Park and Community Center Facilities Fee Study Update

City of Stockton

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EXECUTIVE SUMMARY

The purpose of this report is to update two public facility fees imposed by the City of Stockton, (1) the park facilities fee, and (2) the community center facilities fee. The report summarizes an analysis of the need for parks and community centers to accommodate new development in the City. The report documents a reasonable relationship between new development, public facilities fees, and facilities to be funded.

Legal Background

This report supports adoption of public facilities fees in compliance with the *Mitigation Fee Act* (*California Government Code* Section 66000 *et seq.).* The report substantiates the findings required by the *Act.*

Service Population

City park and community center facilities primarily serve residents. Consequently, this analysis limits the service population for these facilities to residents, and only residential development would be subject to the parks and community centers public facilities fees. **Table E1** provides the current service population with a projection for the year 2020.

Table E1: Existing Population Density, 2002

	Existing Dwelling Units	Population	Density
Dwelling Units			
Single Family	50,302	183,602	3.65
Multi-family	31,404	70,198	2.24
Total	81,706	253,800	3.11

Note: "Density" measures persons per dwelling unit, not persons per occupied unit, i.e. this density measure includes vacant units.

Sources: California Department of Finance; City of Stockton; MuniFinancial.

Park Facilities Fee

The purpose of the park facilities fee is to ensure that new development funds its fair share of park facilities. The City would use fee revenues to expand park facilities to serve new development.

Park Facility Standards and Unit Costs

For the purpose of the park facilities fee, the City uses the ratio of existing developed park acres to existing residents. The City's existing ratio is 3.11 developed acres per 1,000 residents, including undeveloped parks converted to an equivalent acreage of developed parkland. This analysis uses the City's General Plan policy standard for parkland per capita of 3.0 acres per 1,000.

Recent cost data for land acquisition averages $60,000 per acre within the City. The City estimates costs per acre for park improvement to be $150,000 per acre. Thus, the total estimated average cost to acquire and improve one acre for a park is $210,000.

Facilities to Accommodate Growth

The City anticipates expanding its park facilities primarily by developing existing, planned, and undeveloped parks, and by continuing to seek dedication and development of new parks by developers. Based on the current parks capital improvement program (CIP) the City would improve 82 acres, or nearly all its current unimproved park acreage, plus purchase and improve 37 new acres. Completion of the current CIP would accommodate about nine years of projected growth in the City based on the 3.0 acres per 1,000 facility standard. Future CIPs would have to identify additional facilities to accommodate growth through the planning horizon of 2020.

Alternative Funding

The City anticipates funding parkland acquisition costs by requiring developers to dedicate land or pay a fee in lieu of dedication for park sites under the State's Quimby Act. The park facilities fee would only be set at a level required to fund the cost of park improvement and land acquisition costs.

Fee Schedule

The City will fund CIP projects in priority order as development generates sufficient fee revenue. **Table E2** presents the proposed fee.

Table E2: Proposed Park Facilities Fee (Per Unit)

		Fee
Initial Fee (Adopted In 1989)	$	1,429
Current Fee (Reduced In 1991)[1]		1,173
Single Family		
Park Improvement	$	1,643
Parkland Acquisition		657
Total Single Family Fee	$	2,300
Multi-family		
Park Improvement	$	1,006
Parkland Acquisition		402
Total Multi-family Fee	$	1,408

Source: MuniFinancial.

Park Facilities Fee Comparison

The City's park facilities fee was first adopted in 1989 at the level of $1,429 per single family unit. The fee was reduced to $1,173 in 1991. Depending on the method of inflation, if the original 1989 fee had been kept current with increases in construction costs it would be between $2,109 and $2,593.

Community Center Facilities Impact Fee

The purpose of the community center facilities fee is to ensure that new development funds its fair share of community center facilities. The City would use fee revenues to expand community center facilities to serve new development.

Community Center Facility Standard and Unit Costs

To determine new development's need for community centers, the City uses the general plan policy standard of 500 square feet of community center space per 1,000 residents. The existing ratio is 457 square feet per 1,000 residents. This report uses the general plan facility policy standard.

New community centers are projected to cost $175 per square foot. This cost excludes land because community centers would probably be constructed on parkland provided through the subdivision dedication requirement discussed in the last section.

Facility Costs to Accommodate Growth

The City anticipates expanding its community center facilities by constructing new facilities with facility fee revenue. The City has the flexibility to use community impact fee revenues for any capital project as long as the project expands community center facilities that serve new development.

The City will generate $6.5 million in fee revenue to fund new community centers. This amount will fund construction of an additional two community centers at the preferred size of 15,000 square feet per center.

Alternative Funding

The City does not anticipate the availability of any alternative funding for community centers required to accommodate growth.

Fee Schedule

Table E3 shows the proposed community center facilities fee for new development based on the General Plan policy standard.

Table E3: Proposed Community Center Facilities Fee (Per Unit)

	Fee
Current Fee (Adopted In 1989)	$ 131
Single Family	$ 319
Multi-family	196

Source: MuniFinancial.

Community Center Fee Comparison

The City Council adopted in 1989 the current single-family residential community center fee of $131 per single family unit and has not increased the fee since. The fee would be $193 if it had been increased to 2002 based on a commonly used index of construction costs.

Program Implementation

The park and community center facilities fees would be collected at time of building permit issuance. To implement the fees the City should do the following:

- Adopt an implementing ordinance and resolution that includes an automatic inflation adjustment to the fees based on a construction cost index;
- Ensure adequate administrative guidelines for providing a credit to subdivisions that fund parkland and/or improvements and dedicate them to the City;
- Deposit revenues from the fee into a separate account and expend funds only for projects to accommodate new development;
- Adjust the fees annually for inflation. Land would be adjusted based on the City's recent experience purchasing land. Construction increases would be based on the ENR Construction Cost Index;
- Comply with the annual and five-year reporting requirements of *Government Code* 66000 et seq.; and
- Maintain master plans indicating facility standards and a capital improvement program designating fee revenues to specific capital projects.

Adjusting the fees annually for inflation is particularly important so that the City avoids falling behind again in the purchasing power of its facilities fees.

Comparison To Other Cities

The proposed park and community center fees are within the range of current fees imposed by the cities of Brentwood, Lodi, Manteca, Modesto, and Tracy. Including land parkland dedication costs, the proposed Stockton fees are slightly more than fees in Manteca and Modesto, and substantially less than fees in Brentwood and Lodi and most growth areas in Tracy.

INTRODUCTION

This report summarizes an analysis of the need for parks and community centers to accommodate new development in the City of Stockton. The report documents a reasonable relationship between new development and a public facilities fee for funding these new facilities.

Mitigation Fee Act

To guide the widespread imposition of public facilities fees, the State Legislature adopted the *Mitigation Fee Act* with Assembly Bill 1600 in 1988 and subsequent amendments. The *Act*, contained in *California Government Code* Section 66000 *et seq.*, establishes requirements for the imposition and ongoing administration of impact fee programs. The *Act* became law in January 1989 and requires local governments to document the findings listed below when adopting an impact fee. For the park and community center impact fees for the City of Stockton, the findings are summarized here and supported in detail by the report that follows.

1. <u>Identify the purpose of the fee</u>

   The park and community center fees would ensure that new development in the City of Stockton funds its fair share of park and community center facilities.

2. <u>Identify the use of fee revenues</u>

   Park and community center fees would fund expanded park and community center facilities to serve new development.

3. <u>Determine a reasonable relationship between the fee's use and the type of development paying the fee</u>

   Fee revenues would only be used for construction of parks and community centers to accommodate new development. Most facilities serve residents citywide so fee revenues may be used for any new or expanded facility citywide. See the "Facilities Costs To Accommodate Growth" sections for detail on the use of fee revenues.

4. <u>Determine a reasonable relationship between the need for the fee and the type of development paying the fee</u>

Growth projections for the City of Stockton in the "Service Population Projections" section determine the type of development that would need new or expanded park and community center facilities. Facility standards in the "Facility Standards and Unit Costs" sections of the report establish the reasonable relationship per unit of development between the need for the fee and the type of development paying the fee.

5. Determine a reasonable relationship between the amount of the fee and the cost of the facility attributable to development paying the fee

   Total estimated revenue based on the fee schedule is equal to the total cost of providing park and community center facilities to accommodate new development. The fee per unit of development ensures that each type of development contributes its fair share to maintain facility standards.

Service Population

The need for park and community center facilities is measured by the City's service population. City park and community center facilities primarily serve residents, though workers in businesses located in the City also use and benefit from these facilities to some degree. Consequently, this analysis assumes that the service population for these facilities only includes residents.

If the City conducted surveys of users, the results may indicate use by workers. Absent such survey data, however, it is reasonable to associate park and community center needs only with residents because the City typically plans and constructs parks and community centers in response to residential development. As a result, only residential development would be subject to the parks and community centers public facilities fees.

Table 1 shows average population density per dwelling unit based on current estimates by the California Department of Finance and City staff. Density by housing type is estimated by MuniFinancial and City staff and is used to determine facility needs by type of housing. The current fee schedule also has a "guestrooms" land use category in addition to single and multi-family. That category refers to hotel and motel uses. It is eliminated for this update because there is not sufficient data to demonstrate a reasonable relationship between the need for parks and overnight visitors to the City.

Table 2 provides the current service population with a projection for the year 2020. The projection is based on a continuation of the average annual rate of development during the past ten years through a full business cycle.

Table 1: Existing Population Density, 2002

	Existing Dwelling Units	Population	Density
Dwelling Units			
Single Family	50,302	183,602	3.65
Multi-family	31,404	70,198	2.24
Total	81,706	253,800	3.11

Note: "Density" measures persons per dwelling unit, not persons per occupied unit, i.e. this density measure includes vacant units.

Sources: California Department of Finance; City of Stockton, Steve Escobar, Senior Planner; MuniFinancial.

Table 2: Service Population

	2002	Growth 2002-2020	2020
Dwelling Units			
Single Family	50,302	19,817	70,119
Multi-family	31,404	1,083	32,487
Total	81,706	20,900	102,606
Population	253,800	74,753	328,553

Note: Data is for January 1 of the year indicated.

Sources: Table 1; California Department of Finance; City of Stockton; MuniFinancial.

PARK FACILITIES FEE

This section documents the maximum justifiable public facilities fee for park facilities. The purpose of the fee is to ensure that new development funds its fair share of park facilities. The City would use fee revenues to expand park facilities to serve new development.

Existing Facilities Inventory

The City owns and operates, or has agreements with other agencies to use, various park facilities. These facilities, summarized in **Table 3**, include neighborhood and community parks and school fields. School fields are available for use by City residents through agreements with the school districts. A detailed list of facilities is in **Table A-1** at the end of this report.

Table 3: Existing Parks Inventory

		Park Acreage		
Park Type	Number of Sites	Improved	Unimproved	Total
Neighborhood Parks	47	184.13	33.08	217.21
Community Parks	27	572.73	51.90	624.63
Total	74	756.86	84.98	841.84

Sources: City of Stockton, *City of Stockton General Plan Parks and Recreation Element*, January 1996; MuniFinancial.

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Facility Standards and Unit Costs

Park Facility Standards

To calculate new development's need for new parks cities commonly uses a ratio expressed in terms of developed park acres per 1,000 residents. The current Stockton General Plan policy standard for parks citywide is 3.0 acres per 1,000 residents. As shown in **Table 4**, the City's existing ratio of park facilities per resident is 3.11 developed acres per 1,000 residents, including undeveloped parks and existing appropriated park improvement funds converted to an equivalent acreage of developed parkland. As a result, the City current has slightly more parks per 1,000 capita than indicated by General Plan policy.

Table 4: General Plan and Existing Park Facility Ratio

Existing Park Facility Ratio		
Improved Park Inventory (acres)		756.86
Unimproved Parks		
Inventory (acres)	84.98	
Land Costs Percent of Total Park Costs[1]	29%	
Equivalent Improved Acres		24.28
Appropriated Funds for Park Improvement (as of 6/30/02)		
Fong (Blossom Ranch)	$ 781,000	
Equinoa (La Morada)	900,000	
Peri	46,000	
Total	$ 1,727,000	
Park Improvement Cost Per Acre	150,000	
Acres of Funded Improvements	11.51	
Improvement Costs Percent of Total Costs[1]	71%	
Equivalent Improved Acres		8.22
Total Equivalent Improved Acreage		789.36
2002 Service Population		253,800
Existing Park Ratio Per 1,000 Capita (acres)		3.11
General Plan Policy Standard (park acres per 1,000 capita)		3.00

[1] Based on costs per acre of $60,000 for land, $150,000 for improvements, and $210,000 total.

Sources: Tables 1 and 3; MuniFinancial.

The *Mitigation Fee Act* does not dictate use of a particular type of facility ratio for calculation of public facility fees. The existing ratio in Table 4 is slightly higher than the 3.0 acres per 1,000 residents policy standard adopted in the City's General Plan. The City will rely on the General Plan policy standard and not the existing ratio to determine the park facilities needed by development and to calculate the development impact fee.

Unit Costs for Land Acquisition and Development

Recent cost data for land acquisition averages $60,000 per acre within the City. The City estimates costs per acre for park improvement to be $150,000 per acre. Thus, the total estimated average cost to acquire and improve one acre for a park is $210,000. Unit cost assumptions are summarized below:

- **Parkland acquisition cost:** The parkland acquisition cost per acre represents average current market values for residential land in the City of Stockton. The cost is estimated for a standard three-acre undeveloped lot with no frontage improvements.
- **Park improvement cost:** The parkland improvement cost per acre represents the average cost of capital improvement on parkland such as landscaping and recreational facilities. Costs include frontage improvements such as street, utility, and drainage improvements. These costs represent the types of improvements provided on existing City parks.

Table 5 summarizes the park facilities unit costs.

Table 5: Park Facilities Unit Costs

	Cost Per Acre
Land Acquisition Cost	$ 60,000
Park Improvement Cost	150,000
Total/Average	$ 210,000

Sources: City of Stockton; MuniFinancial.

Facility Costs to Accommodate Growth

The City anticipates expanding its park facilities primarily by developing existing, planned, and undeveloped parks. The City has the flexibility to use park impact fee revenues for any capital project as long as the project expands park facilities that serve new development.

All new residents benefit from and can use parks citywide. Thus, there is a reasonable relationship between all residential development citywide and the use of fee revenues for park facilities citywide. City policy standards for neighborhood and community park planning indicate that community parks comprise the majority of park needs (2.25 acres out of a total of 3.0 acres per 1,000 residents). Moreover, the service area for community parks is a minimum of two miles wide and can include the entire city. Indeed, a survey of park use by Stockton residents indicated that a substantial number of residents go outside of their immediate neighborhood to use the City's parks.[1]

Table 6 shows the facilities planned to accommodate growth currently included in the City's parks capital improvement program (CIP). Based on current plans the City would purchase and improve 37.10 acres and in addition improve 81.98 acres of the City's 84.98 acres of currently unimproved parkland, for a total of 119.08 improved acres.

Table 6: New Park Land Development Cost

	Acres to Acquire	Land Acquisition Cost[1]	Acres to Improve[2]	Park Improvement Cost[1]	Total
Fong (Blossom Ranch)[3]	2.00	$ 120,000	7.00	$ 269,000	$ 389,000
Baxter	5.00	300,000	5.00	750,000	1,050,000
Equinoa (La Morada)[3]	14.70	882,000	14.70	1,305,000	2,187,000
John Peri[3]	-	-	5.90	839,000	839,000
Garrigan	-	-	5.70	855,000	855,000
Weston/SJ River site	5.00	300,000	5.00	750,000	1,050,000
P.E. Weston	-	-	14.30	2,145,000	2,145,000
William Long	-	-	5.00	750,000	750,000
Arnold Rue	-	-	3.88	582,000	582,000
Lodi USD/4th HS	-	-	22.00	3,300,000	3,300,000
Manteca USD/4th HS	-	-	12.60	1,890,000	1,890,000
Spanos Park West	7.40	444,000	13.00	1,950,000	2,394,000
Missassi	3.00	180,000	5.00	750,000	930,000
Total	37.10	$ 2,226,000	119.08	$ 16,135,000	$ 18,361,000

[1] Based on land costs of $60,000 per acre and improvement costs of $150,000 per acre.
[2] Does not include 3.0 for Panella Addition that is not planned to be improved.
[3] Improvement costs exclude funded amounts as of June 30, 2002: $781,000 for Fong (Blossom Ranch), $900,000 for Equinoa (La Morada), and $46,000 for John Peri.

Sources: City of Stockton; MuniFinancial.

Based on the acreage data in Table 6, **Table 7** summarizes the total equivalent net improved parkland acres that will be added to the system by the proposed projects.

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[1] More than half of the respondents to the survey (58 percent) most often used parks south of the river. See *City of Stockton General Plan - Parks and Recreation Element Evaluation and Update*; January 8, 1996; Part III, p.9.

The 81.98 acres shown in the table as "Existing Unimproved Parks" is discounted to reflect that the City currently owns the land. The unimproved value of this land was already included when calculating the City's existing park ratio (see Table 4). An equivalent of 8.22 acres of developed parkland has been funded by the City of Stockton.

Table 7: New Park Acreage Development

New Park Facilities		
Parkland to Purchase and Improve		37.10
Existing Unimproved Parks		
Inventory (acres)	81.98	
Improvement Costs Percent of Total Park Costs[1]	71%	
Equivalent Improved Acres		58.56
Total Equivalent New Improved Acreage		95.66
Less: Acreage Funded as of 6/30/02		8.22
Total Equivalent New Improved Acreage to Finance		87.43

[1] Based on land improvement cost of $150,000 and total cost per acre of $210,000.

Sources: Tables 5 and 6; MuniFinancial.

At the standard of 3.0 acres per 1,000 residents, completion of the current CIP would accommodate about 29,000 residents or about nine years of projected growth in the City.[2] Future CIPs would have to identify additional facilities to accommodate growth through the planning horizon of 2020.

Alternative Funding

The City does not anticipate any alternative funding available to fund park facilities needed to serve development. The City plans to aggressively seek state grants from recently approved bond funds but, if successful, would not use the funds to reduce new development's cost burden. Instead the City would use grant

[2] The planned improved acreage would accommodate about 29,000 residents at the policy standard of 3.0 acres per 1,000 residents (87.43 acres / 3.0 x 1,000), or about 8,000 single family dwelling units. This growth would occur over about eight years at the City's average growth rate of 1,100 units per year.

funds to upgrade existing parks or to further improve its overall park facility standard (acres per 1,000 residents).

Fee Schedule

The City will fund CIP projects in priority order as development generates sufficient fee revenue. A cash flow model supports the fee schedule with financial projections through a planning horizon of 2020. The plan represents a fair allocation of park facilities costs to new development because:

- The fee is set at a funding level needed to maintain the City's current park standard by:
  - Crediting interest earnings on park facility fee fund balances; and
  - Ensuring that park facility fee fund balances at the end of the planning horizon (2020) are no greater than at the beginning.
- Only residential development would pay the fee based on the service population for park facilities; and
- The fee by type of development is based on occupant density estimates (persons per dwelling unit) to reflect demand for park facilities from new residents.

This approach establishes a reasonable relationship between the amount of the fee and each type of development project paying the fee.

Tables 8 and **9** show how the park facilities fee is calculated. Table 8 multiplies the per acre costs for park land acquisition and improvement by the park policy standard of 3.0 acres per 1,000 residents and divides by 1,000 to calculate costs per capita. Table 9 then multiplies these per capita costs by the average number of residents per dwelling unit to calculate the fee per single and multi-family unit.

Table 8: Per Capita Park Development Cost

	Land Acquisition	Park Improvement	Total
Park Development Cost Per Acre	$ 60,000	$ 150,000	$ 210,000
General Plan Park Ratio Per 1,000 Capita (acres)	3.00	3.00	6.00
Facility Expansion Cost Per Capita	$ 180	$ 450	$ 630

Sources: Tables 4 and 5; MuniFinancial.

Table 9: Park Facilities Fees

Land Use	Costs per Capita	Density[1]	Fee Per Unit[2]
Residential			
Single Family			
Park Improvement	$ 450	3.65	$ 1,643
Parkland Acquisition	180	3.65	657
Total Single Family Fee			$ 2,300
Multi-family			
Park Improvement	$ 450	2.24	$ 1,006
Parkland Acquisition	180	2.24	402
Total Multi-family Fee			$ 1,408

[1] Persons per dwelling unit.
[2] Per dwelling unit.

Sources: Tables 1 and 8; MuniFinancial.

Table A-2 in the appendix shows a cash flow projection through 2020 based on the fee schedule in Table 9, estimated development, and the funding of CIP projects. The CIP projects listed in Table 6 are funded as sufficient fee revenue becomes available. All CIP projects are funded by 2010 on a "pay as you go" basis. Funding for additional future projects to be determined is shown as a single line item at the bottom of the expenditure section of the table. The City will need to identify additional projects as part of future CIPs to allocate these funds and maintain the existing park ratio through the planning horizon.

Fee Credits

The fee schedule in Table 9 is broken into separate components for land acquisition and improvement so that the City can calculate a credit if a developer dedicates parkland or provides improvements. An average per acre reimbursement is reasonable because the fees collected may not be used in the same area from which they were collected. The costs provided in this report represent the current citywide value. For example consider a subdivision of 100 single-family dwelling units and dedication of 2.0 acres of parkland by the master developer of the subdivision. The City would receive total fee revenues from the development of $230,000 composed of a land acquisition component of $65,700 and a park improvement component of $164,300 (100 units x single family fee component from Table 9). The value of the developer's dedicated land to the fee program is

$120,000 (2.0 acres x $60,000 per acre). The City would have a number of options, including:

- Repay the master developer $120,000 from the existing park impact fee fund balance;
- If the developer is also the home builder, simply credit $120,000 against the future park impact fees to be paid by the development by only imposing a fee of $1,100 per unit;
- If the master developer sells lots to home builders
  - Repay the developer $65,700 for the land acquisition component and establish a reimbursement agreement for the remainder ($54,300) to be funded by park impact fees from the development at the rate of $543 per unit;
  - Establish a reimbursement agreement for the full $120,000 to be funded by park impact fees from the development at the rate of $1,200 per unit; or
- Some combination of the above.

Park Facilities Fee Comparison

Like many communities, the City of Stockton has not increased its park facilities fees to offset the effect of inflation, and indeed reduced the fee below its initial level. As a result, the "buying power" of the fee has steadily been eroded, reducing the City's ability keep up with the expansion of facilities to accommodate growth.

The current park facilities fee was first adopted in 1989 at the level of $1,429 per single family unit. The fee was lowered to $1,173 in 1991 to reduce the burden on landowners and developers and has not been increased since.

There are several methods for comparing the current and proposed fees. If the initial 1989 fee had been increased based on a commonly used index of construction costs the current fee would equal $2,109. However, the overall cost of acquiring and improving an acre of parkland based on the actual cost of completing park capital projects in the City has increased faster than this construction index, probably because of changes in the type of park improvements installed by the City. If the initial fee had been increased based on the actual rate of increase in costs the current fee would equal $2,593.

Table 10 summarizes this comparison of the initial and current park facilities fee to the proposed fee.

Table 10: Park Facilities Fee Comparison

		Fee Per Single Family Unit
Initial Fee (Adopted In 1989)	$	1,429
Current Fee (Reduced In 1991)[1]		1,173
Initial 1989 Fee Inflated To 2002		
ENR Construction Cost Index[2]	$	2,109
City Cost Estimates[3]		2,593
Proposed Fee		
Development Fee	$	1,643
Parkland Dedication In-lieu Fee		657
Total Single Family Fee	$	2,300

[1] The 1989 adopted fee was reduced to $1,173 in 1991 and has not been increased since.

[2]. Based on average annual rate of 3.04 percent from 1989 to 2002.

[3] Based on average annual rate of 4.69 percent from 1991 to 2002 using estimated parkland acquisition and improvement costs from the City's *Development Fee Update and Fiscal Year 1991-92 Inflation Adjustment* for the park facilities fee, compared to the unit costs used in this report (see Table 5).

Sources: *Engineering News Record*; City of Stockton; MuniFinancial.

COMMUNITY CENTER FACILITIES IMPACT FEE

This section documents the maximum justifiable public facilities fee for community center facilities. The purpose of the fee is to ensure that new development funds its fair share of community center facilities. The City would use fee revenues to expand community center facilities to serve new development.

Existing Facilities Inventory

The City owns and operates, or has agreements with other agencies to use, various community center facilities. School facilities are available for use by City residents through agreements with the school districts. **Table 11** summarizes existing community center facilities the serve the City.

Table 11: Existing Community Center Facilities

Facility	Building Sq. Ft.
McKinley	8,325
Seifert	11,795
Stribley	9,943
Oak Park Senior Center	10,708
Van Buskirk	4,963
Sierra Vista	7,500
Lincoln Middle School	10,000
Stockton Middle School	5,500
Hamilton Middle School	9,000
Marshall Middle School	9,000
Webster Middle School	9,000
Fremont Middle School	9,000
Delta Sierra	6,240
Rod and Gun Club	5,000
Total	115,974

Note: List includes all facilities that offer public recreational programs.

Sources: City of Stockton; MuniFinancial.

Facility Standards and Unit Costs

To calculate new development's need for new community centers cities commonly uses a ratio expressed in terms of building square feet per 1,000 residents. The current Stockton General Plan policy standard for community centers is building square feet per 1,000 residents. As shown in **Table 12** the existing ratio of community centers per capita is 457 square feet per 1,000 residents based on the facility inventories from Table 11, and the service population from Table 1. The existing ratio is similar the 500 square feet per 1,000 residents policy standard adopted in the City's General Plan.

Table 12: Existing Community Center Facility Ratio

Existing Ratio Per 1,000 Capita (sq. ft.)	
2002 Community Center Inventory (sq. ft.)	115,974
2002 Service Population	253,800
Existing Facility Ratio (sq. ft. per 1,000 capita)	457
General Plan Policy Standard (Sq. ft. per 1,000 capita)	500

Sources: Tables 1 and 11; MuniFinancial.

The *Mitigation Fee Act* does not dictate use of a particular type of facility ratio for calculation of public facility fees. The City will rely on the General Plan policy standard and not the existing ratio to determine the park facilities needed by development and to calculate the development impact fee.

The unit cost of new community centers based on the City's recent experience is $175 per square foot. This cost excludes land because community centers would probably be constructed on parkland provided through the subdivision dedication requirement discussed in the last section.

Facility Costs to Accommodate Growth

The City anticipates expanding its community center facilities by constructing new facilities with facility fee revenue. The City has the flexibility to use community impact fee revenues for any capital project as long as the project expands community center facilities that serve new development.

All new residents benefit from and can use community centers citywide. Thus, there is a reasonable relationship between new development and the use of fee revenues for implementation of a single citywide community center facilities fee program.

Table 13 shows the total cost of park facilities necessary to accommodate growth through the year 2020. The table calculates the cost per capita based on the General Plan policy standard and the unit cost estimate of $175 per square foot, and applies that cost to the increase in service population from new development. The City will generate $6.5 million in fee revenue to fund new community centers. This amount will fund about 37,000 square feet of space or construction of about two new community centers at the preferred size of 15,000 square feet per center.

Table 13: Community Center Impact Fee Revenue

General Plan Policy Standard (Sq. ft. per 1,000 capita)		500
Cost Per Square Foot	$	175
General Plan Ratio Cost Per Capita	$	88
Service Population Increase, 2002-2020		74,753
Estimated Fee Revenue	$	6,541,000

Sources: Tables 2 and 12; MuniFinancial.

Alternative Funding

The City does not anticipate the availability of any alternative funding for community centers required to accommodate growth. If any undesignated capital funding becomes available it would probably be dedicated to the renovation and rehabilitation of existing centers.

Fee Schedule

Table 14 shows the community center facilities fee for new development based on the net facilities cost per capita shown in Table 13. Only residential development would pay the fee based on the definition of the service population for community center facilities. Furthermore, demand for new community center facilities is based on the number of new residents. Thus the use of occupant density estimates (persons per dwelling unit) to calculate the fee establishes a reasonable relationship between the amount of the fee and the type of new development.

Table 14: Community Center Facilities Impact Fee

Land Use	Costs per Capita	Density[1]	Fee Per Unit[2]
Residential			
Single Family	$ 88	3.65	$ 319
Multi-family	88	2.24	196

[1] Persons per dwelling unit.

[2] Per dwelling unit.

Sources: Tables 1 and 13; MuniFinancial.

Community Center Fee Comparison

Like the park facilities fee, the City of Stockton has not increased its community center facilities fees to offset the effect of inflation and its "buying power" has steadily been eroded. **Table 15** compares the current single-family residential community center fee ($131 per single family unit adopted in 1989) to its 2002 level if it had been increased annually based on a commonly used index of construction costs. The proposed fee is higher than the inflation-adjusted current fee either because the current fee was based on a lower standard than current General Plan policy and/or building standards and costs for community centers have risen faster than the overall construction inflation index.

Table 15: Community Center Facilities Impact Fee

	Fee Per Single Family Unit
Current Fee (Adopted In 1989)	$ 131
Current Fee (1989 Inflated To 2002)[1]	193
Proposed Fee	319

[1]. Based on average annual rate of 3.04 percent from 1989 to 2002.

Sources: Engineering News Record; City of Stockton; MuniFinancial.

PROGRAM IMPLEMENTATION

The park and community center facilities fees would be collected at time of building permit issuance. To implement the fees the City should do the following:

- Adopt an implementing ordinance and resolution that includes an automatic inflation adjustment to the fees based on a construction cost index;
- Ensure adequate administrative guidelines for providing a credit to subdivisions that fund parkland and/or improvements and dedicate them to the City;
- Deposit revenues from the fee into a separate account and expend funds only for projects to accommodate new development;
- Adjust the fees annually for inflation. Land would be adjusted based on the City's recent experience purchasing land. Construction increases would be based on the ENR Construction Cost Index;
- Comply with the annual and five-year reporting requirements of *Government Code* 66000 et seq.; and
- Maintain master plans indicating facility standards and a capital improvement program designating fee revenues to specific capital projects.

Adjusting the fees annually for inflation is particularly important so that the City avoids falling behind again in the purchasing power of its facilities fees.

COMPARISON TO OTHER CITIES

MuniFinancial completed a fee comparison for the City of Stockton for its park and community center impact fees. For this analysis, we compared the proposed City of Stockton park and community center fees to similar fees for the cities of Brentwood, Lodi, Manteca, Modesto, and Tracy. The results are shown in the following table.

Table 16: Park Impact Fee Comparison - Single Family

City	Park Fee	Community Center Fee
City of Stockton	$ 2,300	$ 319
Brentwood	5,438	NA
Lodi[1]	3,314	NA
Modesto	2,022	NA
Manteca	2,317	NA
Tracy		
Plan C[2]	5,136	642
ISP South[3]	1,212	642
Infill[4]	4,941	642
South MacArthur[5]	2,500	642

[1] Based on per acre fee of $19,886. Assumes 6 units per acre. Also includes community center fee.

[2] Mini/Neighborhood and Community Parks.

[3] Community Park fee. ISP developers will dedicate, design and construct the mini/neighborhood parks.

[4] Infill pays their total park obligation as one fee that will be used for a community park.

[5] Mini/Neighborhhod and Community Parks.

Source: City of Brentwood; City of Lodi; City of Modesto; City of Manteca; Harris & Associates; MuniFinancial

The comparison of fees is not a requirement of AB 1600 and cannot be used as a legal justification of raising or lowering fees. However, it is reasonable to be concerned if fee levels are significantly different than neighboring jurisdictions. The fees for the City of Stockton fall within an acceptable level relative to other communities, are not excessive, and should not affect the rate of development within the City.

APPENDIX

Table A-1 summarizes the existing improved and unimproved park facilities within the City of Stockton that make up the existing ratio. The table also presents the acres to purchase and improve of planned projects.

Table A-2 presents the cash flow analysis for the park facilities fee based on the fee schedule in Table 11. Projects are funded as sufficient fee revenue becomes available. The plan includes $28.7 million for future projects beyond the current CIP to maintain the existing standard of 3.0 acres per 1,000 residents through 2020.

Table A-1: Detailed Park Inventory (acres)

Facility	Existing Improved	Existing Unimproved	Existing Parks Total	Acreage To Be Purchased	Acreage To Be Improved
Neighborhood Parks					
Atherton	10.00	-	10.00	-	-
Baxter	4.50	-	4.50	5.00	5.00
Boggs Tract*	3.00	-	3.00	-	-
Caldwell	3.49	-	3.49	-	-
Columbus	2.11	-	2.11	-	-
Constitution	2.11	-	2.11	-	-
Corren	1.00	-	1.00	-	-
Cortez	5.00	-	5.00	-	-
Cruz	7.04	-	7.04	-	-
Dentoni	9.50	-	9.50	-	-
De Carli Plaza	2.11	-	2.11	-	-
Eden	2.11	-	2.11	-	-
Equinoa (La Morada)	-	-	-	14.70	14.70
Fong (Blossom Ranch)	-	5.00	5.00	2.00	7.00
Fremont	2.11	-	2.11	-	-
Friedberger	1.50	-	1.50	-	-
Garrigan	-	5.70	5.70	-	5.70
Gibbons	3.62	-	3.62	-	-
Gleason	2.11	-	2.11	-	-
Harrell	8.50	-	8.50	-	-
Holiday	2.40	-	2.40	-	-
Holmes	2.00	-	2.00	-	-
Independence	2.11	-	2.11	-	-
Lafayette	2.11	-	2.11	-	-
Laughlin	5.00	-	5.00	-	-
Liberty	2.11	-	2.11	-	-
Lock Lomond	5.42	-	5.42	-	-
Long Park	5.00	5.00	10.00	-	5.00
Madison Playfield*	4.50	-	4.50	-	-
Missassi	-	2.00	2.00	3.00	5.00
Nelson	12.10	-	12.10	-	-
Peri (The Rivers)	-	5.90	5.90	-	5.90
Peterson	2.97	-	2.97	-	-
Rue	-	3.88	3.88	-	3.88
Sherwood	6.42	-	6.42	-	-
Shropshire (Little John Creek)	5.70	-	5.70	-	-
Sousa	3.47	-	3.47	-	-
Spanos Park (West) Parks	-	5.60	5.60	7.40	13.00
Swenson	9.00	-	9.00	-	-
Taft*	11.00	-	11.00	-	-
Union	2.11	-	2.11	-	-
Valverde	7.00	-	7.00	-	-
Weber	2.20	-	2.20	-	-
Weberstown East	4.53	-	4.53	-	-
Weberstown West	3.07	-	3.07	-	-
Weston S.J. River site	-	-	-	5.00	5.00
Williams Brotherhood	14.10	-	14.10	-	-
	184.13	33.08	217.21	37.10	70.18
Community Parks					
Anderson	11.00	-	11.00	-	-
Buckley Cove	53.32	-	53.32	-	-
Gianone*	15.00	-	15.00	-	-
Grupe	20.50	-	20.50	-	-
Kennedy Memorial*	18.00	-	18.00	-	-
Legion	21.12	-	21.12	-	-
Lodi High School	-	22.00	22.00	-	22.00
Louis	73.66	-	73.66	-	-
Manteca High School	-	12.60	12.60	-	12.60
Martin Luther King, Jr. Plaza	1.70	-	1.70	-	-
McKinley	22.30	-	22.30	-	-
McLeod Lake	3.50	-	3.50	-	-
Morelli	4.00	-	4.00	-	-
North Seawall	2.10	-	2.10	-	-
Oak	61.23	-	61.23	-	-
Oak Grove Regional*	80.00	-	80.00	-	-
Panella	15.00	-	15.00	-	-
Panella Addition	-	3.00	3.00	-	3.00
Paul E. Weston	9.70	14.30	24.00	-	14.30
Sandman	16.00	-	16.00	-	-
South Seawall	0.83	-	0.83	-	-
Regional Sports Complex*	70.00	-	70.00	-	-
Stribley	19.32	-	19.32	-	-
Van Buskirk	20.00	-	20.00	-	-
Victory	22.45	-	22.45	-	-
Weber Point	12.00	-	12.00	-	-
	572.73	51.90	624.63	-	51.90
Total	756.86	84.98	841.84	37.10	122.08

* San Joaquin County Parks within metro Stockton area.

Sources: *City of Stockton General Plan, Parks and Recreation Element Evaluation and Update*, January 1996, City of Stockton Staff, MuniFinancial.

Table A-2: Pay-as-you-go Cash Flow Model

FY Ending June 30	2003	2004	2005	2006	2007
Absorption Scenario					
Single Family	*1,043*	*1,043*	*1,043*	*1,043*	*1,043*
Multi-family	*57*	*57*	*57*	*57*	*57*
Total	*1,100*	*1,100*	*1,100*	*1,100*	*1,100*
Beginning fund balance	$ 1,598,447	$ 2,807,572	$ 3,018,879	$ 3,864,413	$ 4,788,857
Revenues					
Park fee revenue	$ 2,479,156	$ 2,479,156	$ 2,479,156	$ 2,479,156	$ 2,479,156
Interest earnings[1]	31,969	56,151	60,378	77,288	95,777
COP proceeds	-	-	-	-	-
Annual revenues	$ 2,511,125	$ 2,535,307	$ 2,539,534	$ 2,556,444	$ 2,574,933
Expenditures					
Planned projects					
Fong (Blossom Ranch)	$ 120,000	$ 269,000	$ -	$ -	$ -
Baxter	300,000	750,000	-	-	-
Equinoa (La Morada)	882,000	1,305,000	-	-	-
John Peri	-	-	839,000	-	-
Garrigan	-	-	855,000	-	-
Weston/SJ River site	-	-	-	300,000	750,000
P.E. Weston	-	-	-	-	2,145,000
William Long	-	-	-	750,000	-
Arnold Rue	-	-	-	582,000	-
Lodi USD/4th HS	-	-	-	-	-
Manteca USD/4th HS	-	-	-	-	-
Spanos Park West	-	-	-	-	-
Missassi	-	-	-	-	-
Future projects	-	-	-	-	-
Annual expenditures	$ 1,302,000	$ 2,324,000	$ 1,694,000	$ 1,632,000	$ 2,895,000
Annual net cash flow	$ 1,209,125	$ 211,307	$ 845,534	$ 924,444	$ (320,067)
Ending fund balance	$ 2,807,572	$ 3,018,879	$ 3,864,413	$ 4,788,857	$ 4,468,790

[1] Based on interest rate of 4%.

Source: Tables 6, 7, and 10; City of Stockton; MuniFinancial.

Table A-2: Pay-as-you-go Cash Flow Model (continued)

FY Ending June 30	2008	2009	2010	2011	2012
Absorption Scenario					
Single Family	*1,043*	*1,043*	*1,043*	*1,043*	*1,043*
Multi-family	*57*	*57*	*57*	*57*	*57*
Total	*1,100*	*1,100*	*1,100*	*1,100*	*1,100*
Beginning fund balance	$ 4,468,790	$ 5,147,322	$ 7,105,425	$ 3,726,689	$ 3,407,379
Revenues					
Park fee revenue	$ 2,479,156	$ 2,479,156	$ 2,479,156	$ 2,479,156	$ 2,479,156
Interest earnings[1]	89,376	102,946	142,108	74,534	68,148
COP proceeds	-	-	-	-	-
Annual revenues	$ 2,568,532	$ 2,582,102	$ 2,621,264	$ 2,553,690	$ 2,547,304
Expenditures					
Planned projects					
Fong (Blossom Ranch)	$ -	$ -	$ -	$ -	$ -
Baxter	-	-	-	-	-
Equinoa (La Morada)	-	-	-	-	-
John Peri	-	-	-	-	-
Garrigan	-	-	-	-	-
Weston/SJ River site	-	-	-	-	-
P.E. Weston	-	-	-	-	-
William Long	-	-	-	-	-
Arnold Rue	-	-	-	-	-
Lodi USD/4th HS	-	-	3,300,000	-	-
Manteca USD/4th HS	1,890,000	-	-	-	-
Spanos Park West	-	444,000	1,950,000	-	-
Missassi	-	180,000	750,000	-	-
Future projects	-	-	-	2,873,000	2,873,000
Annual expenditures	$ 1,890,000	$ 624,000	$ 6,000,000	$ 2,873,000	$ 2,873,000
Annual net cash flow	$ 678,532	$ 1,958,102	$ (3,378,736)	$ (319,310)	$ (325,696)
Ending fund balance	$ 5,147,322	$ 7,105,425	$ 3,726,689	$ 3,407,379	$ 3,081,682

[1] Based on interest rate of 4%.

Source: Tables 6, 7, and 10; City of Stockton; MuniFinancial.

Table A-2: Pay-as-you-go Cash Flow Model (continued)

FY Ending June 30	2013	2014	2015	2016	2017
Absorption Scenario					
Single Family	*1,043*	*1,043*	*1,043*	*1,043*	*1,043*
Multi-family	*57*	*57*	*57*	*57*	*57*
Total	*1,100*	*1,100*	*1,100*	*1,100*	*1,100*
Beginning fund balance	$ 3,081,682	$ 2,749,472	$ 2,410,618	$ 2,064,986	$ 1,712,442
Revenues					
Park fee revenue	$ 2,479,156	$ 2,479,156	$ 2,479,156	$ 2,479,156	$ 2,479,156
Interest earnings[1]	61,634	54,989	48,212	41,300	34,249
COP proceeds	-	-	-	-	-
Annual revenues	$ 2,540,790	$ 2,534,145	$ 2,527,368	$ 2,520,456	$ 2,513,405
Expenditures					
Planned projects					
Fong (Blossom Ranch)	$ -	$ -	$ -	$ -	$ -
Baxter	-	-	-	-	-
Equinoa (La Morada)	-	-	-	-	-
John Peri	-	-	-	-	-
Garrigan	-	-	-	-	-
Weston/SJ River site	-	-	-	-	-
P.E. Weston	-	-	-	-	-
William Long	-	-	-	-	-
Arnold Rue	-	-	-	-	-
Lodi USD/4th HS	-	-	-	-	-
Manteca USD/4th HS	-	-	-	-	-
Spanos Park West	-	-	-	-	-
Missassi	-	-	-	-	-
Future projects	2,873,000	2,873,000	2,873,000	2,873,000	2,873,000
Annual expenditures	$ 2,873,000	$ 2,873,000	$ 2,873,000	$ 2,873,000	$ 2,873,000
Annual net cash flow	$ (332,210)	$ (338,855)	$ (345,632)	$ (352,544)	$ (359,595)
Ending fund balance	$ 2,749,472	$ 2,410,618	$ 2,064,986	$ 1,712,442	$ 1,352,846

[1] Based on interest rate of 4%.

Source: Tables 6, 7, and 10; City of Stockton; MuniFinancial.

Table A-2: Pay-as-you-go Cash Flow Model (continued)

FY Ending June 30	2018	2019	2020	2002 - 2020
Absorption Scenario				
Single Family	*1,043*	*1,043*	*1,043*	*18,774*
Multi-family	*57*	*57*	*57*	*1,026*
Total	*1,100*	*1,100*	*1,100*	*19,800*
Beginning fund balance	$ 1,352,846	$ 986,059	$ 611,937	$ 1,598,447
Revenues				
Park fee revenue	$ 2,479,156	$ 2,479,156	$ 2,479,156	$ 44,624,808
Interest earnings[1]	27,057	19,721	12,239	$ 1,098,076
COP proceeds	-	-	-	-
Annual revenues	$ 2,506,213	$ 2,498,877	$ 2,491,395	$ 45,722,884
Expenditures				
Planned projects				
Fong (Blossom Ranch)	$ -	$ -	$ -	$ 389,000
Baxter	-	-	-	1,050,000
Equinoa (La Morada)	-	-	-	2,187,000
John Peri	-	-	-	839,000
Garrigan	-	-	-	855,000
Weston/SJ River site	-	-	-	1,050,000
P.E. Weston	-	-	-	2,145,000
William Long	-	-	-	750,000
Arnold Rue	-	-	-	582,000
Lodi USD/4th HS	-	-	-	3,300,000
Manteca USD/4th HS	-	-	-	1,890,000
Spanos Park West	-	-	-	2,394,000
Missassi	-	-	-	930,000
Future projects	2,873,000	2,873,000	2,873,000	28,730,000
Annual expenditures	$ 2,873,000	$ 2,873,000	$ 2,873,000	$ 47,091,000
Annual net cash flow	$ (366,787)	$ (374,123)	$ (381,605)	$ (1,368,116)
Ending fund balance	$ 986,059	$ 611,937	$ 230,331	$ 230,331

[1] Based on interest rate of 4%.

Source: Tables 6, 7, and 10; City of Stockton; MuniFinancial.