



City of Sunnyvale

Agenda Item

15-0054

Agenda Date: 1/30/2015

2015 COUNCIL STUDY ISSUE

NUMBER

DPW 15-09

TITLE Feasibility of Establishing a Park Mitigation Fee for Non-residential Development

BACKGROUND

Lead Department: Public Works
Support Department(s): N/A

Sponsor(s):
City Manager

History:
1 year ago: N/A
2 years ago: N/A

SCOPE OF THE STUDY

What are the key elements of the study?

This study was proposed initially as part of Report to Council No. 11-083: ***Consider Increase in the Parks Dedication Standard from 3.0 Acres to 5.0 Acres per 1,000 Population (Subdivision Map Act, Title 18.10 of the SMC and Fee Mitigation Act, Title 19.74 of SMC)***. Alternative 2 was for Council to direct staff to provide information regarding the possible implementation of a park mitigation fee for new industrial, commercial and retail developments but it was not approved.

Currently, funding for the Park Dedication Fund comes from two sources. Parkland dedication or in-lieu fees are collected to mitigate the impact an increasing population has on parks and recreation facilities. The Sunnyvale Municipal Code (SMC) Title 18 (Subdivisions) Chapter 18.10, requires developers of specified residential subdivisions to either dedicate a certain amount of land per additional 1,000 new residents for recreation or open space purposes, or pay an in-lieu fee equivalent to the cost of purchasing the required acreage. Enabling legislation is found in California Government Code (CGC) (6647) and is known as the Quimby Act. Title 19 (Zoning) Chapter 19.74, requires the same acreage or in-lieu fees for Rental Housing Projects. Enabling legislation is found in CGC (66000) and is known as the Mitigation Fee Act.

These fees do not address new industrial, commercial and retail developments. While these types of developments may not create the same impacts as residential, many daytime users of the City's parks and recreation facilities are from local companies participating in sports and recreation activities during their non-work hours and lunch breaks. As these types of development have

increased in Sunnyvale, there are more daytime users of many parks. Encinal Park, for example, has seen an increase in usage as nearby office buildings have increased occupancy resulting in more wear on fields and facilities.

The goal of the study is to consider the feasibility of expanding the park dedication fee to include development of retail, commercial and industrial projects. The study would include a review of existing conditions in the City and would review other nearby cities' requirements. A nexus study would also be conducted in compliance with the state Mitigation Fee Act.

What precipitated this study?

This study issue was proposed by staff and supported by Council in RTC: 11-083.

Planned Completion Year: 2016

FISCAL IMPACT**Cost to Conduct Study**

Level of staff effort required (opportunity cost): Moderate

Amount of funding above current budget required: \$50,000

Funding Source: Will seek budget supplement

Explanation of Cost:

A mitigation fee nexus study of this type would be estimated at \$50,000 for a qualified consultant to complete, depending on exactly what scope of work is ultimately defined for the study. This type of study requires highly specialized knowledge, analytical ability, and often costly proprietary economic data and it would be most cost-effective to hire an experienced consultant to do it, as such studies are often subject to legal challenge. This estimate does not include staff hours estimated to be required to complete this study, which can be provided as part of standard operations. The cost for this study could be funded by the General Fund, if added as a special project in the FY 2015-16 Budget.

Cost to Implement Study Results

Unknown. Study would include assessment of potential costs.

Explanation of Cost: Implementation costs would include the costs to revise the Municipal code and fee schedule as needed to implement the study recommendations; however these are not anticipated to be significant and most likely can be absorbed within the operating budget.

EXPECTED PARTICIPATION IN THE PROCESS

Council-approved work plan: No

Council Study Session: No

Reviewed by Boards/Commissions: Park and Recreation Commission

STAFF RECOMMENDATION

Position: Support

Explanation: Staff recommends commissioning the study to evaluate the feasibility of establishing a mitigation fee for commercial, industrial and retail developments. Additional funds are required to purchase acreage and develop parks and recreation facilities to meet the needs of day-time residents in areas of the city that are commercial, industrial and retail and are underserved.

Reviewed by: Manuel Pineda, Director, Public Works

Reviewed By: Robert A. Walker, Assistant City Manager

Approved By: Deanna J. Santana, City Manager