



**COUNTY OF NEVADA  
COMMUNITY DEVELOPMENT AGENCY  
PLANNING DEPARTMENT**

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**NEVADA COUNTY BOARD OF SUPERVISORS  
Board Agenda Memo**

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**MEETING DATE:** December 11, 2018

**TO:** Board of Supervisors

**FROM:** **Brian Foss, Planning Director**

**SUBJECT:** Discussion and Board direction regarding the AB1600 Parks and Recreation Facilities Fee Nexus Study.

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**RECOMMENDATION:** Provide direction to staff regarding the Recreation Impact Fee amount and implementation schedule supported by the Draft AB1600 Park and Recreation Facilities Fee Nexus Study prepared by Economic & Planning Systems, Inc.

**FUNDING:** The preparation of the Nexus Study was funded by the balance of the AB1600 funds (\$23,136) and the General Fund Unassigned account (\$61,864). The project impacted the 2017/18 and 2018/19 Planning Department budget and General Fund. Any fees established by the Nexus Study would be paid by new development.

**ATTACHMENT:**

1. Draft Parks and Recreation Facilities Fee Nexus Study
2. Public Comments Received
3. Community Survey results

**BACKGROUND:** In February, 2017 the Board of Supervisors adopted a Board Objective to update the nexus study and fee and to analyze the potential benefits of establishing one Western Nevada County Park District and voted to make this a Priority "A" objective for 2017/2018. Currently, the County of Nevada collects a Recreation Development Fee on all new single-family residential development that are approved within the unincorporated as a means of providing park and recreation facilities which are needed to serve the expanding population. New single-family residences developed on parcels created prior to the requirement for collection of Recreation Development fees are subject to fees at the time of completion of the new housing unit.

On December 9, 1997, the County adopted Park and Recreation Capital Improvement Impact Fee Study and Imposition of Recreation Development Fees to establish different impact fees for each of the five separate Recreation Benefit Zones: Bear River, Grass Valley/Nevada City, Twin Ridges, Western Gateway and Truckee Donner. These fees are codified in the County's Land Use and Development Code (LUDC Sec. L-IX 1.2.A). Since the 1997 study, Park and Recreation Fees have been treated as combined AB1600 and Quimby Act Fees.

For properties within the Truckee Donner zone, fees are paid directly to the Truckee-Donner Park and Recreation District. Bear River and Western Gateway also have independent park and recreation districts. Fees collected by the County for those zones are passed through to the districts for their expenditures consistent with their respective approved Capital Improvement Programs (CIPs). The Oak Tree Community Park and Recreation District includes portions of both the Twin Ridges and Nevada City benefit zones. At present, the County administers fees for the Oak Tree District, though the intent is for that district to operate similarly to the pass-through districts. Fees collected for the Nevada City/Grass Valley and the Twin Ridges zones (other than portions in the Oak Tree District) are deposited into County-maintained accounts. Separate accounts are maintained for Nevada City and Grass Valley even though they are in the same benefit zone. The Board of Supervisors approves projects for the Nevada City/Grass Valley zone and the Twin Ridges zone on a case-by-case basis, dependent, in part, upon determinations that there are funds available and the proposal fits within a qualifying category with an existing balance available.

The fees have not been updated since the original 1997 nexus study. Many recreation projects have been funded over the last ten years including the Pioneer Park Pool improvements, Pioneer Park Picnic areas, Seven Hills Athletic Field, Nevada City Vets Building, Tobiassen Park, Hirschman's Trail, Deer Creek School Field, Chicago Park School Playground, Sugarloaf Mountain acquisition, Miners Foundry, Community Tech. Center, Library Stage, Mautino Park Playground, Grass Valley Vets Hall, Memorial Park, Condon Park, Dogs Run Free, North San Juan Senior Center, and Oak Tree Park improvements. The fees have been utilized extensively over the years to fund recreation projects but have not replenished as quickly due to slower economy and the outdated fee amount that has not been adjusted for inflation or construction costs over the last 20 years, which led to the Board of Supervisors adopting this analysis as a Priority "A" objective.

The County contracted with Economic & Planning Systems, Inc., to complete an updated Fee Nexus Study. The overall objective for the Nexus Study is for the consultant to assist the County with a capital and feasibility study to establish the legal and policy basis to justify the adoption of updated impact fees to fund the development of park and recreation facilities for Western Nevada County Parks and Recreation Districts.

## Parks and Recreation Fee Study Summary

Public Outreach: County staff and the consultant have held numerous meetings with park district representatives, the Nevada County Contractor’s Association and two public workshops to discuss the fee study and receive input from the stakeholders including the Cities, park districts, and recreation providers. Moreover, Sandy “Jake” Jacobson was also hired as a communications consultant to better foster and facilitate stakeholder engagement. Additionally, at the two public workshops held, the consultant provided an interactive workshop where the attendees completed a survey that was incorporated into the presentation in live time, which is included within the supporting documents attached hereto (Attachment #3). The below chart outlines the various meetings and outreach that was conducted by both County staff and the County’s two consultants.

Meeting Date	Stakeholder Meeting	Focus
2/1/2018	Park and Rec. Service Providers, County Staff, and Supervisor Weston	Project Kick-Off Meeting held by Consultant and County Staff
3/8/2018	Park and Recreation Consortium Meeting	County Staff provided update to Park and Rec. service providers
4/9/2018	Western Gateway Park and Recreation Executive Director	County staff reviewed requested documents and answered questions
4/9/2018	Bear River Park and Recreation District	County staff reviewed requested documents and answered questions
6/28/2018	Park and Recreation Consortium Meeting	County Staff intended to provide an update to Park and recreation service providers, but meeting was canceled due to poor attendance
8/2/2018	Parks and Rec. Community Meeting #1 – Held at Madelyn Helling Library	County staff and consultant held community meeting on Nexus Study and update on Consolidation/Reorganization Study
9/6/2018	Grass Valley Park and Rec. Needs Assessment Meeting	Consultant Jacobson attended Grass Valley Parks and Rec. Needs Assessment Report
9/17/2018	Parks and Rec. Community Meeting #2 – Held at BOS Chambers	County staff and consultant held community meeting on Consolidation/Reorganization Study and update on Nexus Study
9/19/2018	Informal Community	Consultant Jacobson attended

	Stakeholder Meeting	an informal community stakeholder (Burton, Cole, and Sweeny) to meeting to discuss County's efforts to date on Parks and Rec.
10/2/2018	Meeting with Bear Yuba Land Trust (BYLT)	Consultant Jacobson met with representative of the BYLT to discuss the County's efforts to date.
10/17/2018	Western Gateway Recreation and Park District Board Meeting	County staff and consultant Jake Jacobson provided update to the Board on the Nexus Study
10/23/2018	Bear River Park and Recreation District Board Meeting	County staff and consultant Jake Jacobson provided update to the Board on the Nexus Study
11/5/2018	Draft Nexus Study released for comments due by Thursday 11/15/2018	County staff released the draft Nexus Study for public review via email, and website.
11/8/2018	Meeting with Nevada County Contractors Association Executive Director	County staff and consultant Jake Jacobson provided update to the Board on the Nexus Study
11/12/2018	Oak Tree Park and Recreation District Board meeting	County staff and provided update to the Board on the Nexus Study
11/14/2018	Meeting with Nevada County Contractors Association, Association of Realtors for Nevada County, and the Great Chamber of Commerce	County staff provided an update on Nexus Study and received comments on proposed Study

Park Benefit Zones/Park District Configuration: When codified in 1997, the Recreation Benefit Fee established 4 separate Recreation Benefit Fees for each of the 4 separate Benefit Zones in the Western County—Bear River, Grass Valley/Nevada City, Twin Ridges, and Western Gateway. These Benefit Zones, in most part, were coterminous with the two formed Park Districts at this time (i.e., Bear River and Western Gateway), fire districts, and school districts. Oak Tree Community Park and Recreation District was established in 2011, following voter approval of the Park District's formation in November 2010. The Oak Tree Community Park and Recreation District's boundaries are identical to the boundaries of the North San Juan Fire District. As established, the Park District's boundaries overlap with portions of the Grass Valley/Nevada City and Twin

Ridges Benefit Zones. At present, the County collects and administers Recreation Development Fees for the Oak Tree Community Park and Recreation District, though the intent is for that Park District to operate similarly to the pass-through model in effect for Bear River and Western Gateway Park Districts.

The 2018 Nexus Study proposes updates to the existing Benefit Zones to add a new Oak Tree Benefit Zone that is coterminous with the Oak Tree Community Park and Recreation District. The proposed change would comprise portions of the Grass Valley/Nevada City and Twin Ridges Benefit Zones in areas where the Oak Tree Community Park and Recreation District overlaps those Benefit Zones. This proposed Benefit Zone change is related only to the implementation of the Recreation Development Fee program, and does not affect the composition of the Oak Tree Community Park and Recreation District. Therefore, the change does not require approval from the County Local Agency Formation Commission (LAFCo) and is implemented via County approval of this Nexus Study. Imposing this change would allow the County to pass-through Recreation Development Fees generated in this new Benefit Zone directly to the Oak Tree Community Park and Recreation District.

Fee Study Methodology: The existing Recreation Development Fee provides a mechanism to collect funds to mitigate new residential development's impacts on recreation and park facilities. The Recreation Development Fee includes costs for land acquisition and recreation facility development for the four existing Western County Benefit Zones. These fees were calculated to maintain each Benefit Zone's existing park and recreation LOS, determined by the number of acres or park acre equivalent, in the Nexus Study, which was developed to fund new neighborhood- or community-serving facilities (e.g., playgrounds, ball fields, ball courts) to serve new Western County residents.

During the public outreach and comment period for developing the nexus study numerous comments were received regarding the importance and need for more trails in the County. Similarly, the need for a regional facility was also identified as a strong need. Therefore, the structure of the new nexus fee study includes trails and regional facility fees in order to respond to the voiced concerns of stakeholders and the community. The proposed Nexus Study now incorporates additional components to mitigate new development's demand for a full range of park and recreational facility requirements in the Western County. Therefore, the proposed Nexus Study proposes three new fee components to fund the facilities or portion of facilities needed to serve new Western County residents. The three recreation and park components included in the Recreation Fee Nexus Study are listed below:

***Neighborhood and Community Parks.*** Consistent with the existing Recreation Development Fee, the Nexus Study includes a Neighborhood and Community Parks component to fund acquisition of park land and development of Neighborhood and Community Parks facilities. This fee component is based on a cost per acre of park land acquired and developed. Furthermore, this fee component is calculated based on County General Plan policy to provide 3.0 acres of park land for each 1,000 residents. Similar to the existing Recreation Development Fee, this Nexus Study proposes reduced fees for

Western County communities that provide on-site private recreational facilities. Neighborhood and Community Parks fee component revenues shall be spent in the Benefit Zone in which the fees are collected (i.e., the Benefit Zone where new residential development occurs).

Development of Neighborhood and Community Parks can include various components, from basic greening of the park (i.e., turf and irrigation) to more intense recreational development with amenities, such as field and court facilities, playgrounds, and splash or spray parks. The Neighborhood and Community Parks component established through this Nexus Study is based on costs for park improvements and land acquisition, therefore it is considered a combination Quimby fee and AB1600 fee. The County does not have a detailed park and recreation master plan describing preferred amenities and park development costs on a per acre basis. EPS's research demonstrates that basic park improvements (i.e., turf, irrigation, bathrooms) average approximately \$250,000 per acre. For the purposes of this Nexus Study, the estimated park development cost per acre is \$300,000, which would provide an allowance for these basic improvements plus amenities such as playgrounds, ball fields, and ball courts, which would be determined at the discretion of the recreation service provider constructing the improvements. It is important to note that this amount is an allowance for park facilities and amenities and eligible costs may include, but are not limited to the following expenses:

- Basic park improvements.
- Park amenities.
- Expanded and improved recreation facilities.
- County costs to administer the RFP for Neighborhood and Community Parks fee component revenues for the Grass Valley/Nevada City and Twin Ridges Benefit Zones.

The estimated cost of land acquisition is \$50,000 per acre and is based on land sales costs for residentially zoned properties in the Western County. In total, the Neighborhood and Community Parks fee component is based on a cost estimate of \$350,000 per acre.

***Western Countywide Trails.*** The Nexus Study includes trails development as a component of the Recreation Development Fee. New trail facilities funded through the Recreation Development Fee are intended to be granted similarly to the County's existing RFP approach, whereby a community partner will apply for funds to construct new regional trails. The Western Countywide Trails fee component revenues may be expended throughout the Western County and are not required to be expended in the Benefit Zone in which the fee is collected. Similar to Neighborhood and Community Parks, trails development costs can vary based on the intent and function of the proposed trail. For the purposes of the Nexus Study, trails costs reflect the costs to design, clear, and cut earthen trails made of natural materials. The costs used to generate the Trails fee component established through the Nexus Study is based on a cost estimate of \$40,000 per linear mile. This cost estimate was established based on information obtained from trail designing and construction firm Trailscape, based in Auburn, California. Trailscape indicates costs for trails development on foothill and mountain terrain in the Sierra Nevada area is approximately \$6 per linear foot, or approximately \$32,000 per linear

mile. This Nexus Study is based on an assumed design, engineering, and contingency of 25 percent for an estimated construction cost of \$40,000 per linear mile. Trails development costs may be greater if trails are designed to be developed on terrain steeper than 30 percent, if rock cutting is necessary, or if bridges or culverts are required. In addition, this cost estimate does not consider the cost to construct paved multipurpose trails, nor does it consider the cost to construct parking lots serving trailheads.

**Regional Facility.** Currently, the Western County does not have any regional recreation facilities, such as an aquatic center or large recreation center, capable of hosting various indoor sports such as basketball or volleyball. Western County residents need a regional facility to meet currently unmet recreational needs for both existing and future residents. The Nexus Study identifies a Regional Facility component to provide a mechanism for residential development to pay its proportional share of costs for a new regional recreation facility. The Truckee-Donner Recreation and Park District prepared a park impact fee nexus study in 2013 to allocate new development's fair share of costs for two planned regional recreation facilities: a community recreation center and an aquatic facility. In 2013, the Truckee-Donner Recreation and Park District estimated the costs of a 38,500-square-foot community recreation center to be approximately \$24.2 million and a 25,840-square-foot indoor aquatic center to be approximately \$7.2 million. Neither the County nor any Western County Park Districts have established plans to develop a regional recreation facility to meet the unmet needs of existing and future Western County residents. EPS established an estimated cost for a regional facility based on the average estimated costs of the Truckee-Donner Recreation and Park District facilities, as well as other regional recreation facility costs observed throughout the region. The estimated regional facility used in this Nexus Study is \$15 million, which includes costs for planning, design, and construction of a new facility. Should a Park District or the County plan to develop a regional facility serving Western County residents, the Regional Facility fee component would be updated to reflect the corresponding planning, design, and construction cost estimates.

Identified Potential Fee Amount: The Nexus Study indicates the Recreation Development Fee can be charged to new multifamily residential development; however, the County historically has not collected the fee on new multifamily residential development. The proposed Nexus Study proposes that new single-family residential development and multifamily development (e.g., apartments and condominiums) would be subject to the Recreation Development Fee.

The table below shows the maximum allowable Recreation Development Fee for new single-family and multifamily residential development in each Benefit Zone. The communities of Lake of the Pines and Lake Wildwood have reduced neighborhood park fee components, reflecting a credit for community-provided private recreational facilities. This credit is consistent with the fee structure from the 1997 Nexus Study and consistent with the existing fee application process for new development in that area.

Table A- Recreation Impact Fees

Benefit Zone	Land Acquisition	Park Improvements	Subtotal	Trails	Regional Facility	Sub Total	Admin (2%)	Total
<b>Grass Valley/Nevada City Recreational Benefit Zone</b>								
Single-Family	\$354	\$2,123	<b>\$2,477</b>	\$250	\$493	<b>\$3,220</b>	\$64	<b>\$3,284</b>
Multifamily	\$300	\$1,798	<b>\$2,098</b>	\$211	\$418	<b>\$2,727</b>	\$55	<b>\$2,782</b>
<b>Twin Ridges Benefit Zone</b>								
Single-Family	\$354	\$2,123	<b>\$2,477</b>	\$250	\$493	<b>\$3,220</b>	\$64	<b>\$3,284</b>
Multifamily	\$300	\$1,798	<b>\$2,098</b>	\$211	\$418	<b>\$2,727</b>	\$55	<b>\$2,782</b>
<b>Oak Tree Benefit Zone</b>								
Single-Family	\$354	\$2,123	<b>\$2,477</b>	\$250	\$493	<b>\$3,220</b>	\$64	<b>\$3,284</b>
Multifamily	\$300	\$1,798	<b>\$2,098</b>	\$211	\$418	<b>\$2,727</b>	\$55	<b>\$2,782</b>
<b>Bear River Benefit Zone</b>								
<i>Lake of the Pines</i>								
Single-Family	\$151	\$904	<b>\$1,055</b>	\$250	\$493	<b>\$1,798</b>	\$36	<b>\$1,834</b>
Multifamily	\$128	\$766	<b>\$894</b>	\$211	\$418	<b>\$1,523</b>	\$30	<b>\$1,553</b>
<i>Remaining Development Area</i>								
Single-Family	\$354	\$2,123	<b>\$2,477</b>	\$250	\$493	<b>\$3,220</b>	\$64	<b>\$3,284</b>
Multifamily	\$300	\$1,798	<b>\$2,098</b>	\$211	\$418	<b>\$2,727</b>	\$55	<b>\$2,782</b>
<b>Western Gateway Benefit Zone</b>								
<i>Lake Wildwood</i>								
Single-Family	\$40	\$241	<b>\$281</b>	\$250	\$493	<b>\$1,024</b>	\$20	<b>\$1,044</b>
Multifamily	\$34	\$204	<b>\$238</b>	\$211	\$418	<b>\$867</b>	\$17	<b>\$884</b>
<i>Remaining Development Area</i>								
Single-Family	\$354	\$2,123	<b>\$2,477</b>	\$250	\$493	<b>\$3,220</b>	\$64	<b>\$3,284</b>
Multifamily	\$300	\$1,798	<b>\$2,098</b>	\$211	\$418	<b>\$2,727</b>	\$55	<b>\$2,782</b>

Table B below shows a comparison of Park and Recreation fees in the incorporated areas in addition to neighboring Placer County. The Town of Truckee imposes a per square foot fee for the AB1600 portion which varies the amount of the fee per unit that is collected.



Table B - Fee Comparison

<b>Jurisdiction</b>	<b>AB1600 (Park Improvement)</b>	<b>Quimby (Land Acquisition)</b>	<b>Total</b>
<b>Grass Valley</b>			
<i>Single Family Dwelling</i>	\$2,832	Combined	\$2,832
<i>Multi-Family Dwelling</i>	\$2,329	Combined	\$2,329
<b>Nevada City</b>			
<i>SFD</i>	\$918	\$880	\$1,798
<i>MFD</i>	\$753	\$880	\$1,633
<b>Truckee</b>			
<i>SFD</i>	\$1.71 sf	\$4,202	Varies
<i>MFD</i>	\$2.46 sf	\$3,095	Varies
<b>Placer County</b>			
<i>SFD</i>	\$4,660	Combined	\$4,660
<i>MFD</i>	\$3,390	Combined	\$3,390

Fee Amount and Implementation Options: The Parks and Recreation Facilities Fee Nexus Study establishes the maximum justified fee levels that can be charged to new single and multi-family development in unincorporated Western Nevada County. Development may not be charged fees that exceed these levels. The County Board of Supervisors, however, may choose to implement fees at levels lower than those justified in the Nexus Study.

Over the course of public outreach conducted through the Nexus Study process, the County heard feedback and concern regarding increased fee levels. To that end, County staff requested that EPS prepare several alternative scenarios for fee implementation that take into account feedback received. EPS established several implementation alternatives with consideration to the following factors:

- **Neighborhood and Community Parks Level of Service.** The maximum justified fee levels are established based on the County’s General Plan level of service, which targets 3.0 park acres for every 1,000 residents. Reduced fee levels might be calibrated to lower levels of service, funding fewer park acres for every 1,000 residents added.
- **Regional Facility.** Many park and recreation stakeholders have identified the need for regional facilities, such as an aquatic center or large recreation center, capable of hosting various indoor sports and recreation activities. However, the County currently does not have a plan to construct such a facility. With the understanding that the County is targeting future delivery of a regional facility, the Nexus Study identifies a preliminary cost estimate for a future regional facility to be refined by future County planning efforts. Future development is then allocated a proportionate share of those regional facility costs. The Board may instead

consider implementing a park and recreation development fee that does not include costs for a regional facility. If, at a future date, the County establishes facility plans for a regional facility, the fee study could be updated at that time.

- **Fees scaled by unit size.** Park and recreation stakeholders have indicated interest in scaling impact fees based on unit size such that smaller units would pay lower fees. Under the Mitigation Fee Act, impact fees must be calibrated to the demand generated by each land use category. In the case of Western Nevada County park and recreation facilities, demand is stated in terms of new residents, and the fee is calculated based on the estimated number of new residents housed in each residential unit.

Calibrating impact fees based on unit size therefore requires a finding linking the number of persons per household to the size of the unit. Data demonstrating this relationship is not available for Nevada County, and therefore those findings cannot be established at this time. However, the Board of Supervisors does have the option of establishing the impact fees at lower levels than that justified in the Nexus Study, and can implement fees that are scaled on the basis of unit size so long as those fee levels do not exceed the maximum justified fee levels established by the Nexus Study.

The tables below illustrate the fees at a level of service of 3.0 acres per 1,000 residents, 2.0 acres per 1,000 residents and 1.0 acre per 1,000 residents in addition to showing a potential fee amount at all tiered levels without the Regional facility fee. The tables also include a scalable fee at each of the three different service levels.

**Table 1** assumes a neighborhood and community park level of service of 3.0 acres per 1,000 residents, which matches the maximum levels established in the Nexus Study. To facilitate consideration of fee levels that exclude the regional facility, **Table 1** also reports what the fee rates would be excluding the regional facility component. Removing the regional facility results in fee reductions amounting to \$493 per single family unit and \$418 per multifamily unit.

Finally, **Table 1** proposes a method to scale fees based on unit size, offering reduced fee rates for units with less than 2,500 square feet based on the identified adjustment factors. Note that in this example, differential fee schedules for single family and multifamily are not established, as the unit size ranges accomplish a similar differentiation. Differentiated schedules for single and multifamily development could, however, be established. Under no circumstance would a single family or multifamily unit be charged a rate higher than that established in the Nexus Study.

**Table 1**  
**County of Nevada**  
**Parks and Recreation Facilities Fee Study**  
**Recreation Development Fee Implementation Alternatives**  
**Implementation Alt. 1 - 3.0 Acres per 1k Residents**

**Implementation  
Alternative 1 -  
3.0 Acres/1k Residents**

Item	Assumption	Total Recreation Development Fee [1]	
		With Regional Facility	Without Regional Facility
<b>Residential Land Use</b>			
Single-Family Residential		\$3,284	\$2,782
Multifamily Residential		\$2,782	\$2,355
<b>Fee Scaled by Unit Square Footage</b>			
	<i>Adjustment Factor [2]</i>		
Less than 750 Sq. Ft.	0.60	\$1,970	\$1,669
750 - 2,499 Sq. Ft.	0.80	\$2,627	\$2,226
2,500 Sq. Ft. or Greater	1.00	\$3,284	\$2,782

*scenario 1*

Source: EPS.

[1] Lake of the Pines and Lake Wildwood would pay lower fees based on methodology used in the Nexus Study.

[2] Adjustment factor estimates persons per household relative to residential unit size. Precise data for persons per household by unit size is not available for Nevada County.

**Table 2** offers the same analysis assuming a baseline level of service of 2.0 park acres for every 1,000 residents, with and without the regional facility, and with those fee levels scaled by the unit size ranges identified. The level of service reduction results in a fee reduction of approximately \$826 per single family unit and \$700 per multifamily unit. Removal of the regional facility would result in an additional reduction of \$493 per single family unit and \$418 per multifamily unit.

**Table 2**  
**County of Nevada**  
**Parks and Recreation Facilities Fee Study**  
**Recreation Development Fee Implementation Alternatives**  
**Implementation Alt. 2 - 2.0 Acres per 1k Residents**

**Implementation  
 Alternative 2 -  
 Current LOS  
 2.0 Acres/1k Residents**

Item	Assumption	Total Recreation Development Fee [1]	
		With Regional Facility	Without Regional Facility
<b>Residential Land Use</b>			
Single-Family Residential		\$2,442	\$1,939
Multifamily Residential		\$2,069	\$1,642
<b>Fee Scaled by Unit Square Footage</b>			
	<i>Adjustment Factor [2]</i>		
Less than 750 Sq. Ft.	0.60	\$1,465	\$1,163
750 - 2,499 Sq. Ft.	0.80	\$1,954	\$1,551
2,500 Sq. Ft. or Greater	1.00	\$2,442	\$1,939

*scenario 2*

Source: EPS.

[1] Lake of the Pines and Lake Wildwood would pay lower fees based on methodology used in the Nexus Study.

[2] Adjustment factor estimates persons per household relative to residential unit size. Precise data for persons per household by unit size is not available for Nevada County.

Finally, **Table 3** offers the same analysis assuming a baseline level of service of 3.0 park acres for every 1,000 residents. The level of service reduction results in a fee reduction of approximately \$1,651 per single family unit and \$1,399 per multifamily unit from the baseline levels established in the nexus study. Removal of the regional facility would result in an additional reduction of \$493 per single family unit and \$418 per multifamily unit.

**Table 3**  
**County of Nevada**  
**Parks and Recreation Facilities Fee Study**  
**Recreation Development Fee Implementation Alternatives**  
**Implementation Alt. 3 - 1.0 Acres per 1k Residents**

**Implementation  
Alternative 3 -  
1.0 Acres/1k Residents**

Item	Assumption	Total Recreation Development Fee [1]	
		With Regional Facility	Without Regional Facility
<b>Residential Land Use</b>			
Single-Family Residential		\$1,600	\$1,098
Multifamily Residential		\$1,355	\$928
<b>Fee Scaled by Unit Square Footage</b>			
	<i>Adjustment Factor [2]</i>		
Less than 750 Sq. Ft.	0.60	\$960	\$659
750 - 2,499 Sq. Ft.	0.80	\$1,280	\$878
2,500 Sq. Ft. or Greater	1.00	\$1,600	\$1,098

*scenario 3*

Source: EPS.

[1] Lake of the Pines and Lake Wildwood would pay lower fees based on methodology used in the Nexus Study.

[2] Adjustment factor estimates persons per household relative to residential unit size. Precise data for persons per household by unit size is not available for Nevada County.

**Fees adjusted for inflation only.** Since the original 1997 Nexus Study did not include an automatic fee inflation amount to account for inflation over the last 20 years the fees have remained stagnant. An option for adjusting the fees would be to bring the fees up to the current 2018 amount as shown in the **Table 4** below.

Table 4

<b>Recreation Benefit Zone</b>	<b>Existing Fee</b>	<b>Adjusted Inflation Fee</b>
Grass Valley/Nevada City	\$721	\$1,372
Twin Ridges	\$747	\$1,422
Oak Tree Park	\$747	\$1,422
Bear River <i>LOP</i>	\$345	\$657
<i>Remaining Area</i>	\$487	\$927
Western Gateway <i>LWW</i>	\$348	\$662
<i>Remaining Area</i>	\$917	\$1,745

These fee alternatives are intended to offer a range of scenarios to inform the Board's decisions regarding implementation of updated park and recreation facility fees. Alternative implementation structures that establish fees at levels lower than that established by the Nexus Study may also be considered. In addition, the County may consider phasing in the fee increases over time -- for example, applying 25 percent of the increase each year for 4 years. Alternatively, the fees could be based on the identified service levels and increased over time. For example, implementing the inflation adjusted fee for the first year, the 2.0 acre per 1,000 residents service level for the second year and ultimately the full 3.0 acre per 1,000 residents for the third and final fee increase in order to gradually increase the fee to the full amount over time. These and/or other considerations may be established as part of the County's fee implementation program.

Public Comments: A number of comments were received during the public outreach and comment period for the park and recreation facilities fee nexus study. The comments are attached in Attachment #2. Generally, there was support for the recreation fees, and suggestions on how the fees should be utilized, however, some comments questioned the significant increase in the fees and the use of the fees. Below are responses to some of the questions and comments raised other issues raised are addressed in the nexus study itself and/or this staff report.

*The fee should be based on square footage of new residence*

In order to base the impact fee on unit size (square footage), the Nexus Study must make findings regarding the relationship between unit sizes and the number of persons per household. Data demonstrating this relationship is not available for Nevada County, and therefore those findings cannot be made. However, the Board of Supervisors do have the option of establishing the impact fees at lower levels than that justified in the Nexus

Study, and can implement fees that are scaled on the basis of unit size so long as those fee levels do not exceed the maximum justified fee levels established by the Nexus Study. The options above do include a tiered fee based on size of the unit built.

*Why is there a separate Trails fee and Regional facility fee?*

During public outreach the County heard many requests to ensure trails were a part of the nexus study and were a recreational amenity that was desired in the community. A regional facility was also a major necessity that was identified by the community. Given the fact that trail development typically occurs outside of developed parks a separate fee category was established that could be used exclusively for trail development. The regional facility fee was created to set aside funds to go toward a regional facility but with the recognition that other funding sources would also be needed.

*Why Does Lake Wildwood and Lake of the Pines pay lower fees?*

Development in LOP and LWW is essentially receiving credits against the fee for private recreation facilities that will reduce their impact on public recreation facilities. The general public cannot use the private facilities and the private amenities allow the residents of the subdivisions to recreate near their home without impacting public facilities.

*A Park Master Plan is needed before fees can be collected*

In many cases, development impact fees for park and recreation facilities are based on park facility master plans that establish local policies and park facility requirements. However, in many cases, the local jurisdiction has not established a park facility master plan, and alternative approaches to establish park and recreation facility fees must be established. In these cases, a level-of-service based approach is commonly used, which can be based on the existing level of service provided, or alternatively on a desired level of service as may be established in the jurisdiction's General Plan. Establishing up to date impact fees on this basis can actually aid park and recreation facility master planning efforts by providing more certainty with regard to revenues that can be anticipated from impact fees, helping to develop facility plans that take revenue constraints into account.

Park District/Benefit Zone Consolidation Feasibility: In addition to the nexus study the county contracted with Economic and Planning Systems, Inc. to prepare a feasibility analysis of consolidating and/or reorganizing the park districts/benefits zones. The feasibility study is still underway and will be presented to the Board upon completion. The fee nexus study as proposed can be implemented prior to any decisions being made regarding the feasibility of any reconfiguration of the current district and benefit zone boundaries.

**Summary:** The updated Nexus Study identifies a maximum fee that could be imposed on new development. There are a number of ways the fee could be introduced and applied at various levels. As describe above, the different service levels fee amounts could be used as phased fee levels over time or a percentage of the fee increased over time up to a maximum amount as determined by the Board of Supervisors could be used to phase in the new fee amounts. The main options and decision points include:

- Implementing a scalable fee based on square footage vs. a per unit fee
- Including the Regional Facility Fee (and/or Trails Fee)
- Implementing the fee based on a service level other than 3.0 acres per 1,000 residents
- Adjusting the fee for inflation
- Applying a fee with percentage increases or other identified step increases in phases over time

Once the Board provides direction on the amount of the fee and the timing of implementation the appropriate Ordinances and Resolutions will be agendized for Board adoption and approval in order to adopt the Nexus Study and implement any new impact fees.

**Approved by:** Brian Foss, Planning Director