



**CITY OF SACRAMENTO
CALIFORNIA**

DEPARTMENT OF
PARKS AND RECREATION

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February 24, 2005

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: PROPOSED WORK PLAN FOR THE 2005 PARK IMPACT
FEE / NEXUS STUDY**

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION: Staff recommends that the City Council approve the proposed work plan for the 2005 Park Impact Fee/ Nexus Study (Attachment A, page 6).

CONTACT PERSON: Robert G. Overstreet, Director Parks and Recreation,
808-1190
Janet Baker, Park Development Manager, 808-8234

FOR COUNCIL MEETING OF: March 8, 2005

SUMMARY:

The City's primary funding sources for parkland, open space and parkway acquisition and development include the Quimby Ordinance, the Park Impact Fee (PIF), Redevelopment Agency funds, Landscape and Lighting Act fees, State and Federal grants and the City's General Fund. Current City ordinances governing these funds restrict their uses and impact the City's opportunities to create a diverse and comprehensive park system. The proposed work plan for an updated PIF Nexus Study will create an expanded menu of opportunities to acquire and develop needed types of neighborhood, community and regional areas and facilities as directed by the City Council in August 2004.

COMMISSION/COMMITTEE ACTION:

The Citizens Advisory Committee for Parks and Recreation (CAC) has been briefed on several occasions regarding current financing options and the need to enhance and expand financing options. In addition, the CAC was instrumental in developing and reviewing the *Parks and Recreation Master Plan 2005-2010*, which was adopted by the City Council in December 2004. Members expressed their commitment to provide a full range of park and recreation facilities to the community. The CAC recognized that many regional and community amenities such as sports complexes, aquatics facilities, regional parks and parkways, and community centers would not be built without a review and expansion of the PIF.

BACKGROUND:

City parkland acquisition and facility development are funded through a variety of mechanisms. The primary sources are the City Quimby Ordinance for land acquisition and the PIF for park and recreation facilities development. The Park PIF Ordinance was initially approved in 1999. Other sources include State and Federal grants, Redevelopment Agency funding, Landscape and Lighting Assessment District funds (primarily for repairs or renovations), and the City General Fund.

Changes to the PIF have been adopted by the City Council over the past several years. The PIF was increased in 2004 by the Council to address funding amenities in neighborhood and community parks beyond the previous "minimal" level. The recently approved level of PIF enables the Department to provide facilities which previously could not be considered including field lighting, shade canopies, complete and creative play structures, rest rooms, and parking lots. The first park development to utilize the new fee level is Westhampton Park in North Natomas that will be bid this summer. Staff is receiving very positive feedback from the community on the new park amenities provided through the fee increase. Unfortunately, the increased fees do not apply to previously approved developments.

During City Council hearings on the PIF, City Council members directed staff to examine opportunities to fund parkland and facilities in a more comprehensive manner to address current shortfalls. Council directed staff to consider changes to the PIF to provide greater opportunities and flexibility for parkland acquisition and development particularly for regional facilities. In addition, the Council approved the *Parks and Recreation Master Plan 2005-10* in December 2004 that includes an implementation strategy for addressing financing options for new parks and recreation facilities.

Staff requests that the City Council review and approve the following list of issues to include in the proposed work plan for the PIF Nexus Study:

Issues to Address in Proposed Park Financing Work Plan

- 1) Use of the PIF for acquisition and development of Regional Parkland, Regional Parkways, Trails, and Open Space that help to serve park needs at the neighborhood and community levels;
- 2) Review of the current PIF Ordinance including replacing the current "tier" system with facility categories as approved in the *Parks and Recreation Master Plan 2005-10* as well as consideration of the use of PIF for land acquisition (currently PIF can only be used for park development);
- 3) Amendments to the PIF fee structure for commercial/industrial projects;
- 4) Consideration of a graduated PIF calculated by the home's square footage or number of bedrooms; and
- 5) Use of the PIF for larger scale community amenities such as community or neighborhood centers and swimming pools.

With City Council approval of this Work Plan, staff will begin the process to select a consultant firm well versed in municipal financing options for park and recreation facilities to prepare a PIF Nexus Study update for the Council's review and consideration. Staff will include review by the community, Parks and Recreation Commission, Planning staff, Development Oversight Commission, the Building Industry Association, Natomas Working Group and others.

Staff will return to the City Council following the completion of the PIF Nexus Study with proposed changes to the PIF that would provide greater flexibility and opportunities to fund regional and community facilities. Final recommendations may also include policy and ordinances changes.

FINANCIAL CONSIDERATIONS:

The proposed Work Plan for the PIF Nexus Study may recommend changes to the existing PIF for the City Council's review and consideration. The goal of this review is to seek opportunities and flexibility to acquire and develop regional facilities, implement the *Parks and Recreation Master Plan 2005-10* and fund more projects in the Parks and Recreation Programming Guide.

The recent increase in PIF will enable the Department to include many new elements in community and neighborhood parks including field lighting, rest rooms, shade canopies, parking lots and complete play areas. However, this increase did not impact acquisition and development of large community facilities, regional parks, parkways or open space.

Staff will be returning later in Spring 2005 to City Council with a proposed work plan to pursue a broader range of high priority strategies to fund needs and services associated with implementation of the adopted *2005-2010 Parks and Recreation Master Plan*.

ENVIRONMENTAL CONSIDERATIONS:

With the enactment of the PIF Ordinance in 1999, it was determined that there is no potential for causing a significant impact on the environment and that the PIF project is exempt from the California Environmental Quality Act (CEQA) under Section 15273 and 15061 (b) (3) of the CEQA guidelines. That same exemption applies to the action requested in this report.

POLICY CONSIDERATIONS:

It is the intent and purpose of the City to protect and promote the public health, safety and welfare by providing neighborhood, community, and regional park facilities necessitated by development in the City.

The City's current PIF Ordinance addresses development of neighborhood and community parks, and does not fully fund costs to meet Service Level Goals as approved in the *Parks and Recreation Master Plan 2005-10*. The City's park system currently has five regional parks that have a severe lack of funding for development and/or renovation. In addition, the *Parks and Recreation Master Plan 2005-10* identifies the need for additional large community facilities including community centers, gymnasiums, sports field lighting, swimming pools, wading pools and skateboard parks which currently have no funding mechanism in place.

Staff will work with Planning staff to insure consistency for any proposed funding mechanisms or ordinance revisions with existing City policies including Transit Oriented Development, "Smart Growth" principles, community plans, and the Infill Policy.

ESBD CONSIDERATIONS:

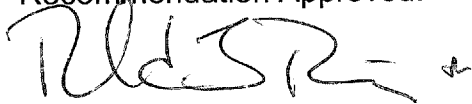
No goods or services are being purchased in association with this report.

Respectfully Submitted:



ROBERT G. OVERSTREET
Director, Parks & Recreation

Recommendation Approved:



ROBERT P. THOMAS
City Manager

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ATTACHMENT A

Issues to Address in Proposed Park Impact Fee Nexus Study Work Plan

- 1) Use of PIF for acquisition and development of Regional Parkland, Regional Parkways, Trails, and Open Space that help to serve park needs at the neighborhood and community levels.
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