



**CITY OF SALINAS
FINANCE COMMITTEE**

DATE: NOVEMBER 4, 2019
DEPARTMENT: FINANCE DEPARTMENT
FROM: MATT N. PRESSEY, CPA, FINANCE DIRECTOR
TITLE: SALINAS PARK IMPACT FEE

RECOMMENDED MOTION:

A motion to recommend that the City Council approve the Park Impact Fees.

DISCUSSION:

As part of the future growth area (FGA) development, the City, with support of the developers, prepared and sent out an RFP for a parks impact fee nexus study. The City received 5 proposals and Willdan was selected to do the work. There scope of work included developing three different impact fees groups unique to three areas:

1. West Area Specific Plan (WASP)
2. Central Area Specific Plan (CASP)
3. Citywide

The attached tables have been prepared showing the core assumptions, costs, and basis for each fee. The WASP and CASP fees will only be charged to the various developers in those areas. Each developer is required to provide for a certain amount of small parks, neighborhood parks and community parks. The land for the parks and the cost of improvements may be concentrated with one developer more than another, so the fee is the way to equalizing the impact to the developers. The fees pay for the the cost of the land and the cost of building the park. All the developers in the WASP and the CASP will pay the fees. If one developer builds more than their fair share, then they will be given credits until all the parks are built and then a reimbursement from the fees collected. At then end of the WASP or CASP development, there should be nothing left in the fee pot. All the parks will have been built and no one developer over or under paid their fair share of these parks.

The Citywide fee is an update of the current fee and would be collected from any other development outside of the WASP or CASP. The funds would be used to pay for those developer's fair share of the new parks needed to serve those new residents. It would go to expanding the current parks or building new parks.

Staff has been working very close with the developers on the assumptions used in the Study and have finalized them to the point the fee is agreeable to the parties. The fees will be locked in as

part of the developer agreement except for an inflation factor will be applied annually. Staff plans to bring the fees to the City Council for approval in December 2019.

The summary of the fees are as follows:

<u>Park Facilities Impact Fee Summary Table</u>				
	Citywide			
Land Use	Mitigatin Fee Act	Quimby Act	WASP	CASP
Single Family	\$ 6,571	\$ 7,646	\$ 10,280	\$ 11,946
Multifamily	\$ 5,595	\$ 6,509	\$ 8,751	\$ 10,169

FISCAL AND SUSTAINABILITY IMPACT:

Theoretically, the net fiscal impact of these park fees is zero. The fees collected go to cover the cost of building new parks on new park land and nothing would be left over.

ATTACHMENTS:

1. Willdan's Park Impact Fee Nexus Study Tables