Parks & Recreation Master Plan Update

Chapter 7: Park Land Dedication & Park Impact Fee Ordinances & Other Strategies

Town of
Yucca Valley

7.0 – PARK LAND DEDICATION AND PARK IMPACT FEE ORDINANCES AND OTHER STRATEGIES

7.1 Introduction/Methodology

Park acreage standards are generally established through an acreage requirement per 1,000 residents. The Subdivision Map Act and the Quimby Act (Section 66477 of the Government Code) relating to parkland dedication allows municipalities to adopt a local ordinance establishing a townwide park standard and the requirement of parkland dedication or market value in-lieu fees when there is residential development.

Municipalities can also adopt ordinances requiring the payment of a Park Impact Fee which offsets the cost of the impact new residential development has on the Town's existing park and recreation system.

Towns, Cities, Counties and Park Districts can also adopt ordinances that establish Assessment Districts for Park and Recreation improvements and operations.

As part of the Yucca Valley Park and Recreation Master Plan, the consultant team reviewed all of Yucca Valley's ordinances pertaining to park dedication and park fee requirements in order to insure that the ordinances reflect up to date language and requirements to best position the Town for implementing its Parks and Recreation Master Plan.

7.2 Evaluation of Existing Ordinances

The Town of Yucca Valley last updated its Park Dedication and In-Lieu Fee Ordinance, as well as, its Park Impact Fee Ordinance in 2005. The Park Impact Fee is adjusted annually when all Development Impact Fees are reviewed and adjusted to reflect current costs. A review of Yucca Valley's Park Dedication and In-Lieu Fee Ordinance shows that is it up to date and current in terms of language and requirements to insure the dedication of 5 acres per 1000 population or the payment of fair market value in-lieu fees per the Town's General Plan when new residential development occurs within the Town limits.

Unfortunately, Yucca Valley does not have an agreement with the County of San Bernardino for the same park dedication requirements or Park Impact Fees, so when development takes place in unincorporated areas within the sphere of influence of Yucca Valley, no parkland is dedicated or in-lieu fees paid, but it is widely acknowledged that the residents of those outlying areas use Yucca Valley parks and recreation facilities.

The Yucca Valley Park Dedication and In-Lieu Fee Ordinance, adopted under the authority of the Subdivision Map Act and the Quimby Act (Section 66477 of the Government Code) is specifically designed to provide the Town with sufficient parkland to meet its Parkland Standard of 5 acres per 1,000 population as the Town's population grows. Currently, Yucca Valley has 194.4 acres of total parkland, counting 54.4 developed acres, 20 usable currently undeveloped acres and 120 acres of open space natural areas that cannot be used for developing traditional parks because they are either inaccessible due to terrain or location, or they are BLM properties that have to remain open space. The following two charts present an analysis of current and future parkland needs. Chart 7.1 analyzes parkland needs based on the Town's parkland standard of 5 acres per thousand population, counting both developed and undeveloped parkland the town processes that is accessible and usable for traditional park uses (74.4 acres). Chart 7.2 analyzes parkland needs based on future parkland acreage totals after the loss of 15 acres of the current Community Center Park for the development of a new Civic Center Complex (59.4 acres).

Chart 7.1

Town of Yucca Valley	Analysis of Current and Future Park Acreage Requirements	
	Current	Projected 2020
Population	Approx. 21,500	Approx. 35,000
Current Park Dedication Requirement	5 Acres/1000	5 Acres/1000
Acres Required	107.5	175
Park Acreage	74.4	74.4
Surplus (Deficiency) of Park Acreage	-33.1	-100.6

Chart 7.2

Town of Yucca Valley	Analysis of Current and Future Park Acreage Requirements	
	Current	Projected 2020
Population	Approx. 21,500	Approx. 35,000
Current Park Dedication Requirement	5 Acres/1000	5 Acres/1000
Acres Required	107.5	175
Park Acreage	59.4	59.4
Surplus (Deficiency) of Park Acreage	-48.1	-115.6

Chart 7.1 shows that the Town has a park deficit of approximately of 33 acres which will grow to more than 100 acres by the year 2020 if additional parkland is not acquired. If the proposed reuse of 15 acres of the existing Community Center Park site for a Community Center Complex comes to fruition the current parkland deficit shown in Chart 7.2 is 48 acres and will grow to more than 115 acres if additional parkland is not acquired.

The town should begin planning efforts to acquire at least 115 acres of accessible usable parkland by the year 2020 to ensure it meets its parkland standard and to provide parkland for implementation of the recommendations for new parks and facilities contained in Chapter 9. Specific locations for future parkland acquisition to enable the Town to build the recommended new facilities are also contained in Chapter 9.

Working with future residential development projects, the School District, Boys and Girls Club, County of San Bernardino, potential land donors and potential concessionaires to insure that acquisition of future parkland fits the needed size and location for implementing future park development recommendations is a top priority.

In addition to the requirement of parkland dedication or payment of in-lieu fees when new residential development takes place, the Town also requires the payment of Park Impact fees to off set the impacts new development has on its existing park system.

The Development Impact Fee is intended to recover from each new development its reasonable share, as determined in accordance with Government Code section 66000, of the cost of each type of public park facility and infrastructure improvement that is needed to serve the additional population of that development. This is done to ensure implementation of and consistency with the Town's General Plan and to protect the public health, safety and welfare by ensuring that adequate public park facilities and related improvements will be constructed and made available to serve new development concurrent with the need. The fees imposed under this ordinance are in addition to any other fees, dedications, construction requirements or other exactions imposed as a condition of approval for a development projects.

Both the Town's Park Dedication and In-Lieu Fee Ordinance and its Park Impact Fee Ordinance are current at this time; however, the Town needs to review and update the ordinances on a periodic basis to ensure the ordinances remain relevant for current conditions.

7.3 Strategies for Future Parkland Acquisitions

Yucca Valley will need additional parkland in the future for neighborhood parks, community parks, specialty parks and trails. In addition to acquiring parkland through dedication requirements placed on future residential developments and collecting park impact fees, there are a number of other strategies the Town can use to meet its future parkland needs. The following are some strategies the Town may wish to consider:

- Joint venture projects with public and private entities can be a way of obtaining parkland, particularly for specialized facilities such as sports parks, aquatic centers, performing arts facilities, trail systems, nature parks, etc. Working with other government agencies the Town of Yucca Valley can possibly expand its recreational opportunities. For example, Yucca Valley can work with the Water District to make use of property containing water wells or retention basins for park purposes. The Town can work with the Flood Control District to long-term lease or license right of way acquisition for trail systems. The Town already has a good relationship with the Bureau of Land Management and could continue to pursue joint ventures for preservation of open space and development of nature parks.

- Pursuit of agreements with the County of San Bernardino to establish pass through parkland dedication and park in-lieu fees when development takes place within the sphere of influence Yucca Valley has on unincorporated County land. This would provide funding for future park acquisition. Also, Yucca Valley should pursue County interest and participation in providing regional park facilities, particularly with regard to the development of a Yucca Valley Show Grounds and Events Center.
- Acquiring property or expanding regional off road vehicle park prospects by working with State and Federal agencies could be a strategy to meet the community demand for off road vehicle park opportunities.
- During the community input process, there were a number of residents and stakeholder groups who supported the Town working with the Boys & Girls Club to acquire and develop more property near its current location. The consensus was to develop a new Boys & Girls Club facility and a community park which would give the Boys & Girls Club more programming opportunities and the Town the opportunity for more gymnasium space and the ability to expand the number of sports fields on the west side of Town.
- Consideration could be given to negotiating the donation of Pop Rauch Park (land containing the Tri-Valley Little League fields) into the Town's park system as a means of providing for long-term maintenance of the fields for Little League baseball and increasing the inventory of public sports fields.
- A number of cities and park districts in California have been successful in establishing non-profit 501(c)3 Community Park Foundations whose purpose is to solicit parkland donations and provide donors with a charitable tax deduction by donating property for public park purposes. The biggest area of parkland donations have come from people gifting property to Community Park

Foundations as part of their *Last Will and Testament*. Community Park Foundations can provide both tax benefits and legacy benefits (i.e., naming rights) to individuals who leave property to the Foundation for future park uses. While it is true that municipalities can accept tax exempt donations without establishing a non-profit foundation, history shows that donors tend to donate more readily to a group of their peers who are volunteering to raise funds for specific park purposes than they do to an agency they pay taxes to support. However, the Town should still establish a policy and procedure to accept donations as there is always the possibility that someone will want to donate to the Town directly.

- Joint Venture and Joint Use Agreements with the Morongo Unified School District can be another way of developing park facilities to meet community demands and needs. Working with the School District and future developers of residential projects to situate future schools adjacent to future parks will provide opportunities for both the Town and the School District, while making the developers' projects more economically feasible. The sharing of fields, courts, play equipment, etc. can allow for both schools and neighborhood parks to be built on less land than would be required if the school and neighborhood park were built separately.
- Other examples of joint ventures with the School District include the town pursuing the building of a new Performing Arts Complex in the vicinity of Yucca Valley High School. Joint acquisition and development of a Performing Arts Center to benefit both school district performing arts programs and community performing arts programs would split the financial burden between two agencies and thus could make the facility more economically feasible.

The Town could pursue joint venture opportunities for commercial recreation facilities whereby the Town acquires property through the use of lease-purchase financing which is then paid for by a Development and Operating Agreement with a commercial recreation entity. Extreme Sports Parks, Side by Side Skating facilities, golf courses, family fun centers, etc. are examples of joint ventures that could be pursued through this strategy.

In addition to the above strategies for possible acquisition and development of parkland and recreation facilities, the Town may want to consider one of several funding or financing options to acquire property and build park facilities. The following is a list and description of funding and financing methods local agencies can use if there is community support for specific acquisitions or park developments:

7.3.1 Use of Bonds to Finance Parks

General Obligation Bonds make sense when a Town has several different types of facilities it needs to develop and there is strong community support. For example, if a Town wanted to build a new police station, community park and library it may bundle all three into one General Obligation Bond. Hopefully this would create a wider voter support to get the two-thirds approval required by General Obligation Bonds. General Obligation Bonds usually do not succeed for special interest facilities. For example, a General Obligation Bond to build a new aquatics facility or sports complex would probably not receive the two-thirds voter approval necessary to issue the bonds.

Some agencies that need to develop a number of Recreation and Park facilities have had success in forming a Park District and selling General Obligation Bonds to support the district's implementation of its facility development plan. When voters know that the bonds will only go to the implementation of a Park Master Plan that they have approved, they tend to be more willing to support such initiatives.

General Obligation Bonds are paid for out of the Town's General Fund. So the allocation of dollars to a General Obligation Bond for park purposes will compete with the Town's needs for ongoing operations and other types of needed improvements, such as, public safety facilities, roads, and other infrastructure. Only agencies with excess general fund capacity are really able to use General Obligation Bonds for Park Facility Development.

7.3.2 Paying for Bonds

The most common method for implementing Recreation and Park facility development by the use of bonds is to gain voter approval for an additional property tax assessment to pay for the debt of the Park Bonds. The bond issuing method is the same as General Obligation Bonds; they require two-thirds voter approval. However, along with the voter approval to issue the bonds, the voters need to approve an additional annual tax assessment to pay for the debt service on the bonds.

This approach is successful if there is strong community support for park facilities and implementing the Master Plan. The key to a successful Park Bond and tax assessment approval campaign is to work with a community foundation to build support for the tax assessment and to educate the voters that the additional tax assessment can only be used for development of the approved park facilities.

Most agencies have found that Park Bonds with a tax assessment are most successful when placed on a general election ballot rather than a special election ballot. It usually takes at least two years to develop a community support foundation, educate the voters, and develop enough community support to get two-thirds approval. Consequently, agencies are most likely to be successful doing a Park Bond with a tax assessment only once every 10 to 20 years. Before this financing approach should be undertaken, the Town should allocate some resources to conducting a statistically valid community survey on how the community perceives the importance of implementing the elements of the adopted Recreation and Parks Master Plan, if they would be willing to pay additional taxes to implement it, and if so, how much additional taxes would be acceptable.

The public's perception of value is the most important element of generating a two-thirds voter approval. For example, the community may be willing to pay an additional $30 a year on their property taxes to implement a number of facilities they believe they will use, but not $100 a year. A statistically valid random phone survey is the only reliable way to find out what the community's acceptance might be. This is absolutely necessary if the Town wishes to finance park facility development by going to the voters for approval of a Park Bond with a tax assessment.

7.3.3 Revenue Bonds

Revenue Bonds are a popular way for local agencies to finance capital improvements, especially Recreation and Park facilities, when the facility being developed will generate the necessary revenue to pay the debt service on the bonds. This method is common for development of sports arenas, convention centers, show grounds and other facilities that generate revenue through admission, concessions, and rentals. Revenue Bonds require the agency to provide collateral equal to one and half times the value of the bond issue. An agency must provide collateral in the form of property, or properties it owns that have a market value of at least one and a half times the amount of revenue bond it wishes to issue. Revenue Bonds do not require voter approval but do require a four-fifths vote of the Town Council. Revenue Bonds are usually combined with the establishment of an assessment district under AB1600 and Asset Management programs which are explained later in this section.

If the Town can design capital improvements with revenue generating components so that the debt service and the cost of maintenance and operations do not impact the Town's general fund, Revenue Bonds are a good approach to funding facilities where there is strong Council and community support and political motivation to develop the facilities.

7.3.4 Certificates of Participation (COPs)

Certificates of Participation (COPs) are similar to Revenue Bonds in that they do not require voter approval, just a four-fifths Town Council vote. And they require the Town to provide collateral in the form of property equity one and a half times the market value of the proposed issue. The advantage of COPs is that they are issued in script of $5,000 or $10,000 which allows for smaller investors to invest, and they are tax exempt, so interest rates are lower. Again, the key to this type of financing is to design the proposed facilities with revenue generating components and/or combine it with an AB1600 assessment district so that there is no impact on the Town's existing general fund to issue the COPs.

7.3.5 Assessment Methods

There are two main methods for establishing assessments to pay for Recreation and Park acquisition and facility development; these are:

- Lighting and Landscape Assessment Districts, Mello-Roos, and other state legislation allowing local agencies to create assessment districts for capital improvements. Each of these requires approval by the property owners who are within the district and are subject to paying the assessment.
- State Law AB1600 allows local agencies to impose an assessment on properties within an improvement area when the Town can show a nexus that the improvements being made are a benefit to the properties being assessed. Under this method of assessment the Town sends a direct mail ballot to the property owners, if fewer than 50% of the property owners vote "No", the assessment could be implemented.

Agencies typically use enabling legislation for assessment districts for facility improvements that impact or benefit the whole Town or a specific area, such as for street lighting, storm drain improvements, sidewalks, etc. Some agencies have had some success using this legislation to fund large community or regional park developments where there is broad community support for the improvements. Newer agencies and park districts have had the most success in setting up assessment districts, because they can be established when only a few property owners are within the proposed assessment district.

Established areas where there are thousands of property owners within the proposed assessment district have had trouble getting 50% approval. This legislation requires the assessing agency to do an engineering study to determine the proportionate benefit to each property within the proposed district.

AB1600 has several benefits over other assessment legislation in that it is an impact fee. Unlike the benefit assessment districts, the Town does not have to do an engineering study to proportion the cost according to benefit. The Town simply has to make a finding that there is a need for recreation and park facilities based on the impact of the proposed development, and the proposed development is not contributing to mitigate the impact. This is accomplished by preparing a nexus study showing the relationship between the proposed development and the facility or facilities that will be impacted.

For example, if the Town wanted to use AB1600 to impose an impact fee on new commercial and industrial development, it would need to do nexus studies to determine if existing commercial and industrial properties have an impact on its recreation and park facilities. If the Town finds that employees in commercial and industrial businesses use the Town's recreation and park facilities, employers use the park system and/or recreation programs as recruiting tools, and as a result commercial and industrial property increases in value due to a well developed and maintained park system, the Town could use the authority under AB1600 to impose a park fee on new commercial and industrial development.

7.3.6 Lease Purchase Financing

A newer concept in financing Recreation and Park improvements being used successfully by local agencies is a form of lease/purchase financing. Under the lease/purchase financing method the Town would contract with a financial institution that would put together an investment group. The Town would then lease the proposed site and facility to the investment group who would provide the funding for the development of the site and facility. The investment group then leases the site and facility back to the Town at a lease rate equal to the cost of the financing the investment group provides to the Town for the development of the site and facility.

The lease serves as the collateral for the financing, not other real property, as is the case in issuing revenue bonds or COPs. If the Town defaults on the lease payments, the investment group would own the lease and could operate the facility or contract the operation of the facility to a third party. The Town owns the site throughout the lease purchase period, and at the end of the lease period, the Town owns the improvements free and clear. This form of financing currently has very attractive interest rates, is tax exempt for investors, and does not impact the Town's bond indebtedness or credit rating.

This type of financing is best used for facility development whereby the facility generates revenue. Municipal parking structures are one type of facility that local agencies have been very successful in using this financing method. It can be used for non revenue producing facilities whereby the lease payments are paid from the agency's general fund; however, with competing needs it may be politically difficult to dedicate general funds for lease payments. The term of the lease is set by the agency and can be any length. Another attractive feature of this form of financing is the low cost of issuance compared to Bond issues.

The Town could also use non tax exempt lease purchase financing to acquire commercial or industrial property. As a lessee, the Town could lease to a commercial recreation developer/operator for the development and operation of major commercial recreation facilities, such as, batting cages, sports complexes, dance studios, fitness/health centers, community theatres, skateboard parks and off-road vehicle parks.

7.3.7 Asset Management

Besides raising revenue through bonds, assessment districts and impact fees, several local agencies in California are developing and implementing Asset Management Plans to generate income to pay for facility development and maintenance. Asset Management is defined as using the Town's facilities and other assets for business purposes in order to generate revenue without raising taxes. The recommendations for this method of raising revenue are explained in Chapter 9.

7.3.8 Grant Programs

The Town should apply for and make use of both state and federal grant programs. Per capita grant programs such as Roberti-Z'berg and Community Development Block Grants (CDBG) can provide the Town with funding for both improvement of existing facilities and acquisition and development of new facilities. Most of these grant programs are based on a per capita distribution and some require matching funds by the Town. Federal grant programs such as CDBG and Urban Recreation and Park Programs (URPP) can provide funding for specialized facilities that meet the criteria for these particular grant programs.

The Town should also consider a combination of several different grant programs for the development of a single project. For example, the Town could apply for several different beautification grants, trails grants, storm drain improvement grants, urban park development grants, open space grants, and per capita grants to accomplish the funding necessary for developing a trails system through out the town.

7.3.9 Community Park Foundations

A key element of funding Recreation and Park facilities is community support. Whether the funding method is bonds, assessment districts, asset management, or joint partnerships, it will be necessary to build community support in order to implement facility development. The best way to build community support for facility development is by establishing a non-profit community foundation made up of concerned volunteers to support the Town's implementation of its Recreation and Parks Master Plan. In addition, a Community Parks Foundation can also provide the following:

- An organization that can accept donations that are tax deductible to the donor.
- An organization that can apply for grants that are not eligible for government application
- An organization that can put on fundraising campaigns and recruit a large volunteer base to implement donation campaigns
- An organization that can partner with other non-profits, such as churches, service clubs and organizations and private companies to jointly develop Recreation facilities

The key to developing a successful Community Parks Foundation is in the development of by-laws establishing the foundation, recruitment of board members and training of volunteers. The by-laws should be developed so that they are very specific about the role and duties of the foundation. Board members should represent all segments of the community and not be controlled by any one special interest group.

In summary, the Town should continue to monitor its Parkland Dedication or In-Lieu Fee Ordinance requirements and its Park Impact Fee requirements to insure they are kept current and provide the Town with the ability to acquire the parkland it will need to meet its future demand. The Town should also review the strategies and funding/financing methods presented herein when it wishes to pursue acquisition and development of the recommendations in the Park and Recreation Master Plan.