable fee, this Nexus Study also identifies the proposed PIF rates, which are less than the maximum justifiable rate. The proposed PIF rates are shown in **Figure 1.3**.

As described in a memorandum contained in **Appendix A**, the City has chosen to consider a set of lower PIF rates designed to achieve a series of policy objectives:

1.3 Proposed PIF and PIF Components FY 2015/16

Land Use Category	CENTRAL CITY			HOUSING INCENTIVE ZONES			REMAINING CITY		
	N + C Parks	CW Parks/ Facilities [1]	Proposed PIF (N, C, & CW)	N + C Parks	CW Parks/ Facilities [1]	Proposed PIF (N, C, & CW)	N + C Parks	CW Parks/ Facilities [1]	Proposed PIF (N, C, & CW)
Level of Service Standard Funded by PIF (Acres per 1,000 Pop.)	1.75	1.50	3.25	3.50	1.50	5.00	3.50	1.50	5.00
Residential (per Building Sq. Ft.)	\$1.00	\$0.60	\$1.60	\$1.00	\$0.60	\$1.60	\$1.69	\$0.86	\$2.55
Nonresidential (per Building Sq. Ft.)									
Commercial	\$0.09	\$0.07	\$0.16	\$0.09	\$0.07	\$0.16	\$0.29	\$0.13	\$0.42
Office	\$0.15	\$0.08	\$0.23	\$0.15	\$0.08	\$0.23	\$0.47	\$0.10	\$0.57
Industrial	\$0.04	\$0.12	\$0.16	\$0.04	\$0.12	\$0.16	\$0.14	\$0.04	\$0.18

[1] Includes Citywide parks (Regional parks, Linear Parks/Parkways, Open Space) and facilities (Community Centers, Outdoor Pool Facilities).

Prepared by New Economics & Advisory, August 2016.

- **Fee rates in the Central City would be reduced.** These rates would be decreased to incentivize development in the Central City Community Plan Area. **Figure 1.4** shows the boundaries of the Central City CPA. Downwards adjustments were made within the new Citywide parks component of the fee rate.
- **Fee rates in Housing Incentive Zones would be reduced.** These reductions are designed to help improve financial feasibility for new development in areas facing difficult market conditions that place a relatively low limit on new home prices. **Figure 1.4** also shows the location of Housing Incentive Zones, which would otherwise be subject to the Remaining City rates. Downwards adjustments were made within the new Citywide parks component of the fee rate.
- **Fee rates in Remaining City areas would be reduced.** These adjustments are intended to keep total PIF rates more in line with existing PIF rates. Downwards adjustments were made within the new Citywide parks component of the fee rate.

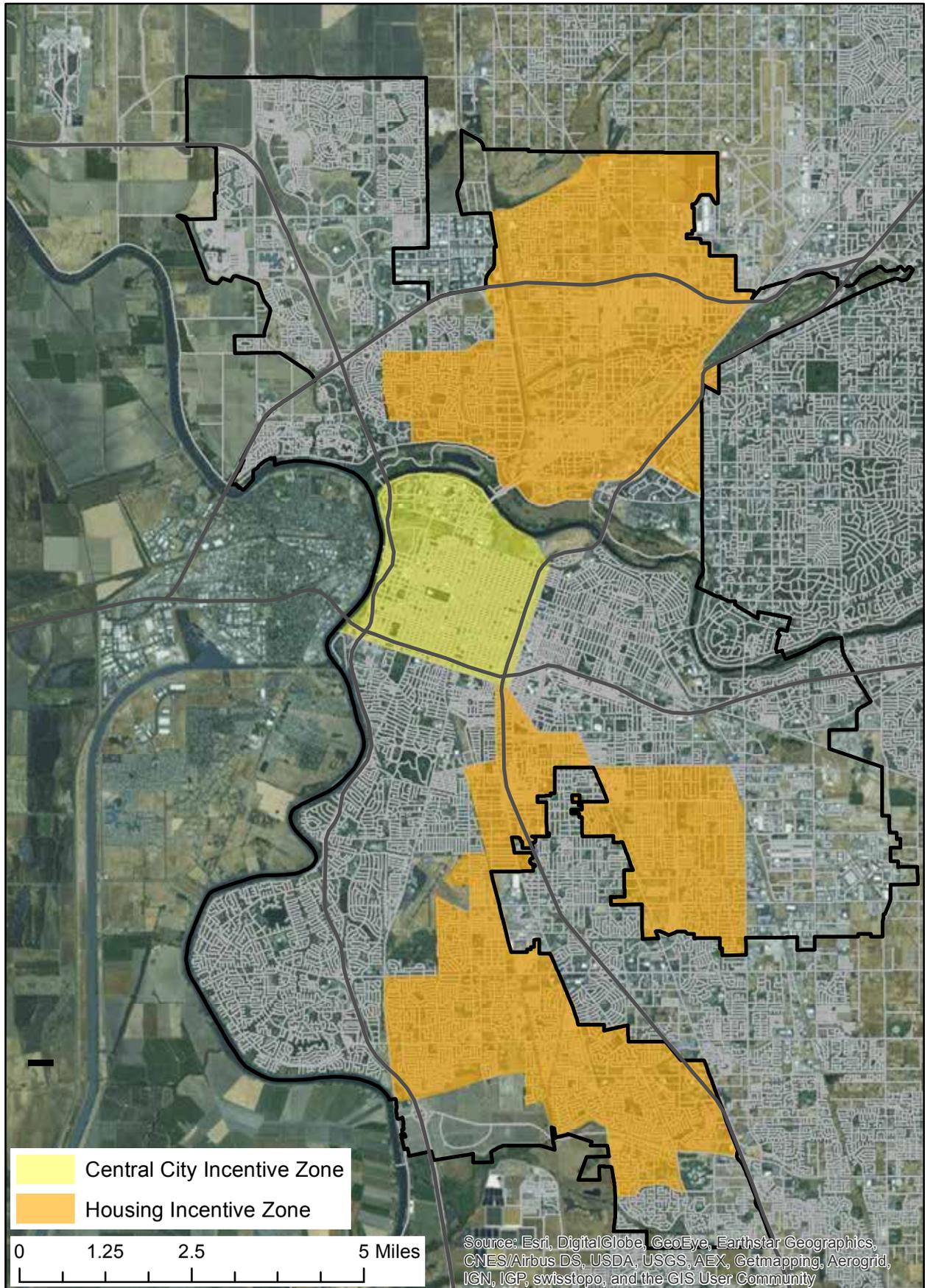
The proposed PIF rates would produce a lower level of revenue than the level calculated in this Nexus Study. To fund the balance of park improvements identified herein, the City would rely on other sources of funding, such as grants or General Fund monies, over time.

Figure 1.5 provides a comparison of the current versus proposed PIF rate for residential and non-residential development. Because the proposed PIF is expressed on a per-building-square-foot basis, New Economics applied a “typical” unit size in order to provide a comparison of rates: 900 square feet in the Central City and 2,000 square feet in the Housing Incentive Zone and Remaining City.

Park LOS Comparison

Figure 1.6 provides an overview of existing parkland standards, current parkland levels, and funding mechanisms for parkland and park development in select jurisdictions. This figure illustrates that the larger cities in the Sacramento Region have parkland standards that range between 5 and 9 acres per 1,000 residents, provide between 4 and 12 acres per 1,000 residents, rely primarily on dedication for parkland, and development impact fees for park development.

Figure 1.4: PIF Rate Incentive Zones



1.5 *Fee Summary: Current and Proposed Rates
Central City, Housing Incentive Zones, and Remaining City*

Land Use	CENTRAL CITY			HOUSING INCENTIVE ZONES			REMAINING CITY		
	FY 15/16 Current PIF [1]	FY 16/17 Proposed PIF [2]	% Change	FY 15/16 Current PIF [3]	FY 16/17 Proposed PIF [2]	% Change	FY 15/16 Current PIF [3]	FY 16/17 Proposed PIF [2]	% Change
Fee Components	Neighborhood & Community Parks Only	Neighb., Comm., & CW Parks/ Facilities		Neighborhood & Community Parks Only	Neighb., Comm., & CW Parks/ Facilities		Neighborhood & Community Parks Only	Neighb., Comm., & CW Parks/ Facilities	
Residential (per unit)	\$1,636 - \$2,770	\$1,444 [4]	-12% to -48%	\$3,513 - \$5,962	\$3,210 [5]	-9% to -46%	\$3,513 - \$5,962	\$5,099 [6]	-14% to 45%
Nonresidential (per building sq. ft.)									
Commercial	\$0.19	\$0.16	-14%	\$0.42	\$0.16	-61%	\$0.42	\$0.42	0%
Office	\$0.27	\$0.23	-15%	\$0.57	\$0.23	-60%	\$0.57	\$0.57	-1%
Industrial	\$0.18	\$0.16	-9%	\$0.18	\$0.16	-9%	\$0.18	\$0.18	-2%

[1] Rate effective July 1, 2015 - June 30, 2016. Existing fee Includes neighborhood and community park facilities only. Rates reflect those for Specified Infill.

[2] Proposed fee includes neighborhood, community, and citywide parks and facilities.

[3] Rate effective July 1, 2015 - June 30, 2016. Existing fee Includes neighborhood and community park facilities only. Rates reflect those for standard development (not Specified Infill).

[4] Proposed fee per unit assumes a 900 sq. ft. unit in the Central City. The minimum fee would be based on a 750 sq. ft. unit and the maximum fee would be based on a 2,000 sq. ft. unit.

[5] Proposed fee per unit assumes a 2,000 sq. ft. unit in Housing Incentive Zones. The minimum fee would be based on a 750 sq. ft. unit and the maximum fee would be based on a 2,000 sq. ft. unit.

[6] Proposed fee per unit assumes a 2,000 sq. ft. unit in the Remaining City. The minimum fee would be based on a 750 sq. ft. unit and the maximum fee would be based on a 2,000 sq. ft. unit.

Prepared by New Economics & Advisory, August 2016.

1.6 *Total Parkland Requirements in Select Cities*
Roseville, Folsom, West Sacramento, Elk Grove

Item	Roseville [1]				Folsom [2]				West Sacramento [3]				Elk Grove [4]				
	LOS	Current Acres	Mech. (land)	Mech. (facilities)	LOS	Current Acres [5]	Mech. (land)	Mech. (facilities)	LOS	Current Acres	Mech. (land)	Mech. (facilities)	LOS	Current Acres	Mech. (land)	Mech. (facilities)	
Population (2015)	123,514				72,000				48,744				N/A				
N/C Parks																	
Neighborhood/Community Parks	3.0	439	Quimby	NDIF	NP - 2.0 CP - 5.0	364	Quimby	DIF	NP - 2.0 CP - 3.0	144	DIF	DIF, Grants	NP - 2.0 CP - 1.0	100	Ded./	DIF	DIF
Mini Parks	0.0	0			0.3	N/A		N/A	0.0				[6]				
Subtotal N/C Parks	3.0	439			7.3	364			5.0	144			3.0	100			
CW Parks																	
Regional Parks	3.0	0	Ded.	CDIF	30% of N/C acres	500	90% Ded.; 10% Acq.	GF; LLD	0.0	49	N/A		1.0	42	Ded./DIF		DIF
Trails & Parkways	0.0	0	Ded.	Bike Trail & Paseo Fee	30% of N/C acres	500	90% Ded.; 10% Acq.	GF; LLD	0.0	49	DIF, Ded.	DIF, CFD	0.0	0	Ded./DIF		DIF
Open Space	3.0	4,000	Ded.	DIF	30% of N/C acres	500	90% Ded.; 10% Acq.	GF; LLD	0.0	49	DIF, Ded.	DIF, CFD	1.0	43	Ded./DIF		DIF
Subtotal CW Parks	6.0	4,416			N/A	500			0.0	49			2.0	85			
Total Parkland LOS (acres per 1,000)	9.0	12.0			7.3	7.3			5.0	4.0			5.0	9.0			

Prepared by New Economics & Advisory, April 2016.

[1] Reflect LOS for the West Roseville Specific Plan; City of Roseville Parks and Facilities Master Plan, 2013; 2013 City of Roseville Parks & Recreation Needs Assessment Update; and City Staff, April 2015.

[2] Information gathered from City of Folsom Parks and Recreation Master Plan 1996, City of Folsom Park Improvement Fee Updated Nexus Study, February 2015, and City staff, April 2015.

[3] City of West Sacramento General Plan Background Report, 2009, Interim Traffic and Park Impact Fee Study (2010), and City Department of Public Works, April 2015.

[4] Reflects Laguna Ridge Specific Plan area. Population in Laguna Ridge Specific Plan is not tracked. Information from Draft City of Elk Grove Laguna Ridge Specific Plan Supplemental Park Fee Program Nexus Study, August 2011, and City Staff, April 2015.

[5] Current acres from City of Folsom Park Improvement Fee Updated Nexus Study, February 2015. City of Folsom Regional and Open Space are left in their natural state and act as corridor for pedestrian and bicycle use. Open space includes parks and trails and 35 miles of bike trails. Of 364 acres of neighborhood and community parks, 340 acres are undeveloped at this time.

[6] Mini parks are included in neighborhood parks.

Fee Comparison

Figure 1.7 provides a comparison of the City’s existing PIF and proposed new PIF to a range of existing park impact fees in other Sacramento Region jurisdictions. Once again, because the proposed PIF is expressed on a per-building-square-foot basis, New Economics applied a “typical” unit size in order to provide a comparison of rates: 2,000 square feet in the Remaining City. Development impact fees are typically updated annually and can fluctuate during times of economic recession; over the last several years, many cities have put in place freezes, reductions, and/or exemptions on development impact fees in an attempt to encourage new development. The fees shown here reflect a snapshot of current fees and may include some of these temporary incentive measures. Any knowledge of “adjustments” has been noted.

Other Documents Consulted for the Preparation of This Report

This Nexus Study references and/or relies upon a number of other documents produced for or by the City, including these:

- **2035 General Plan.** Adopted in 2015, the 2035 General Plan includes a LOS goal of 5.00 acres per 1,000 residents for Neighborhood and Community parks, but also states that for new development, the proportionate share of this LOS is to be determined. The 2035 General Plan provides the anticipated level of housing unit and employment growth that will create demand for additional park and recreation facilities analyzed in this Nexus Study.
- **2009 Parks and Recreation Master Plan.** The Parks and Recreation Master Plan, last updated in 2009, contains definitions of Neighborhood Parks, Community Parks, Regional Parks (referred to in this Nexus Study as Citywide Parks) and other Regional Amenities (referred to in this Nexus Study as Citywide Facilities). The City plans to perform an update to the Parks Master Plan to reflect changes in LOS standards for Neighborhood Parks, Community Parks, and other modifications to park facility terminology and definitions.
- **2016 Amended Quimby Ordinance.** Sacramento City Code Chapter 17.512 contains the City’s Quimby Ordinance, which relates the requirement to provide Neighborhood and Community Parks. Sacramento City Code Chapter 18.44 addresses the current PIF. Chapter 17.512 of the City’s code contains the amended Quimby Ordinance that assigns a modified LOS standard for the Central City and Remaining City. City Ordinance No. 2013-0017 amended the Quimby Ordinance to reflect more recent population density assumptions and added a provision for use of well water in lieu of domestic water in larger parks. Also, City Council Resolution No. 2013-0284 provided for some adjustments to the current PIF rates to correct previous inflation adjustment rounding errors. The Quimby and PIF Ordinances shall be updated to reflect the LOS standards for Neighborhood and Community parks described in this Nexus Study, as well as the inclusion of new parks and recreation facility components being added to the PIF (Citywide Parks and Facilities).

1.7 Park Development Impact Fee Comparison FY 2014/15

Jurisdiction	Park Facilities Included in Fee	Residential		Non-Residential		
		Single-Family	Multi-Family	Comm.	Office	Ind.
Other Jurisdictions with Neighborhood and Community Park Fees Only						
Sacramento (Existing FY 2014/15 PIF)	Neighb. Parks, Comm. Parks	\$5,814	\$3,426	\$0.41	\$0.56	\$0.18
Folsom, Existing Fee [1]	Comm Parks, Pocket/Mini Parks	\$2,910	\$2,496	\$0.35	N/A	\$0.35
Folsom (2015) [2]	Mini, Neighb., Comm. Parks	\$6,501	\$4,319	\$0.44	\$0.44	\$0.44
Other Jurisdictions with Neighborhood, Community, and Citywide Park Fees						
Proposed Sacramento Fee (Remainder of City)	N, C, & CW Parks and Facilities	\$5,099	[5]	\$0.42	\$0.57	\$0.18 [5]
West Sacramento	Parks, Mini Parks, Special Facilities, Community Parks, Open Space, Recreation Corridors, Central Park, Riverfront, and Land.	\$14,621	\$11,989	\$1.26	\$2.04	\$0.88
Elk Grove (Laguna Ridge Fee + Suppl. Fee Zone 2 [3])	Local, Neighborhood Parks; Parkways; Comm. Park Facilities, Regional Facilities.	\$12,198	\$8,134	\$0.67	\$0.82	\$0.11
El Dorado Hills CSD [4]	Neighb. Parks, Village Parks, Comm. Parks, Comm. Center Bldg, Pool Facility, Admin. Bldg & Maint. Facility.	\$9,806	\$8,103	\$0.91	\$1.16	\$0.41
Roseville (WRSP)	Neighb. and Comm. Parks, Citywide Parks, Bike Trails, and Paseos.	\$6,554	\$5,303	N/A	N/A	N/A
Other Jurisdictions with Infill Rates						
Proposed Sacramento Fee (Central City)	N, C, & CW Parks and Facilities	\$1,444		\$0.41	\$0.66	\$0.20
San Diego (City Centre)	Variety of Downtown Park Acquisition, Development, and Facilities.	\$5,347	\$5,347	\$1.82	\$1.82	\$1.82
Roseville (Infill)	Neighb. and Comm. Parks, and Citywide Parks.	\$3,162	\$2,771	N/A	N/A	N/A

[1] Excludes land acquisition, park equipment fee (e.g. vehicles and major equipment such as tractors, work trucks, mowers and trailers).

[2] Approved by City Council. New fee effective July 1, 2015.

[3] Zone 2 excludes a land component and is therefore more similar to Sacramento's existing PIF for neighb. and community parks.

[4] Current fees carried from 2007 fee study, no additional adjustments made since then.

[5] Residential rate based on a 2,000 square foot unit in the Remaining City; non-residential rates reflect the Remaining City. Does not reflect Central City or Housing Incentive Zone fee rate.

Prepared by New Economics & Advisory, August 2016. Fees valid as of February, 2015.

- **Zoning Designations.** The City of Sacramento provided a list of zoning categories consistent with the City’s Planning and Development Code, most recently adopted in April 2013 and amended in August of 2013. This list, contained in **Technical Appendix Table B-1**, allows staff to crosscheck the PIF land use categories with zoning designations to the extent that the Planning and Development Use Codes do not provide a clear indication of how to classify a new development project.
- **Park Facility Development Cost Estimates.** City staff from the Parks Department, as well as the Real Estate Department, provided cost estimates for master planned or recently-constructed park and recreation facilities. These case studies were utilized to develop per-acre or per-facility costs for facilities included in the PIF.
- **The 2011 American Housing Survey (2011 AHS).** The Census tracks median square feet per person and median home size for Metropolitan Statistical Areas (MSA’s). This Nexus Study relies on the median square feet per person for the Sacramento MSA, which includes El Dorado County, Placer County, Sacramento County, and Yolo County.

Overview of Methodology

The approach utilized to develop the maximum justified PIF rates includes the following general steps:

1. Identify the LOS standards for park and recreation facilities in the Central City and Remaining City.
2. Evaluate the existing scale of park facilities for the Central City and Remaining City based on the LOS standards for Sacramento’s population as of 2012.
3. Project the scale of park and recreation facilities needed to serve anticipated residential growth through 2035. Identify costs (expressed in 2015\$) associated with these park and recreation facilities.
4. Determine final costs to be funded through the PIF after netting out any other funding sources for required park facilities.
5. Develop an estimated number of park users for the Central City and Remaining City growth segments, including residents and employees, based on common usage factors for parks.
6. Allocate the cost of anticipated park facilities across Central City and Remaining City park users.
7. Apply an administrative fee component for the PIF.
8. Determine the final cost per park user and average household size in the Central City and Remaining City.
9. Determine the maximum justified fee per residential square foot based on median Sacramento MSA square feet per person.
10. Determine the maximum justified fee per retail, office, and industrial building square foot (based on employment density assumptions in relation to household size).

2. Land Use Categories and Projected Growth

This section describes the types and scale of new development that will be subject to the PIF.

Land Use Categories

The PIF will be charged to new residential, retail, office, and industrial development. New development subject to the PIF is categorized by Planning and Development Code land use categories, as shown in **Figure 2.1**. In addition, **Technical Appendix Table B-1** contains a detailed list of zoning designations that are included in each of these Planning and Development Code land use categories, as well as designations that are exempt from the PIF. Should City staff need to classify a proposed use that does not easily fall within one of the Planning and Development Code land use categories, the zoning category list can be consulted.

2.1 *Proposed Land Use Categories* *Zoning by Land Use Categories*

Planning and Development Code Land Use Category	PIF Program Land Use Categories			
	Commercial	Office	Industrial	Exempt
Nonresidential				
Retail Store				
Less than 200,000 sq. ft.	X			
200,000 to 500,000 sq. ft.	X			
Greater than 500,000 sq. ft.	X			
Hotel/Motel		X		
Office		X		
Hospital		X		
Schools				
Primary		X		
Secondary		X		
Colleges and Universities		X		
Church/Assembly	X			
Industrial			X	
Parking Lot				X
Warehouse			X	
Other		See Technical Table B-1		

Source: City staff, March 2015.

Fee Program Boundaries–Nexus Study Calculations

The calculation of maximum justifiable PIF rates was based on two sub-areas of the City: the Central City and the Remaining City, both shown in **Figure 2.2**. The Central City coincides with the Central City Community Plan Area, while the Remaining City includes all other areas within the City boundaries.

2.2 Fee Program Boundaries Central City vs. Remaining City



Current Parkland Level of Service (Existing City Residents)

As of 2012, the City of Sacramento had approximately 475,000 residents (**Figure 2.3**).

Based on park facility LOS standards summarized in **Figure 1.1** in Section 1, the Central City has the following park facility surpluses or deficits:

- surplus of Neighborhood parks
- surplus of Community parks
- deficit of Citywide parks
- surplus of Outdoor Pool Facilities
- surplus of Community Centers

Based on park facility LOS standards summarized in **Figure 1.1**, the Remaining City has the following park facility surpluses or deficits:

- deficit of Neighborhood parks
- surplus of Community parks
- deficit of Citywide parks
- deficit of Outdoor Pool Facilities
- surplus of Community Centers

Figure 2.4 provides the estimated amount of surplus or deficit for the Central City and Remaining City for each park facility category. Based on the City's 2012 population and community and neighborhood park inventory, the citywide LOS is approximately 3.40 neighborhood and community park acres per 1,000 persons.

Anticipated Growth Through 2035 and Need for New Park Facilities

The City expects to accommodate approximately 165,000 new residents and 86,400 new jobs between 2012 and 2035, the current General Plan horizon year; **Figure 2.3** breaks this growth down between the Central City and the Remaining City.

Growth will require the provision of new park facilities at the identified PIF-funded LOS ratios. **Figure 2.5** provides both the gross and net park facilities required by new development anticipated to occur through 2035:

- The Gross Requirements reflect the amount of park facilities (expressed as acres or facilities) required by LOS standards and the assumed number of persons per household for the 2012-2035 growth period shown in **Figure 2.3**.
- The Net Requirements include the amount of park facilities required of new development, after subtracting out any existing surpluses in the Central City. This netting out process reflects the difficulty faced by the City to identify suitably sized vacant land that could be acquired for neighborhood parks, community parks, and/or citywide facilities within the Central City. Surpluses are not applied in the Remaining City because there is no shortage of land with which the City or developers must contend.

2.3 Growth Projections 2012-2035

Item	Units [1]			Population			Employees [1]			Population Density [3]		
	2012	2035	Change	2012 [2]	2035	Change	2012	2035	Change	2012	2035	2012-2035
Central City CPA	20,280	44,503	24,223	36,504	80,105	43,601	114,808	139,328	24,520	1.80	1.80	1.80
Remaining CPA's	172,071	216,205	44,134	438,896	560,295	121,399	184,924	246,887	61,963	2.55	2.59	2.75
Total City	192,351	260,708	68,357	475,400	640,400	165,000	299,732	386,215	86,483	2.47	2.46	2.59

[1] City of Sacramento 2035 General Plan estimates and forecasted projections for 2035.

[2] 2012 Central City population estimated using fixed population density and unit count provided by City staff. 2012 citywide population provided by City of Sacramento; Citywide population total is slightly different than that estimated by the California Dept of Finance (470,433).

[3] 2012 population densities for Central City provided by City staff, based on 2010 Census data. Densities for Total City and Remaining CPA's calculated based on 2012 citywide population estimates and unit counts. 2035 Central City population density provided by the City of Sacramento; Remaining CPA's and Citywide 2035 densities calculated based on projected population and units.

[4] Total City 2012-2035 reflects weighted average. Total City 2012 and 2035 figures reflect straight average.

Prepared by New Economics & Advisory, August 2016.

2.4 Parks 2012 Deficit or Surplus Central City, Remaining City

Description	CENTRAL CITY				REMAINING CITY			
	Proposed Level of Service Standards/Goals	2012 Provided Amt. [1]	2012 Required Amount	(Deficit)/ Surplus	Proposed Level of Service Standards/Goals	2012 Provided Amt. [1]	2012 Required Amount	(Deficit)/ Surplus
Population [2]			36,504				438,896	
Neighborhood and Community Parks	<u>Standard</u>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<u>Standard</u>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Neighborhood Parks	0.875 per 1,000 pop.	49.60	31.94	17.66	1.75 per 1,000 pop.	675.20	768.07	-92.87
Community Parks	0.875 per 1,000 pop.	70.90	31.94	38.96	1.75 per 1,000 pop.	810.80	768.07	42.73
Total	1.75 per 1,000 pop.	120.50	63.88	56.62	3.50 per 1,000 pop.	1,486.00	1,536.14	-50.14
	<u>Goal</u>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<u>Goal</u>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Citywide Parks [3], [5]	8.00 per 1,000 pop.	176.16	292.03	-115.87	8.00 per 1,000 pop.	1,697.74	3,511.17	-1,813.43
Citywide Facilities	<u>Goal/Standard</u>	<i>Facilities</i>	<i>Facilities</i>	<i>Facilities</i>	<u>Goal/Standard</u>	<i>Facilities</i>	<i>Facilities</i>	<i>Facilities</i>
Outdoor Pool Facilities [4] [5]	1 per 30,000 pop.	2	1.22	0.78	1 per 30,000 pop.	3	14.63	-11.63
Community Centers [5]	1 per 50,000 pop.	4	0.73	3.27	1 per 50,000 pop.	9	8.78	0.22

[1] Provided by City of Sacramento Parks Dept Staff, January 2015 (Citywide Facilities), March 2015 (Park Acreages).

[2] Supporting calculations in Figure 2.3.

[3] Includes Regional parks, linear parks/parkways, and open space.

[4] Includes swimming and wading pools.

[5] Service Level Goals from City of Sacramento Parks and Recreation Master Plan 2005-2010, 2009 Technical Update.

Prepared by New Economics & Advisory, August 2016.

2.5 *Adjusted Park and Facilities Requirements: New Development*
Central City vs. Remaining City

Description	CENTRAL CITY		REMAINING CITY	
	Proposed Service	2012-2035	Proposed Service	2012-2035
	Level Standards Funded by PIF	Required Amount	Level Standards Funded by PIF	Required Amount
Anticipated Population Growth (2012-2035) [1]		43,601		121,399
Neighborhood and Community Parks				
Neighborhood Parks-- Gross Standard	0.875 per 1,000 pop.	38.15	1.75 per 1,000 pop.	212.45
<i>Minus Existing Surplus</i>		17.66 [2]		-
Total Net Neighborhood Parks Requirement		20.49		212.45
Community Parks-- Gross Standard	0.875 per 1,000 pop.	38.15	1.75 per 1,000 pop.	212.45
<i>Minus Existing Surplus</i>		38.96 [2]		- [4]
Total Net Community Parks Requirement		0.00		212.45
Total Neighb. & Comm. Parks Net Requirement	1.75 per 1,000 pop.	20.49	3.50 per 1,000 pop.	424.90
Citywide Parks and Facilities				
Citywide Parks Goal	8.00 per 1,000 pop.	348.81	8.00 per 1,000 pop.	971.19
Citywide Parks Standard (PIF-Funded Portion)	1.50 per 1,000 pop.	65.40	1.50 per 1,000 pop.	182.10
Total Net Citywide Parks Requirement		65.40		182.10
Citywide Facilities				
Outdoor Pool Facilities Goal/Standard [3]	1 per 30,000 pop.	1.45	1 per 30,000 pop.	4.05
<i>Minus Existing Surplus</i>		0.78 [2]		-
Total Net Outdoor Pool Facilities Req.		0.67		4.05
Community Center				
Community Centers-- Gross Requirement	1 per 50,000 pop.	0.87	1 per 50,000 pop.	2.43
<i>Minus Existing Surplus</i>		3.27 [2]		- [4]
Total Net Community Centers Requirement		-		2.43

[1] Supporting calculations in Figure 2.3.

[2] Because there is a limited capacity for the City to acquire new parkland in the Central City, the City has opted to reduce the obligation of new development by applying credit for existing surplus against the gross obligation faced by new development.

[3] Includes swimming and wading pool.

[4] Unlike the Central City, there are more opportunities in the Remaining City to meet the full LOS standard. Therefore, there is no need to apply a surplus of Community Parks or Community Centers in the Remaining City.

Prepared by New Economics & Advisory, August 2016.

3. Capital Improvement Service Standards

The proposed PIF includes three major park facility components:

- Neighborhood and Community Parks
- Citywide Parks
- Citywide Facilities

This section describes park facilities included in the maximum justifiable PIF rates and provides an overall estimate of facility costs anticipated to be funded through the fee program.

Level of Service Standards

Figure 1.1 in **Section 1** provides an overview of LOS standards for park and recreation facilities to serve new development.

Neighborhood and Community Parks: Central City

In the Central City, the LOS standard for Neighborhood and Community Parks is to be set at 1.75 acres per 1,000 persons. For purposes of analysis, this ratio is split evenly between Neighborhood parks (0.875 acres per 1,000 persons) and Community parks (0.875 acres per 1,000 persons). This LOS standard was selected for the Central City for two primary reasons. First, the limited land supply in the Central City impedes the City's ability to acquire new parkland within this Community Plan Area¹. Second, as discussed further later in this section, the cost to develop parks in the Central City is currently 5-6 times higher than development of parks in the Remaining City.

Neighborhood and Community Parks: Remaining City

In the Remaining City, the LOS standard for Neighborhood and Community Parks is to be set at 3.50 acres per 1,000 persons. This LOS standard reflects the current amount of City-owned park acres compared to the City's population, as shown in **Technical Appendix Table B-2**. This standard is to be adopted in the City's amended Quimby Ordinance. For purposes of analysis, this ratio is split evenly between Neighborhood parks (1.75 acres per 1,000 persons) and Community parks (1.75 acres per 1,000 persons).

Citywide Parks

The LOS goal for Citywide parks, established in the Parks and Recreation Master Plan, is 8 acres per 1,000 persons. The Citywide parks category includes Regional parks, Linear parks and Parkways (which includes the Sacramento River Parkway), and Open Space. The maximum justifiable PIF would fund less than one-fifth, or 1.50 acres per 1,000 persons.

¹ A previous study prepared in conjunction with the General Plan in June of 2013 indicated that there is a likely ability to acquire only up to 41.25 acres of vacant land within the Central City for purposes of park development; market competition for these parcels will further limit the ability to secure this land.

Citywide Facilities

Citywide Facilities include Outdoor Pool Facilities and Community Centers. The LOS goals, identified in the Parks and Recreation Master Plan, are 1 Outdoor Pool Facility per 30,000 persons and 1 Community Center per 50,000 persons. The City expects that these facilities will be constructed within Community and/or Regional parks, so there is no land component for these facilities in the LOS goal/standard.

Park Improvements Included in the Fee Program

Park categories include Neighborhood parks, Community parks, and Citywide parks and Citywide facilities. **Figure 3.1**, shown on the next page, summarizes the key attributes of each of these categories.

Neighborhood and Community Parks

Figure 3.2 documents the most recent Neighborhood and Community park improvement projects undertaken by the City of Sacramento, both in the Central City and in Remaining City areas. As this figure shows, land acquisition for Neighborhood and Community parks is dedicated or acquired through the City's Quimby Ordinance (or payment of the City's Quimby In-Lieu Fee) and is therefore *not* included in the PIF program.

This figure also demonstrates that the anticipated costs of developing Neighborhood and Community parks in the Central City is 4-5 times more than the cost of Neighborhood and Community parks outside the Central City. The development of urban parks in recent years have proven to require significant amounts of hardscape and are highly amenitized (e.g. fountains), whereas their counterparts in suburban areas tend to have much more turf area, which is less costly to construct. **Technical Appendix Table B-3** contains more detailed estimates documenting the estimated costs for these case study parks.

The Nexus Study applies a development cost of about \$1.6 million per acre for Neighborhood and Community parks in the Central City. While recent comparable park projects include much higher costs per acre, City staff anticipates that some PIF revenues will be expended through the improvement and/or expansion of existing Neighborhood and/or Community Parks. These alternative park improvement efforts are expected to cost much less than developing new parks from scratch, which would include site improvements and other items not needed to expand the capacity of existing parks.

3.1 Typical Facilities -- Community vs. Neighborhood Parks

Item	Neighborhood Parks	Community Parks	Citywide Parks [1]
Size Guidelines	5 to 10 acres	10+ acres	Varies; may be larger than Community Parks and/or have destination attraction(s)
Service Area Guidelines	0.50 mile	2-3 miles; drivable from several neighborhoods	Citywide and beyond
Description	A park intended to be used primarily by the people who live nearby, or within walking or bicycling distance of the park. Some neighborhood parks are situated adjacent to an elementary school; improvements are usually oriented toward the recreation needs of children. Park facilities may include: a tot lot, an adventure area, unlighted sport fields or sport courts, a group picnic area, and/or parking limited to on-street.	A park or facility developed primarily to meet the requirements of a large portion of the City. In addition to neighborhood park facilities, a community park may include: a large group picnic area with shade structure, a community garden, a neighborhood/community skate park, restroom, on-site parking bicycle trail, a nature area, a dog park, lighted sport fields, or sport courts. Specialized facilities may also be found in a community park including: a community center, a water play area, and/or a swimming pool. Some of the smaller community parks may be dedicated to one use, and some elements of the park may be leased to community groups.	A park or facility developed with a wide range of facilities, which are not found in neighborhood or community parks to meet the needs of the entire City population. In addition to those facilities found in neighborhood and community parks, improvements may include: a golf course, marina, amusement area, zoo, and other region-wide attractions. Some facilities in the park may be under lease to community groups. Open Spaces are natural areas that are set aside primarily to enhance the City's environmental facilities. Recreational use of these areas are limited to natural features of the sites, such as native plant communities or wildlife habitat. Open spaces may be located in neighborhood, community or regional parkland and would have a service area depending on the park type. Parkways are similar to open space areas because they also have limited recreational uses. They are used primarily as corridors for pedestrians and bicyclists, linking residential areas to schools, parks and trail systems. Parkway are typically linear and narrow and may be situated along a waterway, abandoned railroad, or other common corridor.
Primary Design Elements	Basic landscaping: irrigation, turf, trees site furniture, walkways, entry improvements signage, drinking fountain; children's play area (tot lot and adventure area); picnic area with shade structure; sport court; and/or sports fields. <i>Unique to Urban Plazas:</i> Lighting for evening events, water features, public art, or food concessions.	All elements of Neighborhood Serving primary design elements; water elements; field lighting; sports complex; amphitheater; restroom; parking lot; and/or nature area.	All elements of Community Serving including special regional serving facilities.

Prepared by New Economics & Advisory, August 2016.

[1] 2016 Nexus Study Update identifies Citywide Parks, which in the 2005-2010 Master Plan correspond with regional parks, open spaces, linear parkways, aquatic facilities, and community centers.

Source: City of Sacramento Parks and Recreation Master Plan 2005-2010, 2009 Technical Update DRAFT, Table 18: Park Category Descriptions, page Policy-22.

3.2 *Cost Assumptions: Neighborhood and Community Parks*
2015\$

Category	CENTRAL CITY (CC)		REMAINING CITY (RC)		CC Cost as a % of RC Cost
	Case Study Description	Avg. Cost Per Acre [1]	Case Study Description	Avg. Cost Per Acre [1]	
Neighborhood Parks					
Land	N/A-- Quimby Act	\$0	N/A-- Quimby Act	\$0	NA
Park Development	19th/Q	\$2,564,000	Dogwood Park	\$484,000	
	Cannery Plaza	\$2,281,000	Valley Oak Park	\$361,000	
	Amt. Applied for the PIF	\$1,570,000 [2]	Amt. Applied for the PIF	\$373,000	421%
Community Parks					
Land	N/A-- Quimby Act	\$0	N/A-- Quimby Act	\$0	NA
Park Development	7th St. Promenade	\$2,445,000	Wild Rose Park	\$349,000	
	Amt. Applied for the PIF	\$1,570,000 [2]	Amt. Applied for the PIF	\$349,000	450%

[1] Cost provided by City Staff, January 2015. Numbers rounded to nearest \$1,000.

[2] City staff has estimated that it can undertake neighborhood and community park improvements at an average cost of approximately \$1.6 million per acre; in many cases, the City will expand and/or improve park facilities within existing Central City parks to mitigate the impacts of new development instead of acquiring and developing new parks.

Prepared by New Economics & Advisory, August 2016.

Citywide Parks

Citywide park and recreation facilities include these components: Regional parks, Linear parks/Parkways, and Open Space. **Figure 3.3** provides current costs.

Regional Parks

The PIF is expected to fund development of regional parks, but *not* land acquisition. The City has obtained land for Regional parks through “Other Means,” which has included land dedication (Granite Regional Park), grants, and special land acquisition fee programs. Enhancing the facilities at existing Regional Parks to serve more residents may be desired instead of acquiring new Regional parkland. The estimated cost per acre to develop Regional parks is based on the City’s recent development of the North Natomas Regional Park.

Linear Parks/Parkways

This component includes both completion of the Sacramento River Parkway and development of other Parkways. Although some parkway lands can be obtained through dedication as part of a residential subdivision, most parkway lands need to be acquired. This nexus study presumes that land acquisition for both the Sacramento River Parkway and other Parkways will be funded by “Other Means.” Development costs per acre are shown in **Figure 3.3**.

Open Space

Land acquisition for Open Space is typically provided through grants or dedication, so it is *not* included in the PIF. Consultation with the City’s Real Estate Department indicated the current typical development cost per acre shown in **Figure 3.3**.

3.3 Cost Assumptions: Citywide Parks and Facilities 2015\$

Category	Land			Facilities			
	Total Cost	Amount	Cost Per Acre/ Facility	Total Cost	Amount	Cost Per Acre/ Facility	Source
<u>Citywide Parks</u>							
Regional Parks	Other Means [1]	acres N/A	per acre \$0	\$391,000	acres N/A	per acre \$391,000	[2] [3]
Linear Parks/Parkways							
Sac. River Pkwy							
Little Pocket Area	Other Means [1]	acres N/A	per acre \$0	\$1,768,525	acres 3	per acre \$594,000	[2], [4]
Pocket/Greenhaven Area	Other Means [1]	N/A	\$0	\$5,729,585	10	\$594,000	[2], [4]
Cost Applied for this Analysis				\$0		\$594,000	
Other Parkways	Other Means [1]	0	\$0	N/A	N/A	\$594,000	[2]
Open Space	Other Means [1]	0	\$0	N/A	N/A	\$175,000	[2]
<u>Citywide Facilities</u>							
Outdoor Pool Facility	Existing Land	acres 0	per acre \$0	N/A	facilities N/A	per facility \$10,630,000	[5]
Community Center	Existing Land	0	\$0	N/A	N/A	\$13,550,000	[5]

[1] Other Means can include dedication, grants, or a decision to enhance existing park facilities to serve additional residents instead of acquiring new parkland.

[2] City Staff, January 2015.

[3] Based on the cost per acre to develop North Natomas Regional Park. See Technical Appendix A for detailed calculations.

[4] Acreage estimates based an assumed trail width of 20 feet.

[5] Inflated to 2015\$ based primarily on 2011\$ cost estimates from 2011 Draft PIF Update. See Technical Table B-5.

Prepared by New Economics & Advisory, August 2016.

Blended Average Citywide Park Cost Per-Acre

Figure 3.4 summarizes the existing inventory of Citywide Park components within the City. Were the City to acquire and develop these facilities today through the PIF, it would cost approximately \$645 million, or \$344,000 per acre. This average cost per acre is utilized to derive a per-acre cost for the Citywide Park component of the PIF. **Figure B-4** in **Appendix B** contains supporting calculations for the per-acre cost for Regional Park development.

3.4

Citywide Park Cost per Acre Calculation for Proposed PIF Based on Citywide 2012 Distribution of Existing Parks

Item	Existing (2012)		Adjusted Acres	Cost Per Acre	Total Cost
	Citywide Acres	Citywide %			
Total Citywide Park Acres	1,874	100%			
Regional Parks Development	921	49%	921	\$391,000	\$360,150,100
LP/Pkways (Bikeways) Dev.	233	12%	233	\$594,000	\$138,639,600
LP/Pkways (Sac River Pkways) Dev.	49	3%	49	\$594,000	\$29,165,400
Open Space Development	670	36%	670	\$175,000	\$117,302,500
Subtotal	1,874		1,874		\$645,257,600
Subtotal Citywide Parks	1,874	100%	1,874		\$645,257,600
Total Acres					1,874
Average Cost per Acre					\$344,339
Cost Per Acre Utilized in this Analysis					\$344,000

Prepared by New Economics & Advisory, August 2016.

Citywide Facilities

Citywide Facilities include the following cost components, (summarized in **Figure 3.3**):

- Outdoor Pool Facilities
- Community Centers

These costs are based on the cost to construct similar facilities. Costs for any facilities completed in previous years were inflated to 2015\$ utilizing the Engineering News-Record Construction Cost index. **Technical Appendix Table B-5** contains a list of comparable facilities evaluated for purposes of developing the cost for these facilities. Land acquisition costs for Citywide Facilities is *not* included in the PIF because the City expects to construct these facilities within existing Regional parks.

Total Park Facility Costs Included in the PIF

Figure 3.5 identifies the projected CIP cost included in the PIF for the Central City (\$61.8 million) and Remaining City (\$291.9 million). The estimated acres and/or facilities were developed in **Figure 2.5** and the cost per acre or facility was developed in **Figures 3.2** through **3.4**. These costs have already accounted for park facilities required to serve existing development and/or new development *not* funded through the PIF (such as the balance of LOS Goal for Citywide Parks). Those costs will be funded through other means, including dedication, grants, etc.

3.5 *Total Park Costs Funded by Park Impact Fee*
3.25 Acres per 1,000 Pop (Central City), 5.00 Acres Per 1,000 Pop (Remaining City)

Item	CENTRAL CITY: Land and Facilities				REMAINING CITY: Land & Facilities				TOTAL FEE PROGRAM COST
	Cost Per Acre/ Facility	Amount [1]	Total Cost	% of Total	Cost Per Acre/Facility	Amount [1]	Total Cost	% of Total	
Neighborhood & Community Parks	<i>per acre [2]</i>	<i>acres</i>			<i>per acre [2]</i>	<i>acres</i>			
Neighborhood Parks Dev.	\$1,570,000	20.49	\$32,173,000	52%	\$373,000	212.45	\$79,243,000	27%	\$111,416,000
Community Parks Dev.	\$1,570,000	0.00	\$0	0%	\$349,000	212.45	\$74,144,000	25%	\$74,144,000
Subtotal Neighborhood and Community		20.49	\$32,173,000	52%		424.90	\$153,387,000	53%	\$185,560,000
Citywide Parks and Facilities	<i>per acre [3]</i>	<i>acres</i>			<i>per acre [3]</i>	<i>acres</i>			
Citywide Parks	\$344,000	65.40	\$22,498,322	36%	\$344,000	182.10	\$62,641,678	21%	\$85,140,000
Citywide Facilities	<i>per facility [4]</i>	<i>facilities</i>			<i>per facility [4]</i>	<i>facilities</i>			
Outdoor Pool Facilities	\$10,630,000	0.67	\$7,124,000	12%	\$10,630,000	4.05	\$43,015,571	15%	\$50,139,571
Community Centers	\$13,550,000	0.00	\$0	0%	\$13,550,000	2.43	\$32,899,021	11%	\$32,899,021
Subtotal Citywide Facilities			\$7,124,000	12%			\$75,914,591	26%	\$83,038,591
Subtotal Citywide Parks and Facilities			\$29,622,322	48%			\$138,556,269	47%	\$168,178,591
TOTAL			\$61,795,322	100%			\$291,943,269	100%	\$353,738,591

[1] See supporting calculations in Figure 2.5.

[2] See supporting calculations in Figure 3.2.

[3] See supporting calculations in Figure 3.4.

[4] See supporting calculations in Figure 3.3.

Prepared by New Economics & Advisory, August 2016.

In the Central City, approximately 52 percent of park and recreation facility costs are associated with Neighborhood and Community parks, whereas 48 percent of costs are tied to Citywide Parks and Facilities.

In the Remaining City, approximately 53 percent of park and recreation facility costs are associated with Neighborhood and Community parks, and the remaining 47 percent of costs are tied to Citywide Parks and Facilities.

4. Nexus, Fee Calculation, and Fee Act Findings

This section documents the nexus for the PIF, calculates the maximum justifiable PIF rates for residential and non-residential development, and documents the findings of this Nexus Study consistent with the Mitigation Fee Act.

Nexus Requirements

In order to impose a park impact fee, this Nexus Study demonstrates that a reasonable relationship or “nexus” exists between new development that occurs within the City and the need for additional park and recreational facilities as a result of new development. More specifically, this Nexus Study presents the necessary findings in order to meet the procedural requirements of the Mitigation Fee Act, also known as AB 1600, which are as follows:

1. Identify the purpose of the fee;
2. Identify the use to which the fee is to be put;
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed;
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed;
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

Step 1: Purpose of the Fee

The PIF developed through this Nexus Study is designed to fund park improvements necessary to serve new residential and nonresidential uses in the Central City and Remaining City. The maximum justifiable PIF funds the development of Neighborhood, Community, and Citywide Parks, and Citywide Facilities.

Step 2: Use to Which the Fee is to be Put

The PIF will be used for *park development* as follows:

- 445 acres of Neighborhood and Community Parks,
- 248 acres of Citywide Parks,
- 4.7 Outdoor Pool Facilities, and
- 2.4 Community Centers (**Figure 3.5** in **Section 3**).

The PIF does not fund *land acquisition* for Neighborhood, Community or Regional parks. Land acquisition will be either dedicated or funded through other means.

PIF-funded facilities are designed to serve a new park service population of approximately 166,226 for Neighborhood parks and a new park service population of 182,297 for Community parks, Citywide Parks, and Citywide Facilities (**Figure 4.1**). This service population includes new residents anticipated in the City of Sacramento, as well as new employees working in the City.

4.1 New Parks Service Population 2012-2035

Item	CENTRAL CITY			REMAINING CITY			CITYWIDE		
	Res.	Non-Res.	Total	Res.	Non-Res.	Total	Res.	Non-Res.	Total
New Residents/Employees [1]	43,601	24,520		121,399	61,963		165,000	86,483	
Neighborhood Parks									
New Park User Percentage	100%	5% [2]		100%	0% [3]		100%	1%	
New Park Users/Service Population	43,601	1,226	44,827	121,399	0	121,399	165,000	1,226	166,226
<i>Percent of Total</i>	<i>97%</i>	<i>3%</i>	<i>100%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>	<i>99%</i>	<i>1%</i>	<i>100%</i>
Community and Citywide Parks and Facilities									
New Park User Percentage	100%	20% [4]		100%	20% [4]		100%	20%	
New Park Users/Service Population	43,601	4,904	48,505	121,399	12,393	133,791	165,000	17,297	182,297
<i>Percent of Total</i>	<i>90%</i>	<i>10%</i>	<i>100%</i>	<i>91%</i>	<i>9%</i>	<i>100%</i>	<i>91%</i>	<i>9%</i>	<i>100%</i>

[1] See supporting calculations in Figure 2.3.

[2] Assumes that in the Central City employees use Neighborhood parks roughly 5% as much as a City of Sacramento resident.

[3] Assumes that in the Remaining City employees do not utilize Neighborhood parks, which have facilities designed for residential use (e.g. tot lots).

[4] Assumes that each employee working in the City utilizes a Community and/or Citywide park roughly 20% as much as a City of Sacramento resident. 20% figure established in 2004 Adopted PIF Study.

Prepared by New Economics & Advisory, August 2016.

As shown in **Figure 4.1**, employees are expected to use park facilities at a lesser rate than residents. Within the Central City, workers are expected to use Neighborhood parks about 5 percent as much as local residents and are expected to use Community and Citywide parks and facilities about 20 percent as much as local residents. Within the Remaining City, workers are not expected to use Neighborhood parks (which are typically designed to serve local residents only), but are expected to use Community and Citywide parks and facilities about 20 percent as much as local residents. The 20 percent usage assumption was developed in the nexus study for the PIF last adopted in 2002, while the 5 percent usage assumption was identified for purposes of this 2016 Nexus Study Update.

Figure 4.1 also breaks out the anticipated service population for the Central City and the Remaining City based on growth projections identified in **Figure 2.3** in **Section 2**.

Figure 4.2 summarizes the assumptions regarding persons per household and square feet per employee that are utilized to calculate the PIF rates in the Central City and Remaining City. Whereas in the prior Nexus Study update a single-family fee rate and multifamily fee rate were identified to reflect the difference in anticipated persons per household, this Nexus Study Update identifies a maximum justifiable fee rate per building square foot, designed to adjust for persons per household commensurate with smaller or larger residential units.

4.2 Household & Employee Assumptions

Persons per HH, Sq. Ft. per Employee

<u>Land Use</u>	<u>Persons Per Household [1]</u>	<u>Sq. Ft. per Employee [2]</u>
<u>CENTRAL CITY</u>		
Residential	1.80	
Commercial		400
Office		250
Industrial		850
<u>REMAINING CITY</u>		
Residential	2.75	
Commercial		400
Office		250
Industrial		850

[1] This analysis applies the average persons per household anticipated to occur within new development for purposes of allocating costs.

[2] Provided by City staff, December 2014.

Prepared by New Economics & Advisory, August 2016.

Park Facilities Not Included in the PIF

The PIF does *not* fund land acquisition. These lands are provided through the Quimby Ordinance (Neighborhood and Community parks), grants, other subdivision dedications, and other funding sources.

Step 3: Reasonable Relationship Between Fee Use & Development

New residential and non-residential land use development in the City will generate additional demand for park and recreation facilities and the associated need for development of such facilities. The maximum justifiable PIF will be used to develop identified facilities at the levels required to meet the demand created by new development.

Step 4: Reasonable Relationship Between Facility Need & Development

Each new residential and non-residential development project will generate additional demand for park and recreation services and an associated need for park and recreation facilities. To maintain the City's LOS standards for new development identified in **Figure 2.1** in **Section 2** of this Nexus Study, the City must develop a commensurate number of acres and/or facilities to serve the population generated by new development.

Step 5: Reasonable Relationship Between Fee Amount & Facility Cost

The amount of park and recreation facilities needed by each land use has been estimated by applying park cost per user to common use factor, or Equivalent Dwelling Unit (EDU), for each land use. The common use factor for residential is the average number of persons per household, while the common use factor for non-residential land uses is the building square footage per employee. **Figure 4.3** calculates the EDU factors for the Central City and Remaining City by type of park facility.

Once the cost per EDU is established, a residential cost per building square foot is identified by dividing the cost per EDU by the median square feet per person for the Sacramento MSA. This data point, from the American Housing Survey, was most recently made available in 2011.

4.3 Equivalent Dwelling Unit (EDU) Factors

Land Use	Residential/ Employment Density	% of Park User	Park Users per EDU	EDU Factor
Formula	a	b	c = a * b	
<u>CENTRAL CITY</u>				
	<u>Persons per Unit [1]</u>			
Residential	1.80	100%	1.80	1.00
	<u>Empl. per 1,000 sq. ft. [2]</u>			
Neighborhood Parks				
Commercial	2.50	5%	0.13	0.07
Office	4.00	5%	0.20	0.11
Industrial	1.18	5%	0.06	0.03
Community Parks and Citywide Parks				
		[3]		
Commercial	2.50	20%	0.50	0.28
Office	4.00	20%	0.80	0.44
Industrial	1.18	20%	0.24	0.13
<u>REMAINING CITY</u>				
	<u>Persons per Unit [1]</u>			
Residential	2.75	100%	2.75	1.00
	<u>Empl. per 1,000 sq. ft. [2]</u>			
Neighborhood Parks				
Commercial	2.50	0%	0.00	0.00
Office	4.00	0%	0.00	0.00
Industrial	1.18	0%	0.00	0.00
Community Parks and Citywide Parks				
		[3]		
Commercial	2.50	20%	0.50	0.18
Office	4.00	20%	0.80	0.29
Industrial	1.18	20%	0.24	0.09

[1] This analysis applies the average persons per household anticipated to occur within new development for purposes of allocating costs.

[2] Calculated by dividing 1,000 sq. ft. by the square feet per employee factors shown in Figure 4.2.

[3] Employee usage factor established in 2002 Adopted PIF.

Prepared by New Economics & Advisory, August 2016.

Fee Calculation

This Nexus Study provides justification for the maximum justifiable PIF.

Figure 4.4 allocates the CIP for anticipated PIF facilities for the Central City and Remaining City across the Park Service Population. The cost per park user is \$1,328 in the Central City and \$2,243 in the Remaining City.

4.4 Development Impact Cost: Park Impact Fee Central City vs. Remaining City (2015\$)

Park Component	CENTRAL CITY			REMAINING CITY		
	Total Cost	New Service Pop. [1]	Cost per Park User	Total Cost	New Service Pop. [1]	Cost per Park User
Development Costs						
Neighborhood Parks	\$32,173,000	44,827	\$718	\$79,243,000	121,399	\$653
Community Parks	\$0	48,505	\$0	\$74,144,000	133,791	\$554
Subtotal N&C Parks	\$32,173,000		\$718	\$153,387,000		\$1,207
Citywide Development Costs						
Citywide Parks	\$22,498,322	48,505	\$464	\$62,641,678	133,791	\$468
Citywide Facilities						
Outdoor Pool Facility	\$7,124,000	48,505	\$147	\$43,015,571	133,791	\$322
Community Center	\$0	48,505	\$0	\$32,899,021	133,791	\$246
Subtotal Citywide Parks/Facilities	\$29,622,322		\$611	\$138,556,269		\$1,036
TOTAL	\$61,795,322		\$1,328	\$291,943,269		\$2,243

[1] Supporting calculations in Figure 4.1. Assumes that CC workers use Neighborhood parks on a limited basis, whereas RC workers do not utilize Neighborhood parks. Assumes that workers citywide utilize Community and Citywide parks & Facilities on a greater yet limited basis.

Prepared by New Economics & Advisory, August 2016.

Figure 4.5 translates the cost per park user into a fee per EDU, with 1 EDU representing 1.80 persons per household in the Central City and 2.75 persons per household in the Remaining City.

Added to the cost per park user is a five (5 percent administrative charge. The purpose of the administrative charge is to cover the cost of preparing the Nexus Study, making periodic updates to the Nexus Study, and administering the PIF (accounting and audits, investments, planning). Timing for payment of the PIF is described in Section 5 of this Nexus Study.

Maximum Justifiable PIF

The Maximum Justifiable PIF comprises a set of Residential rates and Non-Residential Rates for the Central City and Remaining City. In addition, whereas the current PIF charges a Single-Family, Duplex/Halfplex, and Multifamily residential rates, the

4.5 *PIF Component Cost Calculations: Maximum Justifiable Rates*
Proposed New Level of Service Standards Funded by PIF

Item	CENTRAL CITY (3.25 Acres / 1,000 population)					REMAINING CITY (5 Acres / 1,000 population)				
	Cost per Park User	Cost per EDU	Cost per Building Sq. Ft.			Cost per Park User	Cost per EDU	Cost per Building Sq. Ft.		
			Comm.	Office	Ind.			Comm.	Office	Ind.
Persons per Household		1.80					2.75			
Existing PIF Components		<u>1.75 acres per 1,000 pop.</u>					<u>3.50 acres per 1,000 pop.</u>			
EDU Factor (Neighborhood)		1.00	0.07	0.11	0.03		1.00	0.00	0.00	0.00
EDU Factor (Community)		1.00	0.28	0.44	0.13		1.00	0.18	0.29	0.09
Neighborhood Park Dev.	\$718	\$1,292	\$0.09	\$0.14	\$0.04	\$653	\$1,796	\$0.00	\$0.00	\$0.00
Community Park Dev.	\$0	\$0	\$0.00	\$0.00	\$0.00	\$554	\$1,524	\$0.28	\$0.44	\$0.13
Subtotal Existing PIF	\$718	\$1,292	\$0.09	\$0.14	\$0.04	\$1,207	\$3,320	\$0.28	\$0.44	\$0.13
Administration (5%)	\$36	\$65	\$0.00	\$0.01	\$0.00	\$60	\$166	\$0.01	\$0.02	\$0.01
Calculated Fee: Existing PIF Comp.	\$754	\$1,356	\$0.09	\$0.15	\$0.04	\$1,267	\$3,486	\$0.29	\$0.47	\$0.14
Citywide PIF Components		<u>1.50 acres per 1,000 pop.</u>					<u>1.50 acres per 1,000 pop.</u>			
EDU Factor (Citywide)		1.00	0.28	0.44	0.13		1.00	0.18	0.29	0.09
Citywide Parks	\$464	\$835	\$0.23	\$0.37	\$0.11	\$468	\$1,288	\$0.23	\$0.37	\$0.11
Citywide Facilities										
Outdoor Pool Facility	\$147	\$264	\$0.07	\$0.12	\$0.03	\$322	\$884	\$0.16	\$0.26	\$0.08
Community Centers	\$0	\$0	\$0.00	\$0.00	\$0.00	\$246	\$676	\$0.12	\$0.20	\$0.06
Subtotal Citywide PIF Comp.	\$611	\$1,099	\$0.31	\$0.49	\$0.14	\$1,036	\$2,849	\$0.52	\$0.83	\$0.24
Administration (5%)	\$31	\$55	\$0.02	\$0.02	\$0.01	\$52	\$142	\$0.03	\$0.04	\$0.01
Calculated Fee: Citywide PIF Component	\$641	\$1,154	\$0.32	\$0.51	\$0.15	\$1,087	\$2,991	\$0.54	\$0.87	\$0.26
TOTAL N, C, & CW PIF (Calculated Rate) [1]	\$1,395	\$2,511	\$0.41	\$0.66	\$0.20	\$2,355	\$6,477	\$0.83	\$1.34	\$0.39

[1] Totals may not appear to reflect the sum of fee components because of rounding. If the City adopts the maximum justified fee rates, figures that include three decimal points should be considered to ensure accurate amounts and future inflation-related adjustments.

maximum justifiable PIF includes a standard residential rate per building square foot, shown in **Figure 4.6**.

This calculated rate is based on the median home size for the Sacramento MSA, a data point contained in the American Housing Survey available on the United States Census website. The underlying assumption is that the average square feet per person in Sacramento (including the Central City and Remaining City) will be commensurate with the larger Sacramento MSA. It is possible that, over time, units in the Central City and/or Remaining City will have an average number of square feet per person that differs from the Sacramento MSA median figure. However, because there is no data at this time that allows for an analysis of this factor using Census or other easily accessible public data that can be updated on a regular basis, this Nexus Study assumes that new residential development will occur consistent with the regional median space figure. To the extent that future updates to this Nexus Study gain access to new data, this assumption may be revisited.

4.6 Maximum Justifiable PIF Residential Rate Summary 2015\$

Item	Park Facilities Funded by PIF	Base Calculation	% of Fee
Median Sq. Ft. Per Person (2011 AHS for Sacramento MSA)		750 [1]	
EDU Factor		1.00	
CENTRAL CITY RATE			
Existing PIF Cost Per Park User	Neighborhood Parks and Community Parks (1.75 acres per 1,000 pop.)	\$718	
Admin Fee (5%)		\$36	
Total PIF Cost Per Household		\$754	54%
Fee Per Sq. Ft.		\$1.00	
Citywide Parks & Facilities Cost Per User	Citywide Parks and Facilities (1.5 acres per 1,000 pop.)	\$611	
Admin Fee (5%)		\$31	
Proposed Fee Component		\$641	46%
Fee Per Sq. Ft.		\$0.85	
Total Central City Fee (before Admin)	Neighborhood, Community, & Citywide Parks/Facilities (3.25 acres per 1,000 pop.)	\$1,328	
Total Central City Fee (after Admin)		\$1,395	100%
Fee Per Sq. Ft.		\$1.86	
REMAINING CITY RATE			
Existing PIF Cost Per Park User	Neighborhood Parks and Community Parks (3.5 acres per 1,000 pop.)	\$1,207	
Admin Fee (5%)		\$60	
Proposed Fee Component		\$1,267	54%
Fee Per Sq. Ft.		\$1.69	
Citywide Parks & Facilities Cost Per User	Citywide Parks and Facilities (1.5 acres per 1,000 pop.)	\$1,036	
Admin Fee (5%)		\$52	
Proposed Fee Component		\$1,087	46%
Fee Per Sq. Ft.		\$1.45	
Total Remaining City Fee (before Admin)	Neighborhood, Community, & Citywide Parks/Facilities (5 acres per 1,000 pop.)	\$2,243	
Total Remaining City Fee (after Admin)		\$2,355	100%
Fee Per Sq. Ft.		\$3.14	

[1] Median values contained in the 2011 American Housing Survey for the Sacramento- Roseville-Arden Arcade Metropolitan Statistical Area.

Prepared by New Economics & Advisory, August 2016.

Central City PIF: Maximum Justifiable Rates

The total calculated Central City PIF is \$1.86 per residential building square foot (**Figure 4.6**). This rate includes the following components:

- \$1.00 per square foot for Neighborhood and Community Parks. This component reflects a LOS standard of 1.75 acres per 1,000 population for new development, and includes a credit for an existing surplus of Neighborhood and Community parks. This component accounts for roughly 54% of the total maximum justifiable PIF and reflects a substantial reduction in LOS compared to the City's existing PIF.
- \$0.85 per square foot for Citywide Parks and Facilities. This component reflects a LOS standard of 1.50 acres per 1,000 population for new development for Citywide Parks, as well as 1 Outdoor Pool Facility per 30,000 people and 1 Community Center per 50,000 people for Citywide Facilities. This rate also includes a credit for an existing surplus in Community Centers in the Central City. This Citywide component accounts for 46% of the maximum justifiable PIF and is a new component not previously included in the current PIF.
- The total calculated PIF is \$1.86, which is one cent higher than the individual components because of rounding.

The total Central City PIF “per-building-square-foot” rates for non-residential (shown in **Figure 4.5**) are \$0.41 for commercial retail, \$0.66 for office, and \$0.20 for industrial development. These rates include a component for Neighborhood and Community Parks, as well as Citywide Parks and Facilities.

Remaining City PIF: Maximum Justifiable Rates

The total calculated Remaining City PIF is \$3.14 per residential building square foot (**Figure 4.6**).

- \$1.69 per square foot for Neighborhood and Community Parks. This component reflects a LOS standard of 3.50 acres per 1,000 population for new development, and includes a credit for an existing surplus of Neighborhood and Community Parks. This component accounts for roughly 54% of the total maximum justifiable PIF and reflects a substantial reduction in LOS compared to the City's existing PIF.
- \$1.45 per square foot for Citywide Parks and Facilities. This component reflects a LOS standard of 1.50 acres per 1,000 population for new development for Citywide Parks, as well as 1 Outdoor Pool Facility per 30,000 people and 1 Community Center per 50,000 people for Citywide Facilities. This Citywide component accounts for 46% of the maximum justifiable PIF and is a new component not previously included in the PIF.

The total Remaining City PIF “per-building-square-foot” rates for non-residential (shown in **Figure 4.5**) are \$0.54 for commercial retail, \$0.87 for office, and \$0.26 for industrial

development. These rates include a component for Neighborhood and Community Parks, as well as Citywide Parks and Facilities.

5. Implementation & Administration

The PIF Program presented in this report is based on the best facility improvement cost estimates, existing facility cost or value estimates, administrative cost estimates, and land use information available at this time. If costs change significantly, if the type or amount of new development changes, if other assumptions significantly change, or if other funding becomes available (as a result of legislative action on state and local government finance, for example), the PIF Program should be updated accordingly.

After the fees presented in this report are established, the City will conduct periodic reviews of facility improvement costs and other assumptions used as the basis of this Nexus Study as required under the Mitigation Fee Act. Based on these reviews, the City may make necessary adjustments to the PIF Program through subsequent PIF Program updates.

The cost estimates presented in this report are in constant 2015 dollars. The City automatically may adjust the costs and fees for inflation each year as outlined in this chapter.

Implementing Ordinances/Resolutions

The proposed fee would be adopted by the City through the addition of Article V to Chapter 18.56 and through one or more fee resolutions establishing the fee and applicable fee rates. The fee will be effective 60 days after the City's final action on the ordinance establishing and authorizing collection of the fee.

In addition, Chapter 17.512 includes the City's Quimby ordinance. This ordinance establishes the level of service standard for Neighborhood and Community parkland dedication required from new residential development. The maximum justifiable PIF rates provide funding for development of Neighborhood and Community parks at ratios consistent with parkland dedication ratios.

Fee Administration and Accounting

The PIF will be collected from new development at the time when the building permit for the project is issued. Use of these funds for a planned park may need to wait until a sufficient fund balance has accrued. According to the Mitigation Fee Act, the City is required to deposit, invest, account for, and expend the fees in a prescribed manner.

The City will establish the Park Infrastructure Fund to hold the revenues generated by the PIF Program, to be managed in accordance with the Mitigation Fee Act. The City also will deposit in the fund any interest income earned on the fund balance, and these combined deposits will be used to fund the design and construction of the park facilities identified in the PIF Program Nexus Study, reimburse the City for the costs of administering the PIF Program, and reimburse or issue credits to landowners for any funds advanced to the City for the planning, design and construction of park facilities.

Fee Calculation

The PIF Program will apply to new dwelling units and non-residential buildings, additions to the buildings, or changes in use of a building. A change in use of a building refers to a change in the principal functions of the building that would result in a shift in the defining land use category shown in **Table B-1** in **Appendix B** of this study. Additions to residential property that do not create an additional dwelling unit are specifically exempted from the PIF Program.

Fee Amount

This Nexus Study identifies fee rates within the Central City Plan Area and Remaining City for the major land use categories, which are detailed in **Figure 1.2** in **Section 1**. The fee rates have been calculated on a per-building-square-foot basis for residential and nonresidential land use categories. **Table B-1** in **Appendix B** provides a comprehensive list of zoning designations and the corresponding major land use category for each, which can be used to apply the fee rates in **Figure 1.2** to any zoning designation.

The fee rates for a development project are those fees in effect as of the date of acceptance of a complete building permit application.

Fees will be computed based on the primary use or uses of the development project, based on the rates specified for that primary use in this Nexus Study.

For projects with multiple primary uses that are operationally separate (i.e., mixed-use projects such as office and retail), fees will be computed based on applying the applicable fee rate to the total residential units or total commercial building area for each primary use. Warehouses may include no more than 25 percent of the building area as an ancillary office use for the purposes of calculating the fee.

Examples

- *Project with Multiple Primary Uses*—100,000-square-foot mixed-use building comprising 60,000 square feet of office and 40,000 square feet of retail. Office and retail are separate enterprises, not a single tenant user:
 - i. 60,000 square feet of office charged the office rate.
 - ii. 40,000 square feet of retail charged the retail rate.
- *Warehouse with less than 25 percent office uses, all one enterprise*—100,000-square-foot warehouse with 85,000 square feet of warehouse uses and 15,000 square feet of office uses:
 - i. Entire 100,000 square feet charged the warehouse rate.
- *Warehouse with more than 25 percent office uses, all one enterprise*—100,000-square-foot warehouse with 74,000 square feet warehouse and 26,000 square feet office:
 - i. 74,000 square feet of warehouse charged the warehouse rate.
 - ii. 26,000 square feet of office charged the office rate.

Note that the City may use its discretion to determine the applicable fee rates and land use categories that apply to a specific project.

PIF Program Minimums, Maximums, Exemptions, Reimbursements, & Credits

Exemptions from the Fee

The fee rates presented in this Nexus Study may be reduced, exempted, or waived under certain circumstances as set forth in the updated PIF ordinance. Any exemption or reduction in fees will be based on the City's independent analysis and review of the subject property.

Fee Minimums and Maximums

The proposed PIF rates identified in Section 1 of this Nexus Study are also subject to minimum and maximum fee amounts for residential development.

Residential units of less than 750 square feet in size will be charged a minimum fee based on 750 square feet. While the Sacramento MSA median square feet per person is 750 square feet, units smaller than 750 square feet are still expected to house at least one person. Particularly in the Central City, the City expects the development of many compact residential units that may well be less than 750 square feet. The Quimby Act (which guides the provision of parkland for new development) sets a LOS standard based on the number of acres per 1,000 persons; to avoid the erosion of the City's existing LOS standard, the City is imposing the minimum fee for units less than 750 square feet in size.

Residential units of more than 2,000 square feet in size will be charged a maximum fee based on 2,000 square feet. As a residential unit size increases, the number of persons will not proportionately increase once a certain size threshold is reached. For example, a unit of 750 square feet would contain one per person, a unit of 1,500 square feet would contain approximately two persons, a unit of 2,250 square feet would contain approximately three persons, and so forth. While data is not readily available to determine the threshold at which an incremental addition of space reflects a diminished rate of household growth, the City believes that a maximum fee based on 2,000 square feet is appropriate. Future updates to the PIF Program may revisit this assumption.

Offset for Replacement of Existing Buildings

Portions of the City already are developed. To the extent that a new development project replaces existing buildings, the applicant may be eligible for a fee offset. For example, a 4-unit apartment complex that is replaced by an 8-unit apartment complex could receive up to a 50-percent offset in the fee ($4/8 = 50$ percent).

The applicant will receive an offset for any existing building space that is replaced, calculated by offsetting the fee by the amount that would have been charged based on the prior use.

Example

- *A 150,000-square-foot office building is replaced by a 100-unit apartment complex:*
 - Fee Payment Due: [\$1,000] per unit * 100 units = \$100,000
 - Offset for Existing Use: [\$0.50] per office square foot = \$50,000
 - Net Fee Payment = \$50,000

Reimbursement to Developers

As is typical with development impact fee programs, many of the public infrastructure facilities are needed up-front, before adequate revenue from the fee collection is available to fund such improvements. Consequently, some type of private funding may be necessary to pay for the public improvements when they are needed.

In cases where a developer has constructed a park, the Developer will be given credits to offset the PIF fee and if the Developer pays more for the park construction than its PIF obligation, it may be entitled to a reimbursement.

Approved Projects With Parkland Based on the Existing Quimby Ordinance

Some development projects may have been approved prior to the adoption of the proposed PIF. Such projects may have also implemented parkland dedication or paid in-lieu Quimby fees based on the existing Quimby Ordinance that requires 5 acres per 1,000 population. If new development triggers the payment of the PIF following adoption of updated PIF rates, such development will be subject to the new PIF rates. The City and/or developers or builders of these park projects will identify, over time, additional funding sources (such as developer contributions, grants, and/or General Fund monies) to develop the balance of parkland provided at the existing LOS standard.

PIF Fee Adjustment

The adopted PIF amount will be escalated annually. The annual adjustments, effective July 1 of each year, take into account the potential for inflation of public facility design, construction, installation, and acquisition costs.

Periodic Fee Updates

The proposed PIF Program is subject to periodic updates based on changes in developable land, cost estimates, or outside funding sources. The City will review the costs and PIF periodically to determine if any updates to the fee are warranted. During the periodic reviews, the City will analyze these items:

- Changes to the required facilities listed in the PIF Program Nexus Study.
- Changes in the cost to update or administer the fee.
- Changes in costs greater than inflation.
- Changes in assumed land uses.
- Changes in other funding sources.
- Other issues as warranted.

Any changes to the fee based on the periodic update will be presented to the City Council for approval before an increase or decrease in the fee.

Five-Year Review

According to the Mitigation Fee Act, the City is required to deposit, invest, account for, and expend the fees in a prescribed manner. The fifth fiscal year following the first deposit into the fee account or fund, and every 5 years thereafter, the City is required to

make all of the following findings with respect to that portion of the account or fund remaining unexpended:

- Identify the purpose for which the fee is to be put.
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
- Identify all sources and amounts of funding anticipated to complete financing in incomplete plan area improvements.
- Designate the approximate dates the funding referred to in the above step are expected for deposit in the appropriate account or fund.

Appendix A: Memorandum Describing Proposed PIF Rates, October 2016

MEMORANDUM

To: **Raymond Costantino, City of Sacramento**

From: Isabel Domeyko

Date: October 4, 2016

Re: Sacramento City Park Impact Fee—Proposed Rate Summary

This memorandum discusses the Proposed Fees versus the Maximum Justifiable Fee Rates calculated in the PIF Nexus Study Update. Once PIF rates have been adopted, this memorandum will be updated to reflect the Final Adopted Rates versus the Maximum Justifiable Rates.

The City of Sacramento (City) is considering an update to its Park Impact Fee (PIF) rates for new development. The proposed PIF rates include many changes relative to the previous PIF rates, including Level of Service (LOS) adjustments, the creation of sub-area rates, park development costs, and the conversion of costs into a per-square-foot fee. A Nexus Study prepared by New Economics & Advisory documents all of these updated assumptions and calculates a set of maximum justifiable fee rates. However, the proposed rates are lower than the maximum justifiable rates identified in the Nexus Study. This memorandum documents and explains the difference between the proposed PIF rates and the maximum justifiable PIF rates.

Summary of Proposed PIF Rates

Figure 1 summarizes the proposed and maximum justifiable PIF rates for residential and non-residential development.

Explanation of Proposed PIF Rates

The City is proposing a set of lower PIF rates to achieve a series of policy objectives designed to incentivize new development.

Proposed Central City PIF Rates

The City is proposing reduced PIF rates in the Central City. These rates were lowered to incentivize development in the Central City Community Plan Area (Central City CPA). **Figure 2** shows the boundaries of the Central City CPA.

1

Park Impact Fee (PIF) Rates

Proposed Rates Versus Maximum Justifiable Rates

Land Use Category	Central City			Housing Incentive Zones			Remainder of City		
	Neighborhood/ Community		Citywide	Neighborhood/ Community		Citywide	Neighborhood/ Community		Citywide
	Parks	Parks [1]	Total [2]	Parks	Parks [1]	Total [2]	Parks	Parks [1]	Total [2]
Target Level of Service Standard Funded by PIF									
(Acres per 1,000 Population)	1.75	1.50	3.25	3.50	1.50	5.00	3.50	1.50	5.00
MAXIMUM JUSTIFIABLE RATES	-----per bldg. sq. ft.-----			-----per bldg. sq. ft.-----			-----per bldg. sq. ft.-----		
Residential	\$1.00	\$0.85	\$1.86	\$1.69	\$1.45	\$3.14	\$1.69	\$1.45	\$3.14
Nonresidential									
Commercial Retail	\$0.09	\$0.32	\$0.41	\$0.29	\$0.54	\$0.83	\$0.29	\$0.54	\$0.83
Office	\$0.15	\$0.51	\$0.66	\$0.47	\$0.87	\$1.34	\$0.47	\$0.87	\$1.34
Industrial	\$0.04	\$0.15	\$0.20	\$0.14	\$0.26	\$0.39	\$0.14	\$0.26	\$0.39
PROPOSED RATES	-----per bldg. sq. ft.-----			-----per bldg. sq. ft.-----			-----per bldg. sq. ft.-----		
Residential	\$1.00	\$0.60	\$1.60 [1]	\$1.00	\$0.60	\$1.60 [1]	\$1.69	\$0.86	\$2.55 [1]
Nonresidential									
Commercial Retail	\$0.09	\$0.07	\$0.16	\$0.09	\$0.07	\$0.16	\$0.29	\$0.13	\$0.42
Office	\$0.15	\$0.08	\$0.23	\$0.15	\$0.08	\$0.23	\$0.47	\$0.10	\$0.57
Industrial	\$0.04	\$0.12	\$0.16	\$0.04	\$0.12	\$0.16	\$0.14	\$0.04	\$0.18

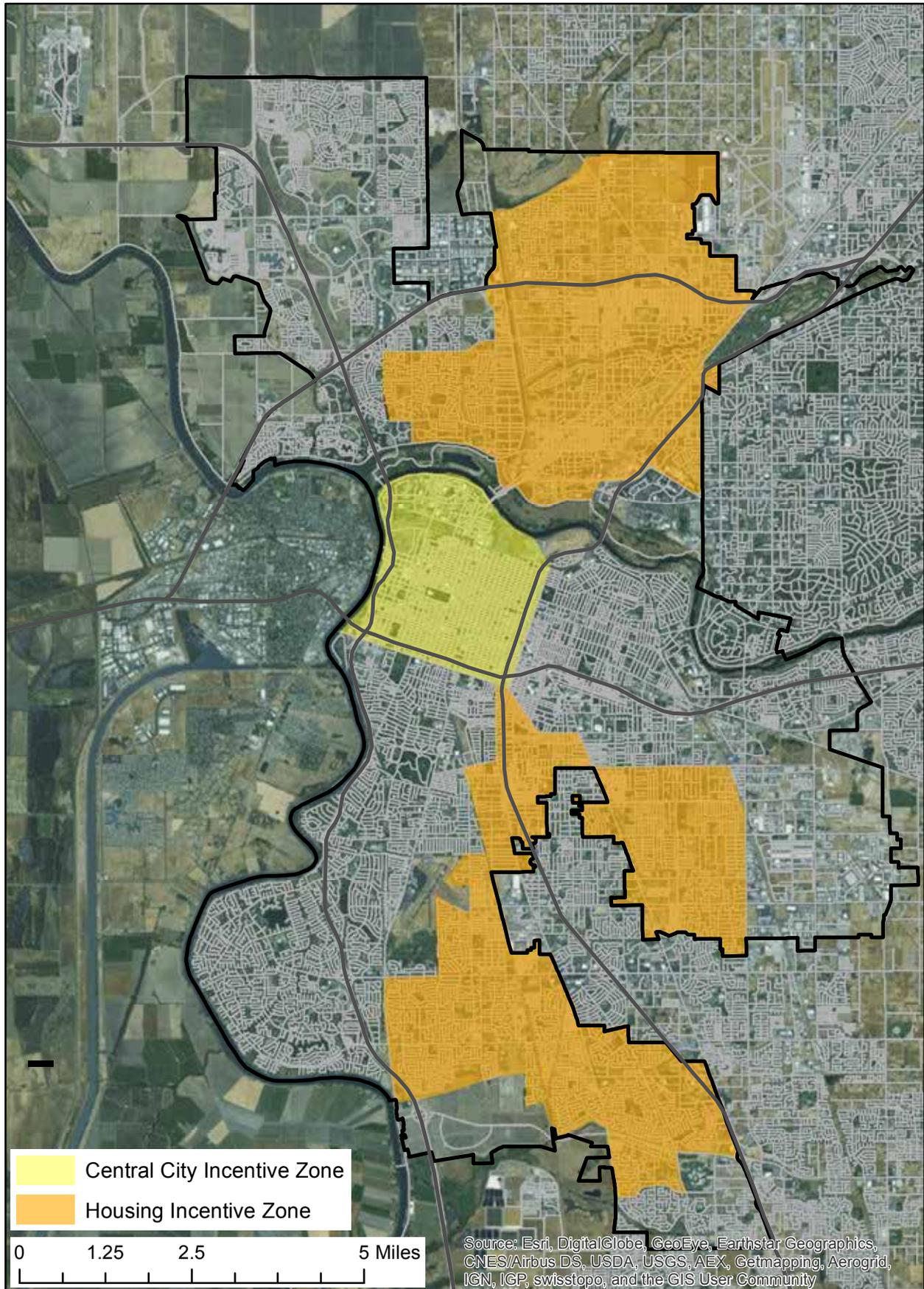
[1] Residential units of less than 750 square feet in size are subject to a minimum fee based on 750 square feet per unit. Residential units of more than 2,000 square feet are subject to a maximum fee based on 2,000 square feet per unit.

[2] Totals may not appear to be the sum of Neighborhood/Community Parks and Citywide Parks because of rounding.

Sources: City of Sacramento; New Economics & Advisory. Based on Proposed Changes as of October, 2016.

Prepared by New Economics & Advisory, October 2016.

Figure 2: PIF Rate Incentive Zones



Downwards adjustments were made within the new Citywide parks component of the fee rate component. **Figure 3**, below, quantifies the reduction for each land use category.

3 *Adjustments to Central City Rates
Proposed Rates Versus Maximum Justifiable Rates*

Land Use Category	Maximum Justifiable Rates			Proposed Rates			Net Difference				
	N/C	Citywide		N/C	Citywide		N/C	Citywide		Total [1]	
	Parks	Parks	Total [1]	Parks	Parks	Total	Parks	Parks	Amount	%	
	-----per bldg. sq. ft.-----			-----per bldg. sq. ft.-----			-----per bldg. sq. ft.-----				
Residential	\$1.00	\$0.85	\$1.86	\$1.00	\$0.60	\$1.60	\$0.00	-\$0.26	-\$0.26	-14%	
Nonresidential											
Commercial Retail	\$0.09	\$0.32	\$0.41	\$0.09	\$0.07	\$0.16	\$0.00	-\$0.25	-\$0.25	-61%	
Office	\$0.15	\$0.51	\$0.66	\$0.15	\$0.08	\$0.23	\$0.00	-\$0.43	-\$0.43	-65%	
Industrial	\$0.04	\$0.15	\$0.20	\$0.04	\$0.12	\$0.16	-\$0.00	-\$0.03	-\$0.04	-18%	

[1] Some figures appear to show a result that are one cent higher or lower due to rounding.

Sources: City of Sacramento; New Economics & Advisory. Based on Proposed Changes as of October, 2016.

Prepared by New Economics & Advisory, October 2016.

The percentage reductions differ among land uses because the City strove to achieve reductions that would result in total PIF rates that are similar to existing PIF rates—these reductions impacted the total PIF rates differently.

Proposed Housing Incentive Zone Rates

The City adopted the Housing Incentive Zone map on September 1, 2015 as part of the Mixed Income Housing Ordinance, which promotes affordable housing citywide (Resolution No. 2015-0295). This map was adopted to reduce the Mixed-Income Housing Ordinance fee obligation on residential projects within certain economically-challenged parts of the City where average home sales price for a family of four is less than or equal to \$190,000. **Figure 2** shows the location of Housing Incentive Zones. In the PIF Nexus Study Update These areas are included within the Remaining City.

Proposed PIF rates in Housing Incentive Zones are lower than the maximum justified rates identified in the Nexus Study for the Remaining City area. **Figure 4**, below, quantifies the reduction for each land use category.

4 *Adjustments to Housing Incentive Zone Rates
Proposed Rates Versus Maximum Justifiable Rates*

Land Use Category	Maximum Justifiable Rates			Proposed Rates			Net Difference				
	N/C	Citywide		N/C	Citywide		N/C	Citywide		Total [1]	
	Parks	Parks	Total [1]	Parks	Parks	Total	Parks	Parks	Amount	%	
	-----per bldg. sq. ft.-----			-----per bldg. sq. ft.-----			-----per bldg. sq. ft.-----				
Residential	\$1.69	\$1.45	\$3.14	\$1.00	\$0.60	\$1.60	-\$0.69	-\$0.85	-\$1.54	-49%	
Nonresidential											
Commercial Retail	\$0.29	\$0.54	\$0.83	\$0.09	\$0.07	\$0.16	-\$0.20	-\$0.47	-\$0.67	-81%	
Office	\$0.47	\$0.87	\$1.34	\$0.15	\$0.08	\$0.23	-\$0.32	-\$0.79	-\$1.11	-83%	
Industrial	\$0.14	\$0.26	\$0.39	\$0.04	\$0.12	\$0.16	-\$0.10	-\$0.14	-\$0.23	-59%	

[1] Some figures appear to show a result that are one cent higher or lower due to rounding.

Sources: City of Sacramento; New Economics & Advisory. Based on Proposed Changes as of October, 2016.

Prepared by New Economics & Advisory, October 2016.

These reductions are designed to help improve financial feasibility for new development in areas facing difficult market conditions that place a relatively low limit on new home prices. Downwards adjustments were made within both the Neighborhood/Community Parks component and the new Citywide Parks component of the PIF rate.

Proposed Remaining City Rates

Fee rates in Remaining City areas would be reduced. These adjustments are intended to keep total PIF rates more in line with existing PIF rates.

The following downwards adjustments were made within the new Citywide parks component of the fee rate component:

5 *Adjustments to Remaining City Rates*
Proposed Rates Versus Maximum Justifiable Rates

Land Use Category	Maximum Justifiable Rates			Proposed Rates			Net Difference				
	N/C	Citywide		N/C	Citywide		N/C	Citywide		Total [1]	
	Parks	Parks	Total [1]	Parks	Parks	Total	Parks	Parks	Amount	%	
	-----per bldg. sq. ft.-----			-----per bldg. sq. ft.-----			-----per bldg. sq. ft.-----				
Residential	\$1.69	\$1.45	\$3.14	\$1.69	\$0.86	\$2.55	\$0.00	-\$0.59	-\$0.59	-19%	
Nonresidential											
Commercial Retail	\$0.29	\$0.54	\$0.83	\$0.29	\$0.13	\$0.42	\$0.00	-\$0.41	-\$0.41	-49%	
Office	\$0.47	\$0.87	\$1.34	\$0.47	\$0.10	\$0.57	\$0.00	-\$0.77	-\$0.77	-57%	
Industrial	\$0.14	\$0.26	\$0.39	\$0.14	\$0.04	\$0.18	\$0.00	-\$0.22	-\$0.21	-54%	

[1] Some figures appear to show a result that are one cent higher or lower due to rounding.

Sources: City of Sacramento; New Economics & Advisory. Based on Proposed Changes as of October, 2016.

Prepared by New Economics & Advisory, October 2016.

The total PIF percentage reductions differ among land uses because the City is striving to achieve reductions that would result in total PIF rates that are similar to existing PIF rates—these reductions impact the total PIF rates differently.

Impact on Revenues to the PIF Program

The proposed PIF rates will produce a lower level of revenue than the levels calculated in the Nexus Study update. The projected gap in funding for residential and non-residential development over the course of the entire PIF program (through 2035) is shown in **Figure 6**.

In the Central City, the gap in residential funding is estimated to be \$27 million, while the gap in non-residential funding could range from as little as \$700,000 to as much as \$2.7 million, depending on the levels of commercial, office, and/or industrial development.

In the Remaining City, the gap in residential funding is initially estimated to be \$189.5 million and the gap in non-residential funding could range from \$6.6 to \$16.2 million. However, a portion of the revenues are over-stated; development in Housing Incentive Zones will pay the same proposed PIF rates as the Central City, which are lower than the

6 *Estimated Revenues Generated by Proposed PIF Rates
Central City, Housing Incentive Zones, Remaining City*

Item	CENTRAL CITY				HOUSING INCENTIVE ZONES [1]				REMAINING CITY			
	Residential	Commercial [2]	Office [2]	Industrial [2]	Residential	Commercial [2]	Office [2]	Industrial [2]	Residential	Commercial [2]	Office [2]	Industrial [2]
Growth Assumptions (2012-2035)												
Residential Units/Workers	24,223	24,520	24,520	24,520	N/A	N/A	N/A	N/A	44,134	61,963	61,963	61,963
Revenue Estimates (Proposed PIF Rates)												
Sq. Ft. Per Employee		400	250	850	400	250	850		400	250	850	
Total New Sq. Ft.		9,808,000	6,130,000	20,842,000					24,785,200	24,785,200	24,785,200	
New Sq. Ft. (in thousands)												
Fee Per Sq. Ft.	\$1.86	\$0.16	\$0.23	\$0.16	\$2.55	\$0.16	\$0.23	\$0.16	\$2.55	\$0.42	\$0.57	\$0.18
Sq. Ft. Per Person	750								750			
Total Fee Revenues	\$33,786,144	\$1,569,280	\$1,409,900	\$3,334,720	N/A	N/A	N/A	N/A	\$84,406,275	\$10,409,784	\$14,127,564	\$4,461,336
Cost Estimates (Nexus Study)												
Neighborhood Cost Per User [3]	\$754	\$754	\$754	\$754	\$685	\$0	\$0	\$0	\$685	\$0	\$0	\$0
Park Users (Neighborhood Parks)	43,601	1,226	1,226	1,226	N/A	N/A	N/A	N/A	121,399	0	0	0
Neighborhood Park Costs	\$32,870,794	\$924,281	\$924,281	\$924,281	N/A	N/A	N/A	N/A	\$83,211,731	\$0	\$0	\$0
Community, Citywide Cost Per User [3]	\$641	\$641	\$641	\$641	\$1,669	\$1,669	\$1,669	\$1,669	\$1,669	\$1,669	\$1,669	\$1,669
Park Users (Community & Citywide Parks)	43,601	4,904	4,904	4,904	N/A	N/A	N/A	N/A	121,399	12,393	12,393	12,393
Community and Citywide Park Costs	\$27,952,601	\$3,143,464	\$3,143,464	\$3,143,464	N/A	N/A	N/A	N/A	\$202,646,495	\$20,683,917	\$20,683,917	\$20,683,917
Total Neighborhood, Community, and Citywide Park Costs	\$60,823,395	\$4,067,745	\$4,067,745	\$4,067,745	N/A	N/A	N/A	N/A	\$285,858,225	\$20,683,917	\$20,683,917	\$20,683,917
Balance (Rev-Cost)	-\$27,037,251	-\$2,498,465	-\$2,657,845	-\$733,025	N/A	N/A	N/A	N/A	-\$201,451,950	-\$10,274,133	-\$6,556,353	-\$16,222,581
Balance (Rounded)	-\$27,000,000	-\$2,500,000	-\$2,700,000	-\$700,000	N/A	N/A	N/A	N/A	-\$201,500,000	-\$10,300,000	-\$6,600,000	-\$16,200,000

[1] At the time the updated Nexus Study was prepared, the amount of development projected in Housing Incentive Zones was unknown. The calculations underlying the maximum justified fee rates treat Housing Incentive Zones as part of the Remaining City.

[2] The Nexus Study calculates a cost per building square foot for residential, retail, and office development based on a uniform cost per park user. This analysis shows the range of potential revenue gap should new non-residential were to occur entirely in the form of commercial, office, or industrial. Therefore, the non-residential gaps express a range and should not be totaled.

[3] This analysis estimates the costs associated with Neighborhood Parks separately from Community and Citywide Parks because the service population for commercial, office, and industrial are different for these respective park components. In the Central City, workers are counted as 5 percent of a resident for Neighborhood Parks, while for Community and Citywide Parks, workers are counted as 20 percent of a resident. In the Remaining City, workers are excluded from the Neighborhood Parks cost allocation (assuming they do not use Neighborhood Parks at all), while for Community and Citywide Parks, workers are counted as 20 percent of a resident.

Prepared by New Economics & Advisory, October 2016.

proposed Remaining City rates. The amount of development projected in Housing Incentive Zones is not known at this time, so Remaining City revenues could not be further adjusted, nor could a revenue-cost comparison analysis be prepared for Housing Incentive Zones.

Gap Funding Sources

To fund the balance of park improvements identified herein, the City would rely on other sources of funding. These funding sources could include grants, developer contributions, General Fund monies, or other sources utilized over time.

Appendix B: Supporting Calculations

B-1 *PIF Land Use Category Definitions*
Zoning by Land Use Categories

Zoning Designation [1]	Fee Program Land Use Category					
	Residential	Commercial	Office	Industrial	Exempt	Other
Childcare, In-Home (family day care home)	X					
Dormitory	X					
Dormitory (inside central city)	X					
Dormitory (outside central city)	X					
Dwelling, Duplex	X					
Dwelling, Multi-Unit	X					
Dwelling, Single-Unit	X					
Farm Worker Housing	X					
Fraternity House; Sorority House	X					
Mobile Home Park	X					
Residential Hotel	X					
Temporary Residential Shelter	X					
Dwelling Unit, Secondary	X					
Adult Entertainment Business		X				
Adult-Related Establishment		X				
Alcoholic Beverage Sales, Off-Premises Consumption		X				
Amusement Center, Indoor		X				
Amusement Center, Outdoor		X				
Assembly - Cultural, Religious, Social		X				
Athletic Club; Fitness Studio		X				
Auto - Sales, Storage, Rental		X				
Auto, Service, Repair		X				
Bar; Night Club		X				
Check-Cashing Center		X				
Cinema		X				
Cinema (inside arts and entertainment district)		X				
Cinema (outside arts and entertainment district)		X				
Commercial Service		X				
Community Market		X				
Correctional Facility		X				
Drive-in Theatre		X				
Drive-Through Restaurant		X				
Equipment Rental, Sales Yard		X				
Gas Station		X				
Golf Course; Driving Range		X				
Gun Range; Rifle Range		X				
Junk Yard		X				
Kennel		X				
Laundromat, Self-Service		X				
Library; Archive		X				
Medical Marijuana Dispensary		X				
Mobile Home Sales, Storage		X				
Museum		X				
Outdoor Market		X				
Plant Nursery		X				
Produce Stand (not exceeding 120 sq. ft.)		X				
Produce Stand (exceeding 120 sq. ft.)		X				
Residential Care Facility		X				
Restaurant		X				
Retail Store		X				
School - Dance, Music, Art, Martial Arts		X				
School, Vocational		X				
Sports Complex		X				
Superstore		X				
Tasting Room, On-Site		X				
Theatre		X				
Tobacco Retailer		X				
Tractor or Heavy Truck Sales, Storage, Rental		X				
Tractor or Heavy Truck Service, Repair		X				
Wholesale Store		X				
Produce Stand		X				
Bed and Breakfast Inn			X			
Childcare Center			X			
College Campus			X			
College Extension			X			
Family Care Facility			X			
Family Day Care Facility			X			

B-1 *PIF Land Use Category Definitions*
Zoning by Land Use Categories

Zoning Designation [1]	Fee Program Land Use Category					
	Residential	Commercial	Office	Industrial	Exempt	Other
Hotel; Motel			X			
Laboratory, Research			X			
Major Medical Facility			X			
Non-Residential Care Facility			X			
Office			X			
School, K-12			X			
Veterinary Clinic; Veterinary Hospital			X			
Animal Slaughter				X		
Antenna; Telecommunications Facility				X		
Auto Dismantler				X		
Boat Dock, Marina				X		
Cleaning Plant, Commercial				X		
Contractor Storage Yard				X		
Fuel Storage Yard				X		
Hazardous Waste Facility				X		
Heliport; Helistop				X		
High Voltage Transmission facility				X		
Livestock Yard				X		
Lumber Yard, Retail				X		
Manufacturing, Service, and Repair				X		
Mini Storage; Locker Building				X		
Passenger Terminal				X		
Public Utility Yard				X		
Railroad Yard, Shop				X		
Recycling Facility				X		
Riding Stables				X		
Solar Energy System, Commercial (city property)				X		
Solar Energy System, Commercial (non-city property)				X		
Solid Waste Landfill				X		
Solid Waste Transfer Station				X		
Surface Mining Operation				X		
Terminal Yard, Trucking				X		
Towing Service; Vehicle Storage Yard				X		
Transit Vehicle - Service, Repair, Storage				X		
Warehouse, Distribution Center				X		
Well - Gas, Oil				X		
Agriculture, General Use	X [2]	X [2]	X [2]	X [2]		
Airport					X	
Common Area					X	
Community Garden (not exceeding 21,780 gross sq. ft.)					X	
Community Garden (exceeding 21,780 gross sq. ft.)					X	
Cemetery					X	
Parking Lot; Garage					X	
Railroad ROW					X	
Accessory Antenna					X	
Accessory Drive-Through Facility					X	
Home Occupation					X	
Model Home Temporary Sales Office					X	
Personal Auto Storage					X	
Recycling, Convenience					X	
Temporary Commercial Building					X	
Watchperson's Quarters					X	
Mortuary; Crematory						X
Non-Profit Org., Food Preparation, Off-Site Consumption						X
Non-Profit Org., Food Storage and Distribution						X
Non-Profit Org., Meal Service Facility						X
Stand-Alone Parking Facility						X

Prepared by New Economics & Advisory, May 2015.

Source: City staff, February 2015.

[1] Areas that are outdoor open space would pay no fee for building square footage. Club houses would pay the commercial fee.

[2] Park fee would be imposed on any building structure, according to the nature of the structure.

B-2

Parks Service Levels
2010, 2012

Item	Central City	Remaining City	Total City
Neighborhood and Community Park Acres (2012)			
Neighborhood Parks	49.6	675.2	724.8
Community Parks	70.9	810.8	881.7
Subtotal N & C Parks	120.5	1,486.0	1,606.5
Citywide Park Acres (2012)			
Regional Parks	157.6	763.5	921.1
Linear Parks/Parkways			
Other Parkways	0.0	233.4	233.4
Sacramento River Parkways	15.2	33.9	49.1
Open Space	3.4	666.9	670.3
Subtotal Citywide Parks	176.2	1,697.7	1,873.9
Total Park Acres	296.7	3,183.7	3,480.4
Service Levels (2012)			
Population 2012	36,504	438,896	475,400
Neighborhood & Community Parks LOS [1]	3.3	3.4	3.4
Citywide Parks LOS [1]	4.8	3.9	3.9
Total Parks LOS [2]	8.1	7.3	7.3
Service Levels (2010)			
Population 2010 [2]	37,636	437,513	475,149
Neighborhood & Community Parks LOS [1]	3.2	3.4	3.4
Citywide Parks LOS [1]	4.7	3.9	3.9
Total Parks LOS [1]	7.9	7.3	7.3

Prepared by New Economics & Advisory, May 2015.

Source: City Staff, March 2015.

[1] Expressed as acres per 1,000 persons.

[2] Provided by City staff relying on 2010 Census.

B-3 *Neighborhood and Community Park Cost Case Studies*
Recently Constructed Parks (2015\$)

Item	North Natomas Plan Area			Central City Plan Area		
	Wild Rose Park	Dogwood Park	Valley Oak Park	19th/Q Street	7th St Promenade	Cannery Plaza
Park Type	Community	Neighborhood	Neighborhood	Neighborhood	Community	Neighborhood
Park Size (acres)	9.56	3.02	8.69	0.90	1.00	0.23
Park Master Plan	\$42,707	\$45,000 [1]	\$49,388	\$50,112 [2]	\$45,000 [3]	\$45,000 [3]
Construction	\$2,768,967	\$1,163,895	\$2,582,932	\$1,603,885	\$1,808,555	\$416,470
Design, Engineering, Inspection, Construction Administration	\$386,738	\$189,093	\$369,812	\$505,936	\$570,498 [4]	\$56,060
Art in Public Places, or APP (2%)	\$54,488	\$27,612	\$61,268	\$42,196	\$0	\$3,158
Fund Administration (2.5%)	\$82,011	\$34,692	\$76,978	\$105,491	\$20,777	\$3,948 [5]
Total	\$3,334,911	\$1,460,292	\$3,140,378	\$2,307,620	\$2,444,830	\$524,636
Average Cost per Acre	\$348,840	\$483,540	\$361,378	\$2,564,022	\$2,444,830	\$2,281,026

Prepared by New Economics & Advisory, May 2015.

Source: City Staff, January 2015.

[1] Dogwood Park Master Plan costs are estimated.

[2] Costs were estimated in 2013. Master Plan costs are actual. Park is not developed.

[3] Built as "turnkey" parks by developers. Master Plan costs are estimates.

[4] Costs are estimated based on a percentage of (known) construction costs.

[5] Costs are based on PIF eligible cost of \$831,091 per acre.

B-4 *Regional Park Development Costs*
Recently Constructed Parks (2015\$)

Category	Cost	Acres	Cost per Acre
North Natomas Regional Park Development Costs			
Park Complex	\$5,372,472	12.5	\$429,798
Concession & Restrooms	\$477,260	N/A	
Farmers Market & Parking	\$1,407,380	2.2	\$639,718
Baseball Fields & Stage	\$2,200,000	10.5	\$209,524
Parking Lighting	\$390,040	N/A	
Total	\$9,847,152	25.2	\$390,760
Cost per Acre (Rounded) [1]			\$391,000

Prepared by New Economics & Advisory, May 2015.

Source: City staff, May 2015.

[1] Rounded to the nearest 1,000.

B-5 *Cost Estimates for Regional Park Facilities*
2015\$

Description	Estimated Cost [1]	Area	Cost per Building Sq. Ft.
Outdoor Pool Facilities			
Folsom Aquatic Center	\$8,940,000		
Elk Grove Aquatic Complex	\$10,507,000		
Pannell Pool	\$7,327,000		
North Natomas (proposed) [2]	\$15,745,000		
Avg. Cost Estimated Assumption	\$10,630,000		
Community Center			
		<u>Sq. Ft.</u>	
Olivehurst (estimated/planned)	\$13,509,000	30,000	\$450
Woodland Community Center [3]	\$21,857,000	54,800	\$399
Elk Grove (Wackford Center)	\$13,770,000	31,500	\$437
Roseville Sports Center	\$11,143,000	27,000	\$413
Elk Grove (Wackford Center Gym.)	\$7,197,000	11,500	\$626
Sacramento George Sim Community Ctr	\$19,671,000	35,900	\$548
Citrus Heights Community Center	\$12,086,000	29,000	\$417
North Natomas (proposed) [2]	\$15,745,000	27,503	\$572
Avg. Cost Estimate Assumption [4]	\$13,550,000	30,000	\$452

Prepared by New Economics & Advisory, May 2015.

Source: Information in 2011 Draft PIF update and additional research.

[1] Inflated to 2015\$ based on Engineering News-Record Construction Cost Index History for March of each year.

[2] Proposed estimate from North Natomas Community and Aquatics Center Feasibility Study, November 10, 2014.

[3] Based on 2004 estimated cost. Not updated by City of Woodland.

[4] Assumes 30,000 sq. ft. center with a weighted avg. cost per building sq. ft. of \$410.

B-6

PPH and Sq. Ft. -- Non-Residential

Land Use	Residential/ Employment Density
	<u>Persons per Unit [1]</u>
Residential	2.59
	<u>Empl. per 1,000 sq. ft. [2]</u>
Commercial	2.50
Office	4.00
Industrial	1.18

Prepared by New Economics & Advisory, February 2016
Source: City of Sacramento Staff, 2030 General Plan