

Memorandum

To: Board of Directors
Truckee-Donner Recreation and Park District

From: Blair E. Aas, Director of Planning Services
SCI Consulting Group

Date: May 6, 2016

Subject: Inflationary Adjustments to the Park Impact Fee and Quimby In-Lieu Fee for the Truckee-Donner Recreation and Park District

On October 24, 2013, by Resolution 2013-237, the Truckee-Donner Recreation and Park District (“District”) Board of Directors (“Board”) approved an update to the District’s Park Impact Fee Program and Quimby Land Dedication and In-Lieu Fee program, and requested that the Counties of Nevada and Placer and the Town of Truckee adopt and implement the two programs on their behalf.

On December 10, 2014, the Town of Truckee Council, by their Resolution 2013-39, adopted the District’s approved park impact fee and by Resolution 2013-40 adopted the District’s approved Quimby land dedication requirement and in-lieu fee. The County of Nevada Board of Supervisors, by their Resolution 14-103, adopted the District’s proposed park impact fee program and Quimby program on behalf of the District as well.

This memorandum determines the inflationary adjustments to District's park impact fee program and Quimby Land Dedication and In-Lieu Fee Program based the period change of indexes.

Current Park Impact Fees and Quimby In-Lieu Fees

The Board requested that the increase in the park impact fee for single family housing become effective in two phases. The first increase became effective in January 2014 and the second increase a year later. The District’s current phased park impact fees are shown below. The District’s Quimby In-Lieu Fees are shown on the following page.

Park Impact Fee Program

Land Use	Park Impact Fee (per sq. ft.)	
	Effective January 2014	Effective January 2015
Single Family Housing	\$1.51	\$1.71
Multi-family Housing	\$2.46	\$2.46

Current Quimby In Lieu Fee

Land Use	In-Lieu Fee (per unit)
	Effective January 2014
Single Family Housing	\$4,202
Multi-family Housing	\$3,095

Net Change in Annual Average Median Home Price

The Quimby Land Dedication and In-Lieu Fee Study Update (October 2013), found that the baseline market value for land appropriate for neighborhood parks was \$328,000 per acre. In order to adjust the Quimby land value to reasonably approximate the fair market value of land today, a commonly used approach is to adjust the Quimby land value by the average percentage change in the monthly median home sales price within the District since the approximate date of the increase. Using 12 monthly data points, when averaged, reduces volatility by smoothing out the highs and lows.

As reported by the Truckee Sierra Board of Realtors, the average monthly median home sales price for single family homes within Truckee is \$441,641 from April 2013 to March 2014 and \$538,088 from April 2015 to March 2016 – resulting in a 21.84% increase. Therefore, the fair market value of residential land suitable for parks in the District is estimated to be \$399,000 per acre.

Net Percentage Change in Annual Average Engineering News-Record Construction Cost Index

Pursuant to District Board Resolution 2013-237, the park impact fee is to be adjusted by the percentage change in the average monthly Engineering News-Record Construction Cost Index ("ENR CCI") since the approximate date of the resolution adopting the park impact fee. The average monthly ENR CCI was 9605.08 from April 2013 to March 2014 and 10088.34 from April 2015 to March 2016, which is an increase of 5.03%.

% Change in Indexes

Period	Average Annual	
	ENR CCI	Median Single Family Sales Price - Truckee
Apr-13 to Mar-14	9605.08	\$441,641
Apr-14 to Mar-15	9878.08	\$533,939
Apr-15 to Mar-16	10088.34	\$538,088
Two-Year Change	5.03%	21.84%

Sources: Engineering News-Record, Tahoe Sierra Board of Realtors

Proposed Adjusted Park Impact Fee and Quimby In-Lieu Fee

The District park impact fee is proposed to be adjusted by 5.03% based on the percentage change in average monthly ENR CCI from April 2013 thru March 2014 (9605.08) to April 2016 thru March 2016 (10088.34). The District’s Quimby in-lieu fee is proposed to be adjusted by 21.84% on based upon the average monthly change in the median sales price for single family homes in Truckee from April 2013 thru March 2014 (\$441,641) to April 2015 thru March 2016 (\$538,088). The adjusted new fees are shown below.

Proposed Adjusted Park Impact Fee

Land Use	Park Impact Fee (per sq. ft.)		
	Adopted January 2014	Inflationary Adjustment ¹	Effective Oct. 1, 2016
Single Family Housing	\$1.71	5.03%	\$1.80
Multi-family Housing	\$2.46	5.03%	\$2.58

Notes:

¹ Based upon the percentage change in average monthly ENR CCI from April 2013 thru March 2014 (9605.08) to April 2016 thru March 2016 (10088.34).

Proposed Adjusted Quimby In-Lieu Fee

Land Use	In-Lieu Fee (per unit)		
	Adopted January 2014	Inflationary Adjustment ¹	Effective Oct. 1, 2016
Single Family Housing	\$4,202	21.84%	\$5,120
Multi-family Housing	\$3,095	21.84%	\$3,771

Notes:

¹ Based upon the average monthly change in the median sales price for single family homes in Truckee from April 2013 thru March 2014 (\$441,641) to April 2015 thru March 2016 (\$538,088).

Adoption and Implementation Plan

Going forward, it is recommended that this calculation be conducted every April for Board approval at the District Board’s May meeting. The proposed inflationary adjustments to the fees would come before the Town of Truckee Council and Nevada County Board of Supervisors for adoption no later than July for the new fees to become effective on October 1 of each fiscal year.

Should you need anything further, please let me know



Blair E. Aas
Director of Planning Services

cc: Steve Randall, Truckee-Donner Park and Recreation District
Brandon Perry, Truckee-Donner Park and Recreation District

Attachments: Resolution No. 2016-254 Approving the Inflationary Adjusted Fees
TDRPD Park Impact Fee Nexus Study, October 2013
TDRPD Quimby Land Dedication and In-Lieu Fee Study, October 2013