



CITY OF TEMPLE CITY

PARK IMPACT FEE NEXUS STUDY

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PUBLIC REVIEW DRAFT

PREPARED FOR:
CITY OF TEMPLE CITY COUNCIL

PREPARED BY:
SCI Consulting Group
4745 MANGELS BOULEVARD
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
FAX 707.430.4319
www.sci-cg.com

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Donald E. Penman

PARKS AND RECREATION DIRECTOR

Cathy Burroughs

ASSISTANT TO CITY MANAGER / ECONOMIC DEVELOPMENT MANAGER

Brian Haworth

CONSULTANT

SCI Consulting Group

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EXECUTIVE SUMMARY

INTRODUCTION

By 2027, the City of Temple City ("City") is expected to reach buildout capacity, as stated in their 2014 Parks and Open Space Master Plan ("Master Plan"). New development and redevelopment within the City will create the need for additional park and recreational facilities since the existing park and recreational facilities are insufficient in number, size, location, and the kinds of recreational opportunities which they present to meet the park and recreational needs of both the City's existing service population and additional service population generated by such new development and redevelopment.

In order to provide adequate funding to achieve these long-term objectives, park impact fees are needed to fund new development's and redevelopment's share of the cost of new park and recreational facilities. According to the City's Master Plan and current population estimates, the City will grow by approximately 1,843 residents by 2027. This Park Impact Fee Nexus Study ("Nexus Study") was prepared pursuant to the "Mitigation Fee Act" as found in Government Code § 66000 et seq. The purpose of this Nexus Study is to establish the legal and policy basis for the imposition of new citywide park impact fees ("fees") on new residential and nonresidential development and redevelopment within the City.

This Nexus Study was prepared parallel to another study entitled *Quimby Land Dedication and In-Lieu Fee Study*, September 2014 ("Quimby Study"). The Quimby Study supports the City's need for a Quimby Land Dedication and In-Lieu Fee program, and details the City's requirements for dedication of land for parks or fees in lieu of land dedication for new residential subdivisions. This proposed park impact fee program is designed to ensure that all new development and redevelopment not subject to the City's Quimby program pays their fair share of the cost of land acquisition for parks (in order to maintain the City's existing level of service) and their fair share of the cost of development of new parks, trails and open space.

In the event that a developer dedicates land and / or pays fees in-lieu of land dedication under the City's Quimby program, the park impact fees imposed on that development project would receive a credit in an amount equal to the portion of the park impact fee component related to land acquisition. Conversely, in the event that a development project is not subject to the City's Quimby program, the full park impact fee would be imposed.

METHODOLOGY / APPROACH

Since the need for park and recreational services is inherently population-driven, this Nexus Study utilizes a per capita standard-based methodology to determine the City's park impact fees. Under this method, the cost components are based on the City's existing level of service ("LOS") standards for park and buildout LOS for open space and trails. The total per capita costs for park and recreation facilities needed for new residential development and redevelopment are established within this Nexus Study. The total per capita costs are then applied to four residential land use categories according to their respective occupancy (population) per dwelling unit and divided by their respective average square footage.

For nonresidential park impact fees, total per capita costs are first multiplied by an employee equivalent demand factor and a nonresident employee factor to determine the cost per employee. The cost per employee is then applied to three nonresidential land use categories according to their respective employment density to establish a cost / fee per square foot of new building area.

NEXUS REQUIREMENTS

In order to impose park impact fees, this Nexus Study demonstrates that a reasonable relationship or "nexus" exists between new development and redevelopment that occurs within the City and the need for additional park and recreational facilities as a result of new development and redevelopment. More specifically, this Nexus Study presents the necessary findings in order to meet the procedural requirements of the Mitigation Fee Act, also known as AB 1600, which are as follows:

- Identify the purpose of the fee;
- Identify the use to which the fee is to be put;
- Determine how there is a reasonable relationship between the fee's use and the type of development or redevelopment project on which the fee is imposed;
- Determine how there is a reasonable relationship between the need for the public facility and the type of development or redevelopment project on which the fee is imposed;
- Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development or redevelopment on which the fee is imposed.

SUMMARY OF GENERAL FINDINGS

Based on the research and analysis conducted for this Nexus Study, the following general findings are presented:

1. Park impact fees, pursuant to the Mitigation Fee Act, are needed to ensure that the City can development park and recreation facilities and improvements needed for the population growth created by new development and redevelopment.
2. Based on the City's current population and existing park facilities, the City's existing LOS is 0.50 acres of parks for every 1,000 residents. The City's General Plan LOS goal is to maintain their current LOS while acquiring and developing land for parks and open space whenever available and practical.
3. The City has identified 3.84 acres of potential open space land, which would provide 0.10 of open space for every 1,000 residents at buildout.
4. The City has proposed to develop 3.35 miles of trails, which would provide 0.09 miles of trails for every 1,000 residents at buildout.
5. Based upon assessed land value for recent residential property sales in the City, fair market value for the land to be acquired for future City parks is estimated to be \$1,260,000 per acre.
6. Based on cost estimates approved by the City of Temple City Parks and Recreation Department, the average cost for new park development is \$482,000 per acre.
7. A reasonable relationship or "nexus" exists between new development or redevelopment in the City and the need for additional developed parks and recreational facilities as a result of new development or redevelopment.
8. This park impact fee program and proposed park impact fees for the City are consistent with the policies of the City of Temple City General Plan.

SUMMARY OF GENERAL RECOMMENDATIONS

Based on the findings presented in this Nexus Study, the following general recommendations are presented:

1. The City of Temple City should adopt the following park impact fees in order to fairly allocate the cost of land acquisition and park development attributable to new development and redevelopment.

FIGURE 1 – PROPOSED PARK IMPACT FEES

Land Use Category	Proposed Park Impact Fees
Residential Development	Per Square Foot
Single-Family Detached	\$2.07
Single-Family Attached	\$2.45
Multi-Family Residential	\$2.32
Additional Residential Unit	\$1.61
Nonresidential Development	Per Square Foot
Retail / Other Commercial	\$0.11
Office	\$0.16
Industrial	\$0.07

2. The City should periodically conduct a review of land costs, park development costs and building trends in the City. If costs change significantly in either direction, this Nexus Study should be updated and the park impact fees adjusted accordingly.
3. The City's park impact fees should be adopted and implemented in accordance with the applicable provisions of the Mitigation Fee Act (California Government Code § 66000 et seq.).
4. If the City requires a developer, as a condition of project approval, to dedicate land, to pay fees in-lieu of land dedication under the City's Quimby program, the park impact fees imposed on that development project should be reduced by the portion of the park impact fee related to land acquisition.

EXISTING PARK FACILITIES AND LEVEL OF SERVICE STANDARDS

This Nexus Study utilizes a per capita-standard based methodology to determine the park impact fees because the need for and demand for park and recreational services is inherently driven by population. Using this approach, new park and recreational facility costs are reduced to a cost per capita based on the City's existing LOS standards for such facilities.

This section generally describes the City's existing park facilities and Master Plan goals for each. Figure 2 on the following page presents the LOS standards used in this Nexus Study for determining the proposed park impact fees.

PARK FACILITIES

Temple City currently has two parks within the city limits - Temple City Park, a 2.2-acre park, and Live Oak Park, a 16-acre park. Temple City Park is designed for non-supervised, non-organized recreation activities, while Live Oak Park is designed for organized groups or team sports, while also providing facilities for individual and family activities. Together, these parks provide a LOS standard of 0.50 acres per 1,000 residents.

The City's General Plan and Master Plan do not state a level of service standard for parks, but does state it is their intent to acquire and develop various sites identified in the Master Plan when available and practical in future years. Temple City's anticipated population increase of 1,843 new residents by 2027 will require an additional acres of parks per 1,000 residents to maintain the City's existing level of service. Any remaining parks acres will need to be funded with other sources of funds.

TRAILS AND OPEN SPACE AREAS

Open space areas are for passive uses and provide space for trails, picnic sites and jogging circuits. They also provide use of waterways or serve as transportation corridors for trails. The City currently does not own or maintain any strictly open space area within Temple City. However, the City has identified 3.84 acres of potential open space land in their 2014 Action Plan, found in the 2014 Parks and Open Space Master Plan, that it plans to develop over the next 20 years. The City has no trails, but has plans to develop 3.35 miles of trails within open space area. These developments would result in a LOS standard of 0.10 acres of open space and 0.09 miles of trails per 1,000 residents at buildout. The City's Master Plan lists several other properties that could be acquired, through lease and purchase agreements, and developed into trails and open space areas.

NEXUS STUDY LEVEL OF SERVICE STANDARDS

Figure 2 below presents the City's existing level of service for parks, open space and trails. The LOS standards used in this Nexus Study for determining the park impact fee are shown in the last column of the table.

FIGURE 2 – EXISTING PARK FACILITIES AND COMPARISON OF LEVEL OF SERVICE

Type of Park	Existing Facilities	Level of Service ("LOS") Standard per 1,000 residents	
		Existing	Nexus Study
	<u>Acres</u>		
Parks	18.2	0.50	0.50
Open Space	0.0	0.00	0.10
	<u>Miles</u>		
Trails	0.0	0.00	0.09

Sources: Temple City 1985 General Plan; Temple City Parks and Open Space Master Plan, March 2014.

PER CAPITA COST COMPONENTS

This section presents the per capita cost calculation for land acquisition, park, open space and trail development and other associated costs based on the City's existing level of service standard for each.

LAND ACQUISITION COSTS PER CAPITA

In March 2014, the City published their Parks and Open Space Master Plan. The Plan included lists of various parcels in the City that could be acquired and developed for use as parks, trails and open space. For the purposes of this Nexus Study, land acquisition cost per acre for park and open space area within the City were based on recent residential property sales within the City. This research resulted in the finding that the current assessed land value for the property type normally acquired for parks in Temple City is \$1,260,000 per acre.

Figure 3 below presents the per capita cost for land acquisition for parks and open space. As shown, the City's existing LOS standards for parks and open space¹ are multiplied by the estimated per acre land acquisition cost to arrive at a cost per capita.

FIGURE 3 – LAND ACQUISITION COST PER CAPITA

Type of Facility	Acres per 1,000		Land Cost Per Acre ²	Cost per Capita	
	Residents ¹	Capita ¹			
	Calc	a	b = a / 1,000	c	d = b * c
Parks		0.500	0.00050	\$1,260,000	\$630.00
Open Space		0.038	0.00004	\$1,260,000	\$48.04
Total Land Acquisition		0.54	0.00054		\$678.04

Notes:

¹ Based on the District's existing level of service for developed and undeveloped park area, and the anticipated level of service for open space area at buildout. See Figure 2.

² Based on the average cost of recent residential land sales.

¹ The level of service for open space land acquisition cost is lower than that for open space development cost due to some identified properties being currently owned by the City, but are not yet developed.

DEVELOPMENT COSTS PER CAPITA

The figure below calculates the per capita cost of developing new parks in the City. As presented, the City's existing LOS standards are multiplied by their respective average development cost per acre to arrive at a per capita cost. The average park development cost per acre shown is based on recent cost estimates confirmed by the City of Temple City Parks and Recreation Department for the development of a one-acre neighborhood park.

FIGURE 4 – PARK DEVELOPMENT COST PER CAPITA

Type of Facility	Acres per 1,000	Acres per	Development	Cost
	Residents ¹	Capita ¹	Cost per Acre ²	per Capita
Calc	a	b = a / 1,000	c	d = c * b
Parks	0.50	0.0005	\$482,000	\$241.00
Open Space	0.10	0.0001	\$130,000	\$13.04
Total Parks	0.60	0.0006		\$254.04

Source: Temple City 1985 General Plan; Temple City Parks and Open Space Master Plan, March 2014

Notes:

¹ Based on the City's existing level of service for developed parks and open space area. See Figure 2.

² Based on average costs for developing a park, confirmed by City of Temple City Parks and Recreation Department.

FIGURE 5 – TRAIL DEVELOPMENT COST PER CAPITA

Type of Park	Miles per 1,000	Miles per	Average	Cost
	Population ¹	Capita ¹	Development	per Capita
Calc	a	b = a / 1,000	c	d = b * c
Trails	0.09	0.00009	\$1,100,000	\$96.22

Source: Temple City Parks and Open Space Master Plan, March 2014

Notes:

¹ Based on the City's possible future level of service for trails. See Figure 2.

² Based on estimated development costs for trail sites found in the Temple City Parks and Open Space Master Plan

RESIDENTIAL PARK IMPACT FEE DETERMINATION

This section presents the calculation of the residential park impact fees based on the per capita cost for land acquisition, park, open space and trail development and fee program administrative costs for the different residential land uses in the City.

PARK IMPACT FEE COST COMPONENTS

The figure below summarizes the per capita cost components calculated in the previous section and includes an additional 5 percent for administration of the park impact fee program. As shown, the sum of the three per capita cost components is \$1,045.81.

FIGURE 6 – PARK IMPACT FEE COST COMPONENTS

Cost Components	Per Capita Costs
Land Acquisition (Parks and Open Space)	\$678.04
Development (Parks, Trails and Open Space)	\$350.26
Park Impact Fee Program Administration ¹	\$17.51
Total Cost per Capita	\$1,045.81

Notes:

¹ Estimated at 5 percent of total costs for the administration of the park impact fee program including periodic nexus study updates, collection, accounting, annual reporting and other associated costs.

RESIDENTIAL LAND USE CATEGORIES

The Mitigation Fee Act requires that development impact fees be determined in a way that ensures a reasonable relationship between the fee and the type of development on which the fee is imposed. Therefore, since the demand for and need for park and recreational services created by the City's service population and since different residential land uses have varying household sizes, the park impact fee is expressed on a per square foot basis based on their respective dwelling unit occupancy factor and average dwelling size in the City for four residential land use categories.

For the purposes of this park impact fee program, a "unit" generally means one or more rooms in a building or structure or portion thereof designed exclusively for residential occupancy by one or more persons for living or sleeping purposes and having kitchen and bath facilities, including mobile homes.

This Study also incorporates the addition of another residential unit to an existing property as a fourth residential category (labeled as "Additional Residential Unit").

The four residential land use categories are as follows:

- **"Single-family detached"** means free-standing one-family dwelling units.
- **"Single-family attached"** means one-family dwelling units on separate parcels that share a common wall, such as townhomes.
- **"Multi-family residential"** means buildings or structures designed for two or more families for living or sleeping purposes and having a kitchen and bath facilities for each family.
- **"Additional residential unit"** means an additional living unit, or granny flat, either a detached or attached dwelling unit, which provides complete, independent living facilities for one or more persons with provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the primary residence.

DWELLING UNIT OCCUPANCY FACTORS

Based on 2010 U.S. Census information for the City, the figure below presents the dwelling unit occupancy factor calculation for three residential land use categories. Insufficient data exists to calculate the average occupancy of additional residential units in the City; therefore, a conservative estimate of 1.0 person per unit is utilized.

FIGURE 7 – DWELLING UNIT OCCUPANCY FACTORS (CITY OF TEMPLE CITY)

Land Use Categories	Occupied	Total	Dwelling
	Dwelling	Number of	Unit
	Units	Occupants	Occupancy
	Calc	a	b
			c = a / b
Single-Family Detached	9,421	29,865	3.17
Single-Family Attached	766	2,742	3.58
Multi-Family Residential	1,228	2,574	2.10
Average (2010 Census)	11,415	35,181	3.08

Source: U.S. Census Bureau

PROPOSED RESIDENTIAL PARK IMPACT FEES

The figure below presents the calculation of the park impact fees. As shown, each per square foot fee for the four residential land use categories are determined by multiplying total cost per capita by their respective dwelling unit occupancy factor, then dividing by the average square footage of each residential land use category.

FIGURE 8 – PROPOSED RESIDENTIAL PARK IMPACT FEES

Residential Land Use Category	Total Cost Per Capita ¹	Dwelling Unit Occupancy Factor ²	Cost per Residential Land Use Category	Average Unit Square Footage ³	Proposed Residential Park Impact Fee ⁴
Calc	a	b	c = a * b	d	e = c / d
Single-Family Detached	\$1,045.81	3.17	\$3,315	1,599	\$2.07
Single-Family Attached	\$1,045.81	3.58	\$3,743	1,525	\$2.45
Multi-Family Residential	\$1,045.81	2.10	\$2,196	945	\$2.32
Additional Residential Unit	\$1,045.81	1.00	\$1,045	650	\$1.61

Notes:

¹ See Figure 6.

² See Figure 7.

³ Based on average unit size for residences in Temple City.

⁴ Proposed residential park impact fees are rounded down to the nearest cent.

If the City requires a developer, as a condition of project approval, to dedicate land, to pay fees in-lieu of land dedication under the City's Quimby program, the park impact fees imposed on that development project should be reduced by the portion of the park impact fee related to land acquisition. Figure 9 on the next page presents the proposed residential park impact fees with a credit for a Quimby contribution.

FIGURE 9 - PROPOSED RESIDENTIAL PARK IMPACT FEES WITH CREDIT FOR QIMBY

Residential Land Use Category	Proposed Residential Park Impact Fee ¹	Credit for Quimby Land Dedication and / or In-Lieu ²	Proposed Residential Park Impact Fee WITH Credit
Calc	a	b	c = a - b
Single-Family Detached	\$2.07	\$1.34	\$0.73
Single-Family Attached	\$2.45	\$1.59	\$0.86
Multi-Family Residential	\$2.32	\$1.51	\$0.82
Additional Residential Unit	\$1.61	\$1.04	\$0.56

Notes:

¹ See Figure 8.

² See Figure 17.

NEXUS FINDINGS FOR RESIDENTIAL PARK IMPACT FEES

This section frames the results of the Nexus Study in terms of the legislated requirements to demonstrate the legal justification of the park impact fees ("fees"). The justification of the park impact fees on new development and redevelopment must provide information as set forth in Government Code § 66000 et seq. These requirements are discussed below.

IDENTIFY THE PURPOSE OF THE FEES

The purpose of the park impact fees is for land acquisition and development of parks, open space areas and trails and associated recreational facilities to meet the needs of the new residential population generated by new residential development and redevelopment.

IDENTIFY THE USE OF THE FEES

Revenue from fees collected on new residential construction and redevelopment may be used to pay for any of the following:

- Acquisition or leasing of land for park and recreational facilities;
- Acquisition or leasing of land for open space and trails;
- Construction / development of park and recreational facilities;
- Development of open space areas and trails;
- Park impact fee program administration costs including periodic nexus study updates, collection, documentation, accounting, annual reporting requirements and other associated costs;
- Other related park and recreational facility costs resulting from population growth caused by new residential development.

Revenue from the fees collected may not be used to fund the following:

- City operational costs
- Park maintenance or repair costs

DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE FEES' USE AND THE TYPE OF DEVELOPMENT PROJECT ON WHICH THE FEES ARE IMPOSED

Since the need for park and recreational services is inherently population-driven, new residential development and redevelopment in the City will generate additional need for new parks and recreational services and the corresponding need for various facilities. The fees will be used to develop and expand the City's park and recreational facilities required to serve new development. The fees' use (land acquisition and development of parks, open space areas and trails and associated recreational facilities) is therefore reasonably related to the type of project (new residential development) upon which it's imposed.

DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE NEED FOR THE PUBLIC FACILITIES AND THE TYPE OF DEVELOPMENT PROJECTS ON WHICH THE FEES ARE IMPOSED

Each new residential development and redevelopment project will generate additional need for park and recreational services and the associated need for parks, open space areas and trails. The need is measured in proportion to the occupancy per dwelling unit and the average square footage of four housing categories and the City's existing park standards.

DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE AMOUNT OF THE FEES AND THE COST OF THE PUBLIC FACILITIES OR PORTION OF THE PUBLIC FACILITIES ATTRIBUTABLE TO THE DEVELOPMENT ON WHICH THE FEES ARE IMPOSED

The amount of park and recreational facilities needed to serve a certain amount of development or redevelopment is based on the City's existing LOS standard for providing such facilities. The cost for land acquisition, park development and fee program administrative costs are defined on a cost per capita basis. These per capita costs are then applied to four housing types based on their respective dwelling unit occupancy factor.

NONRESIDENTIAL PARK IMPACT FEE DETERMINATION

In addition to the residents of the City, employees, who work in the City, also use and place demands upon the City's park and recreational facilities. Just as future growth in the residential population will impact park facilities, future growth in the City's employee population will also impact park facilities and additional park and recreational facilities are required for the future growth in employees within the City. Therefore, this section determines the park impact fee for nonresidential land uses.

EMPLOYEE EQUIVALENT DEMAND FACTOR

Employees use park and recreational facilities in a variety of ways. They participate in lunchtime activities, community center functions, before-work and after-work group functions, weekend company functions, company sponsored sports leagues, lunchtime trail use, etc. However, one employee is generally not considered to have the same demand for or impact upon park facilities as one resident. In general, residents of the City can use the City's park and recreation facilities year-round. Conversely, park and recreation facility use by employees is generally limited to shorter periods of time before and after work and during lunch or break times. This period of time available for park usage within the City is estimated to be two hours per day, five days per week. In order to establish an employee park usage factor of equivalence with residents, each resident is assumed to be able to use parks 16 hours per day, 365 days per year. Thus, for purposes of this Nexus Study, one employee is considered to have the equivalent park facilities demand of 0.09 residents.

FIGURE 10 – EMPLOYEE EQUIVALENT DEMAND FACTOR

Total Park Hours Available per Year ¹	5,840
Hours Available to Employees for Park Use ²	520
Employee Equivalent Demand Factor	0.09

Notes:

¹ 365 days per year, 16 hours per day.

² 52 weeks per year, 5 days per week, 2 hours per day out of a 10 hour day in the District.

NONRESIDENT EMPLOYEE FACTOR

In order to measure the impact from employees that do not live in the City, a nonresidential employee factor is determined using figures from the 2000 U.S. Census. As shown below, of the 14,804 employees working in the City in 2000, 13,219 were not residents of the City.² Therefore, for purposes of this Nexus Study, it is assumed that 89% of employees generated by new nonresidential development with the City will reside outside the City. 2000 Census figures are found to be reasonably representative of the same ratio today.

FIGURE 11 – NONRESIDENT EMPLOYEE FACTOR

Total Workers 16 Years and Over	14,804
Workers 16 Years and Over Not Living in Place	13,219
Nonresident Employee Factor	0.89

Source: 2000 U.S. Census for Temple City, California

COST PER EMPLOYEE

The figure below presents the calculation of the cost per employee based on the per capita cost multiplied by the residential equivalent factor and nonresident employee factor for nonresidential land uses. As shown the cost per employee is \$83.15 or the equivalent of 9 percent of the per capita cost for a City resident.

FIGURE 12 -- COST PER EMPLOYEE

Land Use Category	Per Capita Costs ¹	Employee Equivalent Demand Factor ²	Nonresident Employee Factor ³	Cost per Employee
Calc	a	b	c	d = a * b * c
Nonresidential	\$1,045.81	0.09	0.89	\$83.15

Notes:

¹ See Figure 6.

² See Figure 10.

³ See Figure 11.

² Similar data is not available in the 2010 U.S. Census.

NONRESIDENTIAL LAND USE CATEGORIES

As mentioned earlier, the Mitigation Fee Act requires that development impact fees be determined in a way that ensures a reasonable relationship between the fee and the type of development on which the fee is imposed. Since different commercial / industrial land uses have varying employment densities, the nonresidential park impact fee is expressed on a per square footage basis based on their respective employment density for three nonresidential land use categories.

The three nonresidential land use categories are as follows:

- **"Retail / Commercial"** means all retail, commercial, educational, hotel/motel and other commercial construction that is not Office construction or Industrial construction.
- **"Office"** means all general, professional and medical office construction.
- **"Industrial"** means all manufacturing construction.

NONRESIDENTIAL PARK IMPACT FEE DETERMINATION

In order to determine the nonresidential park impact fees, the cost per employee is applied to nonresidential land uses by their employment density to arrive at nonresidential park impact fees per square foot. The nonresidential park impact fees for retail / other commercial, office and industrial land uses are shown in the table below.

FIGURE 13 – PROPOSED NONRESIDENTIAL PARK IMPACT FEES

Nonresidential Land Use	Cost per Employee ¹	Building Sq. Ft. Per Employee ²	Nonresidential Park Impact Fee (Per Sq. Ft.) ³
Calc	a	b	c = a / b
Retail / Other Commercial	\$83.15	750	\$0.11
Office	\$83.15	510	\$0.16
Industrial	\$83.15	1,219	\$0.07

Notes:

¹ Total per employee cost for nonresidential land uses. See Figure 12.

² Employment density figures based on the Southern California Association of Government "Employment Density Study" dated October 31, 2001 prepared by The Natelson Company, Inc. The factors used represent the average values for the five county region.

³ Fees are rounded to the nearest cent.

NEXUS FINDINGS FOR NONRESIDENTIAL PARK IMPACT FEES

This section frames the results of Nexus Study in terms of the legislated requirements to demonstrate the legal justification of the nonresidential park impact fees. The justification of the park impact fees on new development and redevelopment must provide information as set forth in Government Code § 66000 et seq. These requirements are discussed below.

IDENTIFY THE PURPOSE OF THE FEES

The purpose of the park impact fees is for land acquisition and development of parks, open space areas and trails and associated recreational facilities to meet the needs of the new nonresident employee population generated by new nonresidential construction.

IDENTIFY THE USE OF THE FEES

Revenue from fees collected on new nonresidential construction may be used to pay for any of the following:

- Acquisition or leasing of land for park and recreational facilities;
- Acquisition or leasing of land for open space and trails;
- Construction / development of park and recreational facilities;
- Development of open space areas and trails;
- Park impact fee program administration costs including periodic nexus study updates, collection, documentation, accounting, annual reporting requirements and other associated costs; and
- Other related park and recreational facility costs resulting from population growth caused by new residential development.

Revenue from the fees collected may not be used to fund the following:

- City operational costs; and
- Park maintenance or repair costs.

DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE FEES' USE AND THE TYPE OF DEVELOPMENT PROJECT ON WHICH THE FEES ARE IMPOSED

Since the need for park and recreational services is inherently population-driven, new businesses will create new employees in the City which will use and create demand for new developed parks and recreational services and the corresponding need for various facilities. The nonresidential park impact fees will be used to develop and expand the City's parks facilities, open space area and trails required to serve new development. The fees' use (land acquisition and development of parks, open space areas and trails and

associated recreational facilities) is therefore reasonably related to the type of project (new nonresidential development) upon which it's imposed.

DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE NEED FOR THE PUBLIC FACILITIES AND THE TYPE OF DEVELOPMENT PROJECTS ON WHICH THE FEES ARE IMPOSED

Each new nonresidential development project will generate additional demand for park services and the associated need for developed land and community use facilities. The demand is measured in proportion to employee equivalent demand factor and the employment density for retail/other commercial, office and industrial land uses categories.

DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE AMOUNT OF THE FEES AND THE COST OF THE PUBLIC FACILITIES OR PORTION OF THE PUBLIC FACILITIES ATTRIBUTABLE TO THE DEVELOPMENT ON WHICH THE FEES ARE IMPOSED

The amount of park and recreational facilities needed to serve a unit of nonresidential development is determined by multiplying the determined cost per employee by the employment density for retail/other commercial, office and industrial land uses.

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PARK IMPACT FEE PROGRAM IMPLEMENTATION AND ADMINISTRATION

This section contains general recommendations for the adoption and administration of the park impact fee program based on the findings of this Nexus Study and for the interpretation and application of the park impact fees recommended herein. The specific statutory requirements for the adoption and implementation may be found in the Mitigation Fee Act (California Govt. Code § 66000 et seq.)

ADOPTION REQUIREMENTS

The following are the general requirements for approval and adoption of the Park Impact Fee Nexus Study and proposed park impact fees.

1. The City shall conduct at least "one open and public meeting" as part of a regularly scheduled meeting on the proposed fees.
2. At least 14 days before the meeting, the City shall mail out a notice of the meeting to any interested party who filed a written request for notice of the adoption of new or increased fees.
3. At least 10 days before the meeting, the City is to make available to the public the Nexus Study for review.
4. At least 10 days before the public hearing, a notice of the time and place of the meeting, shall be published twice in a newspaper of general circulation.
5. The park impact fees take effect 60 days after adoption of the resolution or ordinance.

ACCOUNTING REQUIREMENTS

Proceeds from the park impact fee should be deposited into a separate fund or account so that there will be no commingling of fees with other revenue. The park impact fees should be expended solely for the purpose for which they were collected. Any interest earned by such account should be deposited in that account and expended solely for the purpose for which originally collected.

ANNUAL REPORTING REQUIREMENTS

The following information must be made available to the public within 180 days after the last day of each fiscal year:

- a brief description of the type of fee in the account;
- the amount of the fee;

- the beginning and ending balance of the account;
- the fees collected that year and the interest earned;
- an identification of each public improvement for which the fees were expended and the amount of the expenditures for each improvement;
- an identification of an approximate date by which construction of the improvement will commence if the City determines that sufficient funds have been collected to complete financing of an incomplete public improvement;
- a description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, the date on which any loan will be repaid, and the rate of interest to be returned to the account; and
- the amount of money refunded under section Govt. Code § 66001.

FIVE-YEAR REPORTING REQUIREMENTS

For the fifth fiscal year following the first receipt of any park impact fee proceeds, and every five years thereafter, the City shall make all of the following findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- identify the purpose to which the fee is to be put;
- demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- identify all sources and amounts of funding anticipated to complete financing in incomplete improvements;
- designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

PARK IMPACT FEE CREDIT

If the City requires a developer, as a condition of project approval, to dedicate land, to pay fees in-lieu of land dedication under the City's Quimby program, the park impact fees imposed on that development project should be reduced by the portion of the park impact fee related to land acquisition.

APPENDICES

Appendix A – Current Residential Land Values

Appendix B – Current and Projected City Population thru 2027

Appendix C – Estimated Park Development Costs

Appendix D – Park Impact Fee Schedules by Cost Component

APPENDIX A – CURRENT RESIDENTIAL LAND VALUES

FIGURE 14 – CURRENT RESIDENTIAL LAND VALUES

Sale	APN	Location	Sales Date	Value	Size (Acres)	Price per Acre	Price per Sq. Ft.
1	5382-014-025	Temple City	August 2012	\$504,200	0.31	\$1,610,863	\$36.98
2	5385-022-001	Temple City	August 2012	\$965,000	0.49	\$1,957,404	\$44.94
3	8587-030-006	Temple City	August 2012	\$353,581	0.43	\$822,281	\$18.88
4	8585-030-038	Temple City	September 2012	\$464,000	0.31	\$1,482,428	\$34.03
5	8590-006-016	Temple City	October 2012	\$277,029	0.46	\$599,630	\$13.77
6	8574-025-021	Temple City	November 2012	\$273,000	0.35	\$771,186	\$17.70
7	8573-002-001	Temple City	March 2013	\$520,200	0.43	\$1,224,000	\$28.10
8	8585-007-047	Temple City	April 2013	\$368,102	0.33	\$1,115,461	\$25.61
9	8586-013-011	Temple City	June 2013	\$335,769	0.37	\$905,038	\$20.78
10	8587-005-003	Temple City	June 2013	\$312,869	0.30	\$1,039,432	\$23.86
11	8590-020-014	Temple City	June 2013	\$562,500	0.35	\$1,625,723	\$37.32
12	8590-006-017	Temple City	July 2013	\$488,100	0.49	\$1,002,259	\$23.01
13	8585-023-006	Temple City	September 2013	\$496,470	0.36	\$1,371,464	\$31.48
14	8586-013-025	Temple City	December 2013	\$588,614	0.30	\$1,962,047	\$45.04
15	5384-007-024	Temple City	January 2014	\$297,713	0.34	\$886,051	\$20.34
16	8590-024-021	Temple City	March 2014	\$604,000	0.56	\$1,076,649	\$24.72
17	5388-008-017	Temple City	May 2014	\$466,100	0.31	\$1,518,241	\$34.85
18	5388-008-018	Temple City	May 2014	\$474,303	0.30	\$1,581,010	\$36.29
19	5384-007-003	Temple City	June 2014	\$576,000	0.34	\$1,694,118	\$38.89
20	8585-008-022	Temple City	June 2014	\$512,000	0.54	\$951,673	\$21.85
Average						\$1,260,000	\$28.92

APPENDIX B – CURRENT AND PROJECTED POPULATION THRU 2027 (TEMPLE CITY)

FIGURE 15 – CURRENT AND PROJECTED POPULATION THRU 2027

Population Projection	2010	2012	2014	2017	2022	2027
City of Temple City	35,558	35,806	36,453	36,812	37,411	38,296

Source: Temple City Parks and Open Space Master Plan, March 2014

APPENDIX C – ESTIMATED PARK DEVELOPMENT COSTS

FIGURE 16 - ESTIMATED PARK DEVELOPMENT COSTS

Item	Units	Unit Cost	Construction Cost
Design, Engineering, Fees and Admin			
Design, Eng, Fees and Admin	30%	\$309,200	\$92,760
			<u>\$92,760</u>
Demolition Cost Allowance			
	1 AC	\$80,000	\$80,000
			<u>\$80,000</u>
Site Improvements			
On-site Improvements ¹	1.0 AC	\$180,000	\$180,000
			<u>\$180,000</u>
Improvements			
Play Structures	1 EA	\$80,000	\$80,000
Group Shade / Picnic Area	1 EA	\$40,000	\$40,000
Entry Sign	1 EA	\$6,000	\$6,000
Benches	4 EA	\$800	\$3,200
			<u>\$129,200</u>
Total Capital Improvement Cost			\$129,200
Total Costs			\$481,960
Total Cost per Acre (rounded)			\$482,000

Sources: City of Temple City Parks and Recreation Department; SCI Consulting Group

Notes:

¹ On-site improvements includes site grading, utility connections, soil prep & amendments, automatic irrigation, planting, concrete pathways.

APPENDIX D - PARK IMPACT FEE SCHEDULES BY COST COMPONENT
FIGURE 17 – RESIDENTIAL PARK IMPACT FEE SCHEDULE BY COST COMPONENT

Residential Land Use Category	Dwelling Unit Occupancy Factor	Average Square Footage	Per Capita & Per Unit Cost Components			Total Cost / Fee
			Land Acquisition (Parks and Open Space)	Development (Parks, Trails and Open Space)	Fee Program Administration	
Per Capita Cost			\$678.04	\$350.28	\$17.51	\$1,045.81
Cost / Fee per Sq. Ft.						
Single-Family Detached	3.17	1,599	\$1.34	\$0.69	\$0.03	\$2.07
Single-Family Attached	3.58	1,525	\$1.59	\$0.82	\$0.04	\$2.45
Multi-Family Residential	2.10	945	\$1.51	\$0.78	\$0.04	\$2.32
Second Dwelling Unit	1.00	650	\$1.04	\$0.54	\$0.03	\$1.60

FIGURE 18 – NONRESIDENTIAL PARK IMPACT FEE SCHEDULE BY COST COMPONENT

Nonresidential Land Use Category	Building Sq. Ft. Per Employee ¹	Per Capita & Per Unit Cost Components			
		Land Acquisition (Parks and Open Space)	Development (Parks, Trails and Open Space)	Fee Program Administration	Total Cost / Fee
Per Employee Cost		\$53.91	\$27.85	\$1.39	\$83.15
Cost / Fee per Sq. Ft.					
Retail / Other Commercial	750	\$0.07	\$0.04	\$0.0019	\$0.11
Office	510	\$0.11	\$0.05	\$0.0027	\$0.16
Industrial	1219	\$0.04	\$0.02	\$0.0011	\$0.06

¹ Employment density figures based on the Southern California Association of Government "Employment Density Study" dated October 31, 2001 prepared by The Natelson Company, Inc. The factors used represent the average values for the five county region.