

Draft

DEVELOPMENT FEE PROPOSAL

To Implement

**Parks and Recreational Needs Assessment for the Mid-Coast Communities in
Unincorporated San Mateo County**

October 9, 2002

Prepared by:

**Environmental Services Agency
San Mateo County Parks
Long Range Planning**

EXECUTIVE SUMMARY

Proposal

To evaluate the needs and consider recommendations to create a local resident-serving park and recreation system in the Mid-Coast area of San Mateo County.

Recommendations

That the Board of Supervisors adopt a Development Fee of \$1.38 per square foot for new residential development in the Mid-Coast unincorporated area of the County to fund park and recreation facilities as identified in the Draft Mid-Coast Recreational Needs Assessment prepared by Peter Callander and Associates.

That the Board of Supervisors also create a Board Committee and Task Force to study the issues of who would administer the new system and how it would be financed.

Summary

The Board of Supervisors and the County Manager have asked staff to prepare an analysis of the feasibility of establishing Development Fees for park and recreation services in the Mid-Coast area of the County (the communities of Montara, Moss Beach, Miramar, Princeton and El Granada). This report was prepared by the Parks Division with assistance from the Long Range Planning Section of the Planning and Building Division of the Environmental Services Agency and County Counsel's Office. The report is based on a Needs Assessment for the area that relied on a 478-person telephone survey conducted by Strategic Research Institute and an assessment prepared by Peter Callander and Associates.

The legislation authorizing the imposition of Development Fees requires that certain steps be taken before the fees can be imposed. It also requires that the fee be in proportional cost of the facilities needed by the new population. It cannot be used to fund facilities necessary to serve the current population.

The priorities that came out of the planning process include a range of facilities and programs to serve the local community, including mini parks, neighborhood parks, and a large community park with community center and gymnasium. The recommendations are broken into two sections, one that addresses the needs of the current residents and a second that describes the types and estimated costs of facilities to serve new residents expected to locate in the Mid-Coast area over the next 10 to 20 years. The population estimates are extracted from an update of the County's Local Coastal Program currently being prepared by the County's Long Range Planning Section. Recommendations for new residents at build out set a goal of acquisition and development of 50 acres of parkland with an estimated cost of \$16,634,408.

Park Development Fees

The Mid-Coast area of San Mateo County is the grouping of the residential communities of Montara, Moss Beach, El Granada, Princeton and Miramar. The County is considering the adoption of development fees as part of a funding strategy for development of park and recreation facilities in the Mid-Coast area of the County.

The Mitigation Fee Act governs fees adopted and imposed as a condition of development at the permit stage. The Act requires that any local agency which establishes, increases or imposes a fee as a condition of approval of a development project must do the following:

1. Identify the purpose of the fee and the use to which the fee is to be put;
2. Determine how there is a reasonable relationship between the use of the fee and the need for the public facility and the type of development project on which the fee is imposed; and
3. Determine how there is a reasonable relationship or “nexus” between the amount of the fee and the cost of the facility or improvement attributable to the particular development.

Differing methodologies can be used to provide this analysis. The two following methodologies are most commonly used:

1. Fees based on the existing Level of Service. This methodology employs the following steps
 - Inventory existing facilities
 - Estimate current replacement value of existing facility inventory
 - Determine the appropriate service population for each category of development (resident, employee or visitor based on existing pattern of use)
 - Calculate the dollar value of existing facilities per service category
 - Apply the resulting factor to new increments of service population
2. Fees based on the estimated cost of the planned or proposed facilities included in a capital plan or other planning document. This methodology employs the following steps:
 - Identification of types of facilities and their approximate location
 - Description of the approximate size of the park or facility
 - Identification of approximate timetable for action
 - Estimates of cost for all improvements or facilities to be financed

Given the lack of neighborhood or community serving parks in the Mid-Coast Area, San Mateo County should adopt the second methodology. The Mid-Coast Recreational Needs Assessment that is currently underway will be the basis of that analysis. It is currently slated to be completed in September 2002. Based on that Assessment, the following steps need to be taken:

- Project future population to be served, by each category of facility for the relevant service area. Generally this will be for a 10 to 20 year period.

- Identify existing and appropriate future service levels for each needed public facility
- Determine the additional facilities needed in each category to serve the projected future population at an appropriate level
- Apportion those costs between the existing population and new residents and businesses in a manner proportional to their contribution to the need for the facility

Background

Several years ago San Mateo County undertook an analysis of the unincorporated county to determine which of any of the urbanized areas might be annexed to adjacent jurisdictions, or were of such a development mix to warrant incorporation on their own. Of those areas that were deemed to remain as part of the unincorporated area of the county, a second scan looked at what services, if any, cities would normally deliver to residents that might be of importance to the residents in those unincorporated areas. In several areas of the County, park and recreation services were identified. Subsequent to that analysis, the County has contracted with the City of Redwood City to provide recreation services to the North Fair Oaks Community. In other areas, the County has paid to improve ball diamonds, using community development funds, to support the use of city facilities by County residents. One of the areas that lacked existing facilities was the Mid-Coast area of the County.

In 1998 funding was provided for a needs analysis for the Mid-Coast area of the County (south of Pacifica to the northern boundary of Half Moon Bay, and from the Pacific Ocean east to the urban boundary limit as described in the Local Coastal Plan). Some 10,000 residents currently live within that area. A scientifically based telephone poll was conducted by Strategic Research Institute to elicit a broad based scan of what type of parks, facilities and programs are desired in that area. Callander and Associates was hired to conduct a planning process to identify recreational and park needs for current and future residents. The planning process gathered information from key stakeholders and included a total of 6 public meetings to develop a 20-year plan for implementation.

Funding Options

One of the areas of key concern as the plan has been developed is how the implementation will be funded. Traditionally, these services are funded by taxes imposed by cities and not traditionally provided by counties. Funding will be needed to acquire land and develop facilities. Funding will also be needed to operate and maintain them and to conduct recreational programming.

In the area of acquisition and development, several funding mechanisms are allowed under California State Law. Bond funds, such as those from the recently passed Propositions 12 and 40, are one source. The Mid Coast Recreational Needs Assessment identifies 19 potential sources of funding for the implementation of this proposal.

County Counsel has also provided an analysis of sources of acquisition and development funding. They include:

- Taxes
- Quimby Act
- Development Mitigation Fees

Other funding sources can be used for a variety of purposes, including acquisitions, development, operations and maintenance and in some cases can be used for programming costs. These include:

- Taxes
- Lighting and Landscape Assessment District
- Special Assessment District
- Grant Funding/Donations
- Mello-Roos

In addition to the funding mechanisms, a determination will need to be made about governance of the system. Some options include:

- Contracting with City of Half Moon Bay to provide management and oversight of the plan implementation
- Creation of a Special District that would assume responsibility for implementation
- Expansion of duties of an existing Special District to a Community Services District that would assume responsibility for the implementation of the plan
- Expansion of the responsibility of County Parks to manage and operate the system

Existing Sources of Funding and Management

Two special recreation districts exist in the County; one in the Highlands area and the other in Ladera. In both cases, the residents of those areas have voted to tax themselves to pay for the cost of recreation services. That legislation also allows the two districts to govern themselves.

In 1994 the County acquired 40 acres of land known as Quarry Park, in El Granada. By agreement, the County has contracted with Mid-Coast Parklands (a private non-profit organization) to acquire and improve that area for public recreational use. A playground has been constructed. A long-range plan for the area is being developed by that organization's Board of Directors. They are funded entirely by private donations. There are a number of other land management agencies both public and private that provide recreation opportunities in the Mid-Coast. However, none is charged with the development of or maintenance and operation of a system of local park and recreation facilities for the area discussion.

Findings from the Mid-Coast Recreational Needs Assessment

San Mateo County Parks has completed the development of a Park and Recreational Needs Assessment for the Mid-Coast region of the County. This process included a telephone poll of 402 County residents (conducted by Strategy Research Institute) that also had a "stratified" component to focus on the collective needs of residents in five unincorporated communities: El Granada, Miramar, Montara, Moss Beach and Princeton. In addition, the planning and landscape architecture firm of Callander and Associates was engaged to conduct a community participation

process that has included two community meetings, a number of stakeholder interviews and analysis of the census data for the Mid-Coast area. Callander also analyzed the National Recreation and Park Association standards for Levels of Service to determine need based on the current and projected populations and relate that to what is needed in the Mid-Coast area for current residents as well as projected out for the next 20 years. The Needs Assessment recommends that the Board of Supervisors adopt a goal of 6 acres per 1000 population for the Mid-Coast Area.

- Based on current development, 55% of the allowable build out has been completed
- Based on current projected build out, the current population of the Mid-Coast area will increase by approximately 45% (from 10,237 to 18,718)
- Local publicly provided recreation facilities in the Mid-Coast are nonexistent
- Based on Level of Service (LOS) calculations, the Mid-Coast area requires 42 acres of suitable land to fulfill its current local recreation need and 104 acres to fulfill the local recreation need at build out
- The County has recently negotiated an agreement to acquire Mirada Surf, a 49-acre parcel of land at the south end of El Granada that spans Highway 1. Thirty-four acres on the east side of the highway are now in County ownership. The County also has an option to acquire the remaining 15 acres located on the west side of Highway 1. No planning for the site has yet been done. Until options, including site constraints (such as possible wetlands) are evaluated, it is not known what portions may be available to serve any of the needs identified in the Assessment underway.

Findings from the SRI Phone Poll

In June 2001, a professional telephone poll of residents was conducted by Strategy Research Institute to ascertain priorities for local parks in the Mid-Coast region. Thirty calls were completed in each of the 5 communities in the Mid-Coast Area, making the results statistically valid for the size of the existing population. The following were priorities ranging from 89% for preservation of open space to 52% for gym:

- Preserve Open Space (89%)
- Walking/Jogging Areas (79%)
- Multi-Use Trails (79%)
- More Restrooms (76%)
- Playground Areas (72%)
- Picnic Areas (66%)
- Softball/Baseball Fields (58%)
- Public Swimming Pool (54%)
- Tennis Courts (54%)
- Soccer/Football Fields (52%)
- Roller Sports Facility (52%)
- Gym for Indoor Sports (52%)

A copy of the results of that poll is posted on the San Mateo County Parks and Recreation Division's web site. It can be viewed at www.eparks.net.

The Mid-Coast Recreational Needs Assessment

Acquisitions

Based on the findings of the Mid-Coast Recreational Needs Assessment, the following recommendations for acquisition to serve the existing population are made:

- 5 Mini Parks/Playground Sites (1/2 to 3 acres)
- 4 Neighborhood Parks (7 to 10 acres)
- 1 Community Park (30-40 acres)
- 1 Specialty Facility -- Community Recreation Center and Gymnasium
- Trails -- Class 1 (6 miles)
- Trails -- Hiking (6.3 miles)

Based on various plans and the preliminary findings of the Mid-Coast Recreational Needs Assessment, the following recommendations for acquisition to serve future populations are made:

- 3 Playground Sites (1/2 to 3 acres)
- 2 Neighborhood Parks (7 to 10 acres)
- 1 Community Park (25-40 acres)
- Trails -- Class 1 (3.6 miles)
- Trails -- Hiking (3.9 miles)

Because actual sites have not yet been identified, estimating the cost of land acquisition is very difficult. It is more complicated because the County owns land in the study area that might be made available for some of or all of the identified needs. The Real Property Division's research shows recent sales figures that range from \$50,000/acre to \$1,000,000. For purposes of this study and plan, an assumption has been made of an average cost per acre of \$95,000. That figure can be re-evaluated after actual sites have been identified and when the plan and fee structure is re-evaluated every 5 years.

Other properties that might become part of the Parks and Recreation system to serve the Mid-Coast are some of the median strips currently under the jurisdiction of the Department of Public Works if they could provide some of the identified amenities. Space should also be explored for creation of a Dog Park. Another mid-level priority for the area would be development of a swim center to supplement the fully utilized public pool located in Half Moon Bay. For purposes of this plan, such a facility has not been included in either the acquisition or development estimates.

That Countywide Trails Plan adopted by the Board of Supervisors in 2000 calls for the acquisition of land or an easement to complete the Coastal Trail along the Pillar Point Bluffs. The Mid-Coast Needs Assessment also identified additional trails for walking and jogging as a high priority for local residents. Such a trail system would provide connectors to regional trails, but would be designed to serve primarily local residents.

No standards exist for the amount of trails needed for a specific population number. While the trails are an important part of the Needs Assessment recommendations, for purposes of this fee

proposal, the cost of acquisition and development of the trail system has been deleted. Staff recommends that further analysis be conducted in this area and the costs added to the fee structure if justified by that analysis when the plan and fee structure are reevaluated.

Callander and Associates estimates that the current population needs 62 acres of publicly owned land to meet the national standard of 6 acres per 1,000 residents. The acreage needed at build out will be an additional 50 acres of parkland to accommodate new residents.

Nexus Analysis

Summary of Methodology

The Mitigation Fee Act requires that fees to be charged to new development bear a reasonable relationship to the impact the new development will have on the need for park facilities. In order to determine a reasonable fee to be imposed on new residential development, the following methodology was employed, which methodology estimates a fee based on the cost per square foot to implement the desired level of service to meet needs created by population increase associated with the new development.

- The future additional population of the Mid-Coast area was estimated based on expected residential development as allowed by the Local Coastal Program (hereinafter, "LCP"). This future population was calculated based on an estimate of additional residential units to be built under the LCP at build out of the Mid-Coast area.
- A level of service standard of six acres of park area per 1,000 residents was selected as the target goal, as specified in the draft Mid-Coast Recreational Needs Assessment. This standard of six acres per 1,000 residents is the national standard as contained in Parks, Recreation, Open Space and Greenway Guidelines, Roger Lancaster, Ed., National Recreation and Park Association 1987 publication. Estimates were made of the acquisition and development costs to provide this level of service to the anticipated new residents. For comparison, estimates were also made of the cost to serve existing residents at this same level of service. The costs of operation and maintenance of the park facilities are not included in this estimate. Also not included at this time are costs for trail acquisition or development to serve either existing or future population of the Mid-Coast.
- The square feet of anticipated new residential development necessary to house the anticipated population increase was determined based on estimates by planning staff of the average size of new residential units including single family, multi-family, multi-family (affordable), second units and caretaker units.
- The park fee per square foot of residential development was calculated by dividing the cost of park facilities to serve new development by the total number of anticipated square feet of new residential development.

Calculation of Future Population Increase as a Percentage of Total Population Expected at Build Out

The current population of the Mid-Coast area is estimated at 10,356 based on the United States Census 2000 and updated calculations developed by planning staff during the process of updating the LCP. These calculations were based on a count of existing dwelling units multiplied

by 2.78 persons per dwelling. The anticipated future population increase at build out of the area is 8,362 new residents for a total of 18,718 residents at build out. This estimate was based on the maximum additional residential units allowed under the LCP multiplied by 2.78 persons per dwelling. The anticipated population increase is approximately 45% of the total population expected at build out.

Estimate of Costs of Providing Park Facilities to New Residents

The draft Mid-Coast Recreational Needs Assessment sets a level of service goal of 6 acres of park area per 1,000 residents. This level of service is based on the national standard for park facilities, recommended by the National Recreation and Parks Association and used by a majority of communities. For the anticipated 8,362 new residents, a total of approximately 50 acres of park facilities would be needed to serve new residents. The costs of acquiring and developing these facilities were estimated to come up with a capital cost to provide this level of service and meet the anticipated needs created by new development. Callander and Associates reviewed recent real estate sales in the Mid-Coast/Half Moon Bay area and factored in an estimate that at least some of the land that will be used for new park facilities will already be in public ownership. A conservative estimate of \$95,000/acre was used for purposes of cost estimates for land acquisition. Real Property reviewed the methodology used by Callander and said that it is a "reasonable" approach given the number of unknowns in the calculation (no specific location for the sites and an expectation that some of the land may be made available to the project at no cost).

In the area of development costs, Callander used recent cost estimates in various park development plans for different jurisdictions based on their own firm's professional experience. The estimates for development include the estimated cost of plans, specifications, California Environmental Quality Act compliance, permits, construction and contingencies.

Potential Implementation Costs for Future Development (8,362)

A.	Community Park (1)			
	Acquisition	33.4 acres @ \$ 95,000/acre	=	\$ 3,173,000
	Development	33.4 acres @ \$220,000/acre	=	7,348,000
B.	Neighborhood Parks (2)			
	Acquisition	12.5 acres @ \$ 95,000/acre	=	\$ 1,187,500
	Development	12.5 acres @ \$265,000/acre	=	\$ 3,312,500
C.	Mini Parks (3)*			
	Acquisition	4.2 acres @ \$ 95,000/acre	=	\$ 399,000
	Development	4.2 acres @ \$265,000/acre	=	1,113,000
	Total			\$16,533,000

From Mid-Coast Recreational Needs Assessment, prepared by Peter Callander and Associates, August 2002 (Table 8)

* In addition to the existing play area at Quarry Park

For comparison, the estimated costs of providing facilities to meet current demand for park facilities created by the existing population of 10,356 residents are also provided. These costs may not be recovered by a development fee, and other sources of funding will have to be implemented to cover these costs.

Potential Implementation Costs for Current Population (10,356)

A.	Community Park (1) Acquisition Development	41.5 acres @ \$ 95,000/acre 41.5 acres @ \$200,000/acre	= =	\$ 3,942,500 9,130,000
B.	Neighborhood Parks (4) Acquisition Development	11.6 acres @ \$ 95,000/acre* 15.1 acres @ \$265,000/acre	= =	\$ 1,102,000 4,001,500
C.	Mini Parks (5) Acquisition Development	5.2 acres @ \$ 95,000 5.2 acres @ \$265,000	= =	\$ 494,000 1,378,000
D.	Special Facilities (Rec. Bldg.)	14,200 s.f. @ \$350/s.f.		\$ 4,970,000
	Total			\$25,018,000

From Mid-Coast Recreational Needs Assessment, Peter Callander and Associates, August 2002 (Table 7)

*Assumes Quarry Park as one of the Neighborhood Park Sites

Calculation of Total Square Footage of New Development Anticipated to Serve Population Increase at Build Out

Based on planning staff estimates of the maximum development allowed by the LCP, it is estimated that approximately 3,008 new residential units will be built over the next ten to twenty years. The estimated number of residential units at full build out anticipated under the LCP is 6,733. There are currently 3,725 residential units in the Mid-Coast area, representing approximately 55% of the units allowed under the LCP. Based on the LCP, it is anticipated that these residential units will be distributed between types of units as shown in the following chart.

Projected Build Out from Local Coastal Program

Type of Dwelling	Number of Existing Units (55%)	New Units to Reach Build Out (45%)
Single Family	3302	1,761*
Multi-family	117	326**
Multi-family (Affordable)	0	513**
Second Units	64	402**
Caretaker's Units	15	6**
Mobile Home	227	0
Total	3725	3,008

From Long Range Planning Section, Planning and Building Division, County of San Mateo, August 2002

*Based on maximum square footage allowed in proposed LCP amendment

** Based on historical average (no maximum square footage described in LCP)

Based on the anticipated development of 3,008 new residential units over the next ten to twenty years, it is estimated that there will be 5,999,850 square feet of new development at build out. This calculation is based on an assumption that single family homes will be approximately 2,650 square feet, the maximum size allowable under the LCP. It is further estimated that multi-family

units will average 1,200 square feet in size and that the second and caretaker units will average 800 square feet in size.

1761 SF units	x	2650 sq. ft.	=	4,666,650 sq. ft.
326 MF units	x	1200 sq. ft.	=	391,200 sq. ft.
513 MF (affordable)	x	1200 sq. ft.	=	615,600 sq. ft.
402 2 nd units	x	800 sq. ft.	=	321,600 sq. ft.
6 caretaker units	x	800 sq. ft.	=	4,800 sq. ft.

5,999,850 sq. ft.

Comparisons

For purposes of recommending a fee schedule for park and recreation facilities, staff looked at several comparable factors. One comparison that is useful in this analysis is park acreage standards that have been developed by other city park and recreation systems.

Comparison of Park Acreage Standards

Jurisdiction	Population	Existing Acres/1000 population	Standard Acres/1000 population
National Recreation and Park Association			6 to 10.5
Belmont	25,000	3.2	8.5
Benicia	25,000	4.4	5.0
Foster City	30,000	4.3	4.3*
Gilroy	28,000	3.8	4.3
Half Moon Bay	11,900	0.8	8.0
Hollister	18,900	2.3	5.0
Lodi	52,000	2.3	4.0
Menlo Park	28,000	4.5	4.3
Milpitas	63,000	2.8	3.0
Monterey	29,000	11.6**	10.5
San Carlos	25,000	2.0	5.0
San Leandro	68,000	1.7	3.0
San Mateo	86,000	3.3	10.0
Santa Cruz	42,000	3.3	4.0
Vacaville	65,000	4.0	4.0

From Mid-Coast Recreational Needs Assessment prepared by Peter Callander and Associates, Aug. 2002 (Table 6)

* No standard has been set by this City. Amount shown is the existing total.

** Includes both active and passive acres/1000 totaling 11.6. Active is only 3.9.

Another useful comparison is to look at other fees already in place in the study area.

- School Fees \$ 2.05/sq. ft.
- Road Mitigation Fee \$ 1.35/sq. ft.

A third set of comparisons that is useful is comparison to what other entities have adopted for park fees. While the County is evaluating the concept of Development Fees, comparison to Quimby Act or In Lieu Fees (fees assessed to subdivisions, not individual building permits) are of a similar nature and are included in the following analysis.

Park and Recreational Facilities Development Fee Comparison per New Dwelling Unit

Jurisdiction	Quimby/Park or Recreation In Lieu/ Unit	Mitigation Fee	Comments
Belmont	\$15,000/lot		Revised 2001
Brisbane	Based on formula, not used recently		
City of San Mateo			
County of San Mateo		\$ 8,374	Proposed
Daly City	\$4,713		Revised 2002
Foster City	None	None	
Half Moon Bay		\$1,038/bedroom	
Marin County	\$102/sq. ft for new or remodels.		Revised 1988
Menlo Park	\$12,000 average (based on formula)		Based on current land value in the area of development
Millbrae	\$8,173/lot (Recreation) or \$1,940/condo unit		2002 Schedule
Pacifica	If land not donated, fee is value of land based on 2 acres/100 units		No current comparables; last developer donated land
Palo Alto		\$7,960	Revised 2002
Redwood City	No	Not for parks	
San Carlos	\$3,969		2002
South San Francisco	\$13,500/sfd or \$6,700 per unit		2001

Prepared by San Mateo County Parks and Recreation Division, August 2002

Development Fee Options

Staff has prepared three options for the Board to consider.

1. Fee calculated on full 6 acres/1000 population with build out that assumes an additional 8,362 population

2. Fee calculated on limited funding to serve existing population with facilities located only on Mirada Surf and Quarry Park properties
3. Fee based on 3 acres/1000 population

Calculation of Cost of Facilities to Serve New Population per Square Foot of New Development

In order to determine the appropriate fee per square foot of development as described in the Callander Needs Assessment, the cost of the capital plan (at a level of service of 6 acres per 1,000 new residents) was divided by the total anticipated square footage of new residential development as shown.

\$16,533,000 (cost of providing 6 acres of park per 1,000 new residents)
5,999,850 (total square footage of estimated new residential development) = \$2.76/sq. ft.

This fee would translate to the following average fees based on the estimated size of each type of unit as noted above.

Average fee for single family dwelling (2650 sq. ft.)	=	\$7,314
Average fee for multi-family unit (1200 sq. ft.)	=	\$3,312
Average fee for second or caretaker unit (800 sq. ft.)	=	\$2,208

There is an average of 50 new residential units built per year. The estimated amount of fees collected per year will be \$363,624 if the fee as calculated is instituted.

Limited Funding Alternative

As outlined above, development fees can only be used to fund facilities for new populations. Existing deficiencies cannot be cured through the use of development fees. That means that some type of funding mechanism must be developed to fund facilities to serve the existing population. In the event that no funding can be found to acquire additional land for those purposes, staff has analyzed what portions of the proposal could be sited at Quarry Park and Mirada Surf. As the Callander report calls out, Quarry Park would be suitable for the location of one of the Neighborhood Parks (4 acres) called for in the plan to serve current residents. The Callander Plan calls for the location of one Specialty Facility (Community Center plus gymnasium) that could be located on the upper flat portion of the eastern parcel of Mirada Surf

Calculation of Limited Funding Alternative

Quarry Park (4 acres @ \$ 265,000/acre):	\$1,060,000
Mirada Surf (Specialty Facility):	<u>\$4,970,000</u>

Total Capital Improvement Cost \$ 6,030,000

\$6,030,000 (Total Cost of Capital Improvements
5,999,850 s.f. (Total square footage of estimated new residential development) = \$1.01

That would mean a fee of \$1.01. Staff estimates that it would generate the following fees per annum:

Average Fee for single family dwelling (2650 sq. ft.)	\$2676.50
Average Fee for multi-family unit (1200 sq. ft.)	1212.00
Average Fee for second or caretaker unit (800 sq. ft.)	808.00

It is estimated that given the Mid Coast pattern of development, that a fee set at \$1.01 would generate approximately \$129,684.50 per year.

Recommended Fee based on 3 acres/1000 population calculated at 50% of the full Needs Assessment Recommendations

The fee proposal based on the Callander Needs Assessment recommends an acquisition and development proposal that totals \$16,533,000 with a cost per square foot of \$2.76. However, there are a number of unknown factors and assumptions in the Needs Assessment that bear further analysis.

- While the goal of 6 acres per 1000 residents is a national standard and used by many cities, it is high compared to the 3.3 acres per 1000 residents actually achieved by the cities surveyed in the area.
- The unknown cost of land acquisition could be reduced significantly if land that is already owned by the County is used to develop some or all of the facilities.
- An analysis of which of the proposed facilities can be sited in Quarry Park and Mirada Surf needs to be prepared. Planning for both sites should proceed as rapidly as possible.
- The state of the economy in the Bay Area needs to be considered as part of the analysis. Fees set too high may negatively affect the County's housing goals.
- Access to the area's beaches provide a recreational amenity not available to most jurisdictions and therefore not analyzed as part of the national standards
- Continuing evaluation of the number of additional residents of the area may mean that the amount of build out anticipated today may never be achieved. This would affect the amount of additional park acreage that will be needed
- Evaluating what others charge, particularly in the study area, would indicate a fee at less than full value.

Based on the above factors, a fee set at 50% of the optimal proposal should be considered. That would mean a fee of \$ 1.38 per square foot that would generate approximately \$177,192 annually.

This fee would translate to the following average fees based on the estimated size of each type of unit as noted above.

Average fee for single family dwelling (2650 sq. ft.)	=	\$3,684
Average fee for multi-family unit (1200 sq. ft.)	=	\$1,668
Average fee for second or caretaker unit (800 sq. ft.)	=	\$1,111

Additional Issues

Under the Mitigation Fee Act certain requirements must be met to administer the fund, such as creation of a separate accounting system. The plan and its accomplishments must be evaluated at least every five years. A requirement that the fee must be returned if the plan cannot be accomplished is also contained in the enabling legislation. Of particular importance to the Mid-Coast area is the requirement that a funding mechanism will need to be created to pay for the cost of facilities to meet the needs of the existing population. Part of the needs identified during the assessment process relates to recreation programming that would be contained in the new facilities. While it is reasonable to expect that a fee would be imposed for most if not all activities, it would be unrealistic to think that a fee will bring in more than two-thirds to three-fourths of the cost of providing programs based on experience in other jurisdictions. If the fees are to be kept affordable, some funding will need to be identified to pay for the gap in costs. In addition, the question of what entity will operate the system and how the maintenance and operations costs will be funded are also issues that will need to be addressed.

Staff recommends that the Board of Supervisors do the following:

- accept the Development Fee Draft Report
- adopt a standard of 3 acres of parklands per 1000 residents
- adopt a Development Fee of \$1.38 per square foot for residential development in the Mid Coast Area
- create a Board Committee and Task Force to study the issues of governance and finance for how the report will be implemented. That Task Force will study and recommend the most feasible entity to facilitate the development and administration of the system. They will also develop an overall funding strategy to fund the acquisition and development costs attributable to the existing population, the recreation programming and the operations and maintenance costs of the system.

Alignment to County's Vision

The Development Fee proposal to provide park and recreation services to the Mid-Coast residents keeps the commitment to several key goals:

1. Creation of parks and recreation facilities are linked to quality of life, improved property values and economic vitality. A long sought priority of Mid-Coast residents, a local community serving park system will build community and add to the area's economy (Goal Number 1).

2. The creation of new park system provides an excellent opportunity for civic engagement in public involvement and ample opportunities for volunteer involvement (Goal Number 2).
3. Park and recreation facilities provide opportunities for physical fitness as well as places to get away from the stresses of urban life (Goal Number 5).
4. Providing recreation activities for seniors, people with disabilities and youth are part of a continuum of services to help our communities achieve a better quality of life (Goal Number 8).
5. The new system will provide access to park and recreation facilities for nearby residents (Goal Number 15).
6. A well designed, well maintained park and recreation system is one of the amenities analysts cite in being able to attract and maintain leading-edge industries (Goal Number 18).
7. Creation of a park system to serve the needs of current and future residents indicates consideration of future impact, not just the needs of current residents (Goal Number 20).

Review by Others

Reviewed by County Counsel's Office