



Brion Economics
INCORPORATED

MEMORANDUM

To: Phyllis Hallowell, City of Pasadena, Department
of Public Works

From: Joanne Brion, BEI

Subject: Updated Fee Comparisons – Park & Recreation Fees;
BEI # 2552

Date: June 23, 2020

At the request of the City of Pasadena, a study of park impact fees in six Southern California cities has been prepared by Brion Economics, Inc. This is part of the Update to the Residential Impact study for the City's RIF nexus study update. The purpose of this review is to find out:

1. What park fees are other cities charging?
2. What are the acreage standards for park and open space?
3. How are the fees levied (by type of unit, by bedroom, etc.)?
4. How much revenue is collected on average?
5. How are park fee revenues spent?

During the months of January through March 2020, each of these cities' fee programs were reviewed on the internet and/or City staff were contacted by telephone or email where needed for updated information. This analysis builds on the fee comparison work that BEI prepared for the City of Pasadena in 2013 and updates some of that data.

The cities reviewed in this memorandum include the following:

1. Anaheim
2. Culver City
3. Los Angeles
4. Riverside
5. Santa Monica
6. Thousand Oaks

Los Angeles and Santa Monica have adopted new park fee programs since our 2013 study and have replaced other cities we reviewed in the prior study because they have more available information and data.

Background

Most California city park and open space fees fall into three categories: Quimby Act fees, Mitigation Fee Act (MFA) fees, and Excise Taxes. Fees under the Quimby Act are based on local population and land values, and a park standard per 1,000 residents. Quimby allows for a city standard to be legally increased to require 3.0 acres per 1,000 residents, even if the city currently has less than 3.0 acres per 1,000 residents. If a city's fee is established to provide more than 3.0 acres per 1,000 residents, this higher standard must be based on existing conditions, otherwise the city cannot increase the fee standard for future development.

Most fees programs under the MFA are based on a park standard per 1,000 residents as well, although the MFA does not explicitly require this. Many cities use Quimby Act fees to purchase land and MFA impact fees to meet park development costs; some cities use MFA fee methodology for both land and development costs.

An Excise Tax is normally charged on a per bedroom basis and was commonly used to fund parks prior to the adoption of the MFA (AB1600 in 1987). This tax is rarely used today, but it is exempt from MFA requirements because it is a tax and not an impact fee. The premise of the MFA is that new development should pay a fair share of new public facilities costs, rather than a higher share than existing development, and should not be required to address existing development's deficiencies. However, the law is interpreted and applied in many ways.

Quimby Act and MFA fees are generally much higher than excise taxes because they are based on current land costs and park development costs, and therefore they must be updated periodically. Excise taxes are rarely modified because most were adopted before the MFA was

implemented; most are a few hundred dollars per bedroom. Cities that use excise fees normally also use other means of funding park and recreation facilities.

The six cities reviewed in this analysis use Quimby Act and/or MFA based impact fees.

Summary of Findings

1. What do other cities charge new development for parks?

Fees varied greatly among the cities surveyed, from a low of about \$7,000 in Anaheim to a high of \$20,000 in Thousand Oaks. Fees in cities like Thousand Oaks,¹ where fees are based on market land values, have fees that are higher than most. These are therefore more comparable to the fees charged by the City of Pasadena, which are also based on current land market values. Fees based on local land values have the potential to provide new parkland in a reasonable time frame. **Table 1** summarizes the fee rates and other components of each city's fee program.

2. How do other cities levy park fees?

Through our research on development impact fees for parks, we found that cities charge fees using a variety of mechanisms, including the Quimby Act, the Mitigation Fee Act, and excise taxes. None of the six cities chosen for this analysis use an excise tax, as the choices were few and fees not comparable since they are not based on current conditions. Cities with fees that are correlated to current land or market value are more comparable. The six cities reviewed use either the Mitigation Fee Act or Quimby Act to set fees.

3. How do other cities spend revenues from park fee programs?

The cities reviewed spend funds collected through park fees on capital improvements, land purchases, and the physical development of parkland and/or open space as required by the Quimby and Mitigation Fee Act.

4. How successful are other park fee programs?

¹ The Conejo Park and Recreation District charges Quimby Fees for the City of Thousand Oaks and surrounding areas but information received was specifically for Thousand Oaks.

Cities that responded to this question felt that their fees were either successful or highly successful. Those cities receiving large revenues from their park fees can upgrade current parks and recreational facilities and acquire additional parkland. The City of Los Angeles collected about \$24 million in park fee revenue for fiscal year 2018-19. In Santa Monica, the fee program is budgeted to bring in \$125,000 in fee revenue for the current fiscal year. Other cities included in this review have collected annual revenues from \$170,000 to \$534,000

5. How does Pasadena’s proposed, and existing Residential Impact Fee compare to the other six cities’ fee rates?

Pasadena’s current RIF rates are higher than the six cities reviewed. **Figure 1** summarizes the Single-Family fee rates by City, including the existing fee and proposed fee for a 2-bedroom unit in Pasadena. As shown, Pasadena’s current and proposed fee are significantly higher than those of the other cities.

Figure 1: Single Family Park Fees per Unit

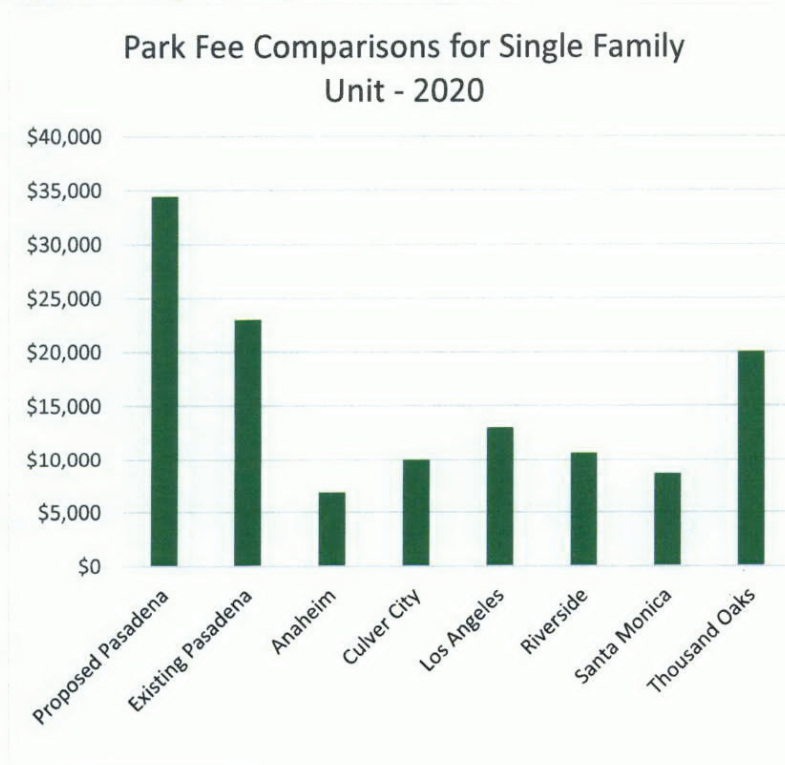


Figure 2: Multi Family Park Fees per Unit



Conclusions

In conclusion, for the City of Pasadena to maintain its current high standard of parks and open space, it is justified and realistic to charge the allowed fee to be able to meet its plans and goals. The development community may resist high fees, but it is the City Council’s responsibility to determine at what point the fee might hinder needed projects, and to weigh the pros and cons of the potential outcomes of the fee. Staff will also make recommendations to the City Council on this issue as well. The City can charge a lower fee than the rate implied by the nexus study, but it cannot charge a higher rate than that amount.

Fee Comparisons

As discussed above, this analysis focuses on park and open space fees for six cities in Southern California. Two of these cities, Los Angeles, and Santa Monica, recently adopted park impact fee programs. Table 1 provides a summary of the data for each city, the type of fee, the service standards, i.e., park acreage per 1,000 residents, etc. The data for Pasadena is from the updated Draft Nexus Study prepared by Brion Economics, Inc. For single-family units, the size of unit is assumed to be 3 bedrooms. For multi-family units, the size of unit is 1 bedroom. The City of Pasadena’s current RIF fee rates are by number of bedrooms while other cities are by type of unit. Following the summary table are a discussion of each city reviewed and more detailed tables with data and sources for each city.

Table 1
Summary of Park Fees by City
City of Pasadena Park Fee Nexus Study - 2020 Update

| Item | Current Pasadena | Proposed Pasadena | Anaheim (1) | Culver City (2)(3) | Los Angeles (4) | Riverside (5) | Santa Monica (6) | Thousand Oaks (3)(7) |
|---------------------------------------|--|-------------------|--------------------------------------|--------------------------------------|---|---|---|---|
| Date Adopted | 2005 | | Around 1968 | Around 1993 | January 2017 | March 2007 | June 2015 | April 1980 |
| Type of Fee | Mitigation Fee Act | | Quimby Act Fee | Quimby | Quimby Act Fee | Mitigation Fee Act | Mitigation Fee Act | Quimby Fee Act |
| Type of Fee Methodology | Nexus | | Quimby | Quimby | Quimby | Nexus | Mitigation Fee Act | Quimby |
| Park Fee Rate | | | | average | | | | average |
| Single Family | \$22,998 | \$34,435 | \$6,936 | \$10,000 | \$12,998 | \$10,648 | \$8,585 | \$20,000 |
| Multi-Family | \$20,708 | \$31,004 | \$6,998 | \$10,000 | \$6,372 | \$3,128 | \$4,652 | \$20,000 |
| Affordable Units | \$1,017 | not available | not available | exempt | exemption available | na | not applicable | 50% discount |
| Acreage Requirements | | | | | | | | |
| per 1,000 residents | 4.43 | 4.43 | 2.00 | 3.00 | 1.87 | 3.00 | 1.19 | 4.50 |
| Fee Revenue Generated per Year | \$5,543,034 | not available | not available | \$170,226 | \$24,167,195 | \$534,000 | \$125,000 | \$474,111 |
| Type of Projects Funded | Park & Open Space Land, Development Costs, Recreation Facilities | | New parks and recreation facilities. | Park improvement, rehabilitation and | Park development, renovation and improvement. | Trail Improvements, Parks Master Plan Update. | Park and recreation facility acquisition, development and | Parkland Acquisition, Rehabilitation and Development. |

(1) Data provided by Anaheim.net/Document Center. March 2020.
 (2) Data provided by Culvercity.org. and Gabriela at the planning dept. 2.11.20.
 (3) Fees vary based on land values, development density, and zoning. For these cities, average fees were used.
 (4) Data provided by www.laparks.org. March 2020.
 (5) Acreage requirement differs between single and multi-family units. Amount shown is the average.
 (6) Data provided by smgov.net Feb. 2020.
 (7) Acreage requirement includes demand of hotel guests and employees.
 (7) Data provided by Bill Palermo, Park Operation Analyst, 2.11.2020.
 Source: Brion Economics, Inc.

Park Fees by City

Data for each city was compiled based on information available on each city’s website, in the published budget, and through follow up conversations with City staff as noted. This information was collected from January to March 2020 and represents the most current data available.

Anaheim

The city of Anaheim adopted a Quimby Act Fee around 1968. The fee is based on land values and varies by number and type of units. The acreage requirement for Anaheim is 2 acres per 1,000 persons. The Park development fee for single family homes is \$6,936. Condos are considered single family in the fee schedule, with a fee of \$5,388. Multi-family rates vary from \$6,998 per unit for two to four units, \$5,409 per unit for projects with 5 or more units, to \$8,144 for projects in the Platinum Triangle Area.

Table 2
Park Fee Review - City of Anaheim
City of Pasadena Park Fee Nexus Study - 2020 Update

| Item | Item Details | Notes/Comments |
|---|-------------------------------|--|
| Date Adopted | Around 1968 | |
| Type of Fee | Quimby Act Fee | |
| Type of Fee Methodology | Quimby Land Value and Density | |
| Park Fee Rate (1) | (1) | |
| Single Family | \$6,936 | |
| Multi-Family | \$6,998 2-4 Units | |
| Affordable Units | na | |
| Acreage Requirements per 1,000 residents | (3) | 2.00 |
| Fee Revenue Generated per Year | | na City budget revenue doesn't break out park fees from other impact fees. |
| Type of Projects Funded | | New parks and recreation facilities, as allowed by Quimby. |

(1) Data provided by:
<http://anaheim.net/DocumentCenter/View/527/Developer-Impact-Fees?bidId=>
Condo fee is \$5,388.14. Five or more units are \$5,409 per unit.
The Fee per unit for new units in the Platinum Triangle Area is \$8,114.01.

(2) Impact fee study 2017:
<https://www.anaheim.net/DocumentCenter/View/21273/Development-Impact-Fee-Study?bidId=>

(3) Municipal Code:
http://www.anaheim.net/DocumentCenter/View/22687/Ch_05-12-REC?bidId=
Source: Brion Economics, Inc.

Culver City

The City of Culver City adopted a Quimby Act fee around 1993. The fees are calculated per project using land cost, project density, and other factors. The average fee per unit is \$10,000. The Master Plan for Culver City requires 10 acres of park and open space per 1,000 residents. However, the park fees charged are in line with the Quimby Act provision of 3 acres, with the city providing the remainder. In the past, park impact fees have generated \$170,000 per year; the budget for fiscal year 2019-20 is \$50,000.

Table 3
Park Fee Review - City of Culver City
City of Pasadena Park Fee Nexus Study - 2020 Update

| Item | Item Details | Notes/Comments |
|---|--------------|---|
| Date Adopted | Around 1993 | |
| Type of Fee | Quimby | |
| Type of Fee Methodology | (1) | Quimby Land value and density |
| Park Fee Rate | (2) | |
| Single Family | | \$8-12K based on density |
| Multi-Family | | \$8-12K based on density |
| Affordable Units | (3) | exempt p 122 of Master Plan |
| Acreage Requirements per 1,000 residents | (3) | 3.00 City goal is 10 acres, but fees comply with Quimby |
| Fee Revenue Generated per Year | (4) | \$170,226 2017-18 Park Facilities Fund actual revenue |
| Type of Projects Funded | (5) | Park improvement, rehabilitation and repair. |

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- (1) Residential Development Park Dedication and In Lieu Parkland Fees Ordinance:
[http://library.amlegal.com/nxt/gateway.dll/California/culver/themunicipalcodeofthecityofculvercitycal?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:culvercity_ca](http://library.amlegal.com/nxt/gateway.dll/California/culver/themunicipalcodeofthecityofculvercitycal?f=templates$fn=default.htm$3.0$vid=amlegal:culvercity_ca)
 - (2) Data provided by Gabriela at the planning dept. 2.11.20.
 - (3) Parks and recreation master plan 2008, p. 120.
<https://www.culvercity.org/home/showdocument?id=3336>
 - (4) \$50,000 for 2019-20 adopted budget. City of Culver City budget:
<https://www.culvercity.org/home/showdocument?id=18215>
 - (5) Page 549 of the 2019 -20 Culver City budget.
Source: Brion Economics, Inc.

Los Angeles

The City of Los Angeles adopted Quimby Act fees in January of 2017. The fees for fiscal year 2019-20 are \$12,998 for single family units and \$6,372 for multi-family units. Projects with vested rights prior to 2017 are subject to fees based on zoning.² The acreage requirement per 1,000 residents in Los Angeles is 2.51 per residential subdivision unit and 1.23 per multi-family unit. As a large city, Los Angeles generates the most annual park impact fee revenue of the cities reviewed here, at \$24 million per year in fiscal year 2018-19.

Table 4
Park Fee Review - City of Los Angeles
City of Pasadena Park Fee Nexus Study - 2020 Update

| Item | Item Details | Notes/Comments |
|---|--------------|---|
| Date Adopted | (1) | January 2017 |
| Type of Fee | | Quimby Act Fee |
| Type of Fee Methodology | | Quimby Park In-Lieu Fees and Zone change fees |
| Park Fee Rate | (1) | |
| Single Family | | \$12,998 Per Residential Subdivision Unit |
| Multi-Family | | \$6,372 Per Non-Subdivision Residential Unit |
| Affordable Units | | exemption available |
| Acreage Requirements per 1,000 residents | (1) | |
| | | 2.51 Per Residential Subdivision Unit |
| | | 1.23 Per Non-Subdivision Residential Unit |
| Fee Revenue Generated per Year | (2) | \$24,167,195 FY 2018-19, excluding interest and admin |
| Type of Projects Funded | | Park development, renovation, and improvement. |

(1) City of Los Angeles Department of Recreation and Parks, FY 2019-20:

<https://www.laparks.org/planning/park-fees>

(2) Park Fee Annual Report 2019:

<https://www.laparks.org/sites/default/files/planning/Park%20Fee%20Annual%20Report%20FY%202019.pdf>

Source: Brion Economics, Inc.

² <https://www.laparks.org/planning/park-fees>

Riverside

The City of Riverside adopted the Mitigation Fee Act in March of 2007. There are 4 separate fees for Riverside development. These include the Regional Reserve fee, Local Park fee, Aquatics fee, and a Trail fee. Regional Reserve fees are \$5,489 per lot for single family units, and \$5,489 per gross acre for multi-family units. Local Park fees and Aquatic fees vary by unit type and quantity; single family fees are \$4,646 and \$435 per unit, respectively. Multi-family units Local Park fees range from \$4,065 to \$2,832, and multi-family Aquatic fees range from \$398 to \$280 per unit.³ The revenue generated per year by these fees is \$534,000.

Table 5
Park Fee Review - City of Riverside
City of Pasadena Park Fee Nexus Study - 2020 Update

| Item | Item Details | Notes/Comments |
|---|----------------------------|---|
| Date Adopted | March 2007 | |
| Type of Fee | Mitigation Fee Act AB 1600 | |
| Type of Fee Methodology | Nexus | |
| Park Fee Rate | (1) | |
| Single Family, per lot | (2) | \$10,648 Per lot includes Regional Reserve, Local, Aquatic, and Trail. |
| Multi-Family, per unit | (3) | \$3,128 Per unit includes adjusted Regional Reserve, Local, Aquatic, and Trail. |
| Affordable Units | | na |
| Acreage Requirements per 1,000 residents | (4) | 3.0 |
| Fee Revenue Generated per Year | (5) | \$534,000 CIP Plan Fiscal Years 2018-19 to 2022-23 |
| Type of Projects Funded | (4) | Trail Improvements, Parks Master Plan Update. |

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- (1) City of Riverside has four Park Development Fees: Regional/Reserve, Local, Aquatic Facility, and Trail.
https://www.riversideca.gov/park_rec/sites/riversideca.gov.park_rec/files/pdf/2014-Park-Fee-Information-Sheet_0.pdf
- (2) Single Family Regional Reserve is \$5,489 per lot. Additional fees are: Local \$4646, Aquatic \$435, and Trail \$78.
- (3) Multi-family Regional Reserve is \$5,489 per gross acre. This is divided by 20 to represent per unit cost.
Multi-family Local Park Fees range from \$4,065 per unit for a duplex to \$2,832 per space for mobile home space.
The rate included here is the median, Residential Condos \$2,615. Aquatic fees range from \$398 to \$280 per unit.
The median rate included here is \$235. Trail fee is \$78 per acre for Multi-family, here divided by 20 for per unit.
https://www.riversideca.gov/park_rec/sites/riversideca.gov.park_rec/files/pdf/2014-Park-Fee-Information-Sheet_0.pdf
- (4) Local Park Development Fees Riverside Municipal Code:
https://www.riversideca.gov/park_rec/sites/riversideca.gov.park_rec/files/pdf/16-60.pdf
- (5) Annual revenue 2018 to 2023 Regional Park Special Capital Improvement Fund (413) p. 23 to 28 of CIP:
<https://riversideca.gov/finance/PDF/2018/2018-2023%20Capital%20Improvement%20Plan.pdf>

Source: Brion Economics, Inc.

³ https://www.riversideca.gov/park_rec/sites/riversideca.gov.park_rec/files/pdf/2014-Park-Fee-Information-Sheet_0.pdf

Santa Monica

In June of 2015, the City of Santa Monica adopted impact fees following the Mitigation Fee Act. The fee rates are \$8,585 for single family units, \$4,652 for multi-family units consisting of studio and one-bedroom apartments, and \$7,493 for multi-family units of two bedrooms or more. The acreage requirement in Santa Monica is 1.19 acres per 1,000 residents, however the study that established this standard includes hotel guests and employees. Annual revenue generated by the fees is estimated at \$125,000 in the city 2019-21 adopted budget.

Table 6
Park Fee Review - City of Santa Monica
City of Pasadena Park Fee Nexus Study - 2020 Update

| Item | Item Details | Notes/Comments |
|---|------------------------|--|
| Date Adopted | (1) June 2015 | |
| Type of Fee | (3) Mitigation Fee Act | |
| Type of Fee Methodology | Mitigation Fee Act | |
| Park Fee Rate | (2) | |
| Single Family | \$8,585 Per unit | |
| Multi-Family Studio 1BR | \$4,652 Per unit | |
| Multi-Family 2+BR | \$7,493 Per unit | |
| Affordable Units | (1) not applicable | |
| Acreage Requirements per 1,000 residents | (3) 1.19 | Hotel guest and employee demand is included in this acreage requirement. |
| Fee Revenue Generated per Year | (4) \$125,000 | FY 2019-21 Budget |
| Type of Projects Funded | (1) | Park and recreation facility acquisition, development and admin costs. |

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- (1) Municipal Code: Chapter 9.67 - PARKS AND RECREATION DEVELOPMENT IMPACT FEE PROGRAM:
http://www.qcode.us/codes/santamonica/view.php?topic=9-6-9_67
- (2) City of Santa Monica Fee Rate Schedule, PARKS AND RECREATION DEVELOPMENT IMPACT FEE:
<https://finance.smgov.net/fees-taxes/fees-rates>
- (3) EPS Parks and Recreation Development Impact Fee Study, August 2013
<https://www.smgov.net/departments/pcd/agendas/Planning-Commission/2014/20140514/s2014051406ab.pdf>
- (4) City of Santa Monica Budget 2019-21, p 17:
<https://finance.smgov.net/Media/Default/annual-reports/FYE2020/FYE2020-Operating-Budget-Line-Item.pdf>

Source: Brion Economics, Inc.

Thousand Oaks

The Quimby Fee was adopted by the City of Thousand Oaks, and is administered by Conejo Recreation and Parks District, which provides parklands for the City of Thousand Oaks. Development impact fees are charged per project by the park district using a variety of factors, including land value and density. The average per unit fee is around \$20,000. Affordable units can apply for a 50% discount. The acreage standard for Thousand Oaks is 9 acres per 1,000 residents, with development paying for half and the city providing the remainder. Average annual revenue generated by these fees for fiscal years 2017-19 was around \$474,000.

Table 7
Park Fee Review - City of Thousand Oaks
City of Pasadena Park Fee Nexus Study - 2020 Update

| Item | Item Details | Notes/Comments |
|---|--------------|--|
| Date Adopted | (1) | April 1980 |
| Type of Fee | | Fees managed by Conejo Recreation and Parks District Quimby Fee Act |
| Type of Fee Methodology | | Quimby Land values and density |
| Park Fee Rate | (2) | |
| Single Family | | \$10k - \$30k varies by type of development and land value |
| Multi-Family | | \$10k - \$30k |
| Affordable Units | | 50% discount |
| Acreage Requirements per 1,000 residents | (1) | 4.5 City provides an additional 4.5 acres per 1,000 residents. |
| Fee Revenue Generated per Year | (2) | \$474,111 Average annual 2017-19 |
| Type of Projects Funded | | Parkland Acquisition, Rehabilitation and Development. |

(1) City of Thousand Oaks Municipal Code Section 9-3 1601-1612.

https://codelibrary.amlegal.com/codes/thousandoaks/latest/thousandoaks_ca/0-0-0-12213#rid-0-0-0-13095

(2) Bill Palermo, Park Operation Analyst, 2/11/2020:

<https://www.crpdpd.org/about-us/administration/#policies>

It is important to note that the majority of fees collected for 2019 were associated with the development of accessory dwelling units (ADUs) which we now can not longer collect on due to the passage of Senate Bill 13. This will significantly impact local park development and improvement.

Source: Brion Economics, Inc.