

Parks & Recreation Impact Fees

December 2010

**Department of Capital Planning and Management –
Office of Impact Fees**

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1.0 Executive Summary

This document updates the Jefferson County Parks & Recreation Impact Fee from the impact fee study conducted in December of 2007. The maximum justifiable fee schedule for new residential and commercial land uses are presented in Table 1.

Table 1. CY 2011 Maximum Justifiable Impact Fees

Housing Unit Type	PPH	Fee/Unit Type	
Single Family Detached	2.63	\$	587
Townhome/Duplex	2.01	\$	449
Multifamily Apartment	1.98	\$	442

1.1 Trends Driving the Fee Schedule

Relative to the 2007 fee study, the parks & recreation impact fee is lower. There are a number of factors which serve to increase or decrease the fee schedules:

- The capitalization of the Parks & Recreation inventory has increased relative to the values from 2007.
- The total residential population of the count has increased relative to 2007.
- The system gained one large parcel for use as a new park (Hite Road).
- The cost per acre of large parcel, undeveloped land in Jefferson County has declined relative to 2007. This single fact serves as the biggest factor in the reduction of the calculated fee schedule relative to the study conducted in 2007.

1.2 What are Impact Fees?

Impact fees are one-time payments that may be assessed by a locality to offset the costs associated with providing necessary public services. Impact fees for the County are proportionate and reasonably related to the capital facility service demands of new development. The fee methodologies establish that the fees will substantially benefit new development. The County's impact fee methodology also identifies the extent to which newly developed properties are entitled to various types of credits to avoid potential double payment of capital costs.

TischlerBise, Inc. (formerly Tischler & Associates) had previously evaluated possible methodologies and documented appropriate demand indicators by type of development, for each type of fee. Specific capital costs have been identified using local data and current dollars. The approach used to calculate the impact fee is diagrammed in Figure 1. Also, for each type of fee the report includes a summary table indicating the specific factors used to derive the impact fee. These factors are also referred to as Level-Of-Service (LOS) standards. This current study utilizes the same approach previously applied by TischlerBise.

1.3 How are Impact Fees Calculated?

There are three basic approaches used to evaluate the various components of Jefferson County's impact fees. A **plan-based method** is best suited for public facilities that have adopted plans or commonly accepted service delivery standards to guide capital improvements. This method was formerly used in the Parks & Recreation Impact Fee to accommodate the planned community center at Sam Michael's Park. Since 2004 that facility has been completed and is now incorporated as a regular inventory item using the incremental expansion method as discussed below.

The **incremental expansion** methodology documents the current Level-Of-Service (LOS) for each type of public facility in both quantitative and qualitative measures. LOS standards are determined in a manner similar to the current replacement cost approach used by property insurance companies. However, in contrast to insurance practices, Jefferson County will not use the funds for renewal and/or replacement of existing facilities. Rather the County's intent is to use impact fee revenue to expand or provide additional facilities, as needed to accommodate new development. An incremental expansion cost method is best suited for public facilities that will be expanded in regular increments, with LOS standards based on current conditions in the community. This methodology is used to calculate all components of the Parks & Recreation Impact Fee.

A third method, known as the **buy-in approach**, is based on the rationale that new development will pay for its share of the useful life and remaining capacity of recently constructed facilities. This methodology is not used in this report.

Another general requirement that is common to impact fee methodologies is the evaluation of *credits*. There are several types of credits that have been considered. First, a **future revenue credit** has been evaluated to avoid potential double payment for capital facilities through on-going revenues that may fund system improvements. For example, this type of potential double payment may occur if facilities are bond financed.

The second type of credit is a **site-specific credit** for system improvements that have been included in the impact fee calculations. Policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the County's fees. However, the general concept is that developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the impact fee calculations. Project improvements normally required as part of the development approval process are not eligible for credits against impact fees.

The Parks & recreation impact fee calculations are entirely based on the incremental expansion approach. There are no general obligation bonds or excess levies for the benefit of the parks and recreation system and all funding for parks and recreation capital expenses has historically come from general revenue funds or operating revenues, thus there are no credits to consider in any of the fee calculations. The impact fees are based on a countywide service area, as the county parks are generally large facilities used by all residents of the county, including the incorporated municipalities. Fees for residential development are assessed per housing unit and are collected prior to issuance of a building permit. There is

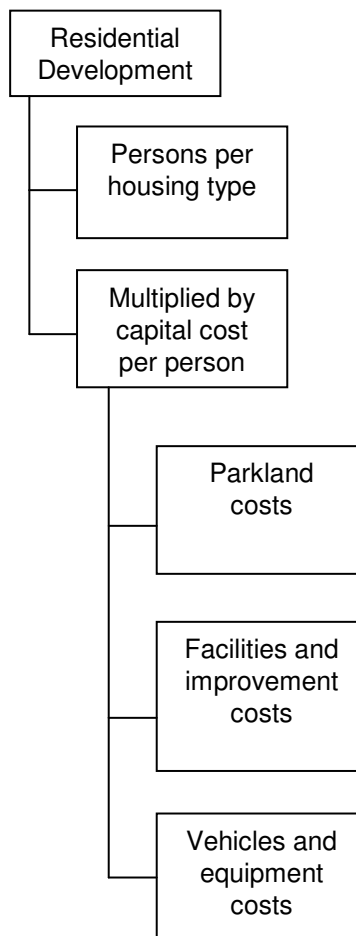
no nonresidential parks & recreation fee as there is no rational nexus between this type of development and a demand for Parks & recreation services.

2.0 Base Data

The incremental expansion methodology has been used to determine impact fees for parks & recreation including parkland, facilities and improvements, and vehicles and equipment for the Parks and Recreation Commission as shown in Figure 1. Residential impact fees are calculated on a per capita basis and then converted to an appropriate amount by type of housing using household size multipliers. Thus, the total residential population of the county, as well as the persons per household multipliers constitute the demand generators for these calculations.

In addition to the demand generators, discussed above, the other set of base data are the capital inventories for parks & recreation. This includes the parkland, improvements, and equipment owned by the Parks & Recreation Commission.

Figure 1. Parks & Recreation Impact Fee Methodology Chart



2.1 Demand Generators

The demand generator for parks & recreation are presented in Table 2.

Table 2. Parks & Recreation Demand Breakdown

Level of Service			
Number of persons (2009 est)		52,750 /1	
Housing Unit Type	PPH	Fee/Unit Type	
Single Family Detached	2.63	\$	587
Townhome/Duplex	2.01	\$	449
Multifamily Apartment	1.98	\$	442

Source: US Census Bureau

2.2 Parks & Recreation Capital Inventory

The capital inventory of the Parks & Recreation Commission includes three major groups: (1) parkland, (2) facilities and improvements, and (3) vehicles and equipment. Table 3 lists the parkland inventory, Table 4 lists the facilities and improvements inventory and Table 5 lists the vehicles and equipment inventory.

Table 3. Parkland Inventory

Park	Acres
Bolivar Park	6.8
Harvest Hills Park	11
Heather Marriott Park	13
Hite Road Park	119
Mount Mission Park	3.5
South Jefferson Park	71
Leetown Park	10
Moulton Park	1
Sam Michaels Park	138

Total Acreage 373.3

Cost per acre \$10,200

Total Acreage Value \$3,807,660

Table 4. Facilities and Improvements Inventory

Improvements	Replacement Cost	Improvements	Replacement Cost
Bolivar Park		Harvest Hills Park	
Gazebo	\$30,000	Sign	\$1,000
Picnic Tables	\$3,000	Infrastructure*	
Sign	\$1,000	TOTAL	\$1,000
Nature Trail	\$1,000		
Landscaping	\$2,000	Morgan's Grove Park	
Infrastructure	\$2,100	Kitchen/Restroom	\$150,000
TOTAL	\$39,100	Pavillion w/ Grills	\$50,000
Moulton Park		Playground Equipment	\$75,000
Boat Ramp	\$20,000	Volleyball Court	\$5,000
Parking Lot	\$20,000	Soccer Fields (4)	\$200,000
Sign	\$1,000	Walking Trail	\$50,000
Infrastructure	\$5,000	Picnic Tables	\$6,000
TOTAL	\$46,000	Perimeter Fencing	\$50,000
Mount Mission Park		Horseshoe Pit	\$1,000
Community Building	\$100,000	Maintenance Building	\$75,000
Pavillion w/ Kitchen, Restrooms	\$150,000	Sign	\$1,000
Playground Equipment	\$75,000	Landscaping	\$50,000
Baseball Field	\$50,000	Infrastructure*	\$200,000
Perimeter Fencing	\$12,000	TOTAL	\$913,000
Picnic Tables	\$6,000		
Sign	\$1,000	Leetown Park	
Landscaping	\$2,100	Storage Buildings (2)	\$50,000
Horseshoe Pits	\$1,000	Concession/Restroom Facility	\$120,000
Infrastructure*		Lighted Ballfields (2)	\$200,000
TOTAL	\$397,100	Picnic Tables	\$6,000
South Jefferson Park		Pavillion	\$50,000
Baseball Fields (6) With Lights	\$370,000	Playground Equipment	\$75,000
Basketball Courts	\$30,000	Fenced Tennis Courts	\$35,000
Tennis Courts (2)	\$60,000	Horseshoe Pits	\$1,000
Concession/Restroom Facility	\$120,000	Perimeter Fencing	\$100,000
Pavillion	\$50,000	Sign	\$1,000
Volleyball Court	\$5,000	Landscaping	\$6,000
Playground Equipment	\$75,000	Infrastructure*	\$100,000
Perimeter Fencing	\$100,000	TOTAL	\$744,000
Maintenance Facility	\$75,000		
Picnic Tables	\$6,000	Hite Road Park	
Sign	\$1,000	Sign	\$1,000
Soccer Field	\$50,000	Infrastructure*	
Landscaping	\$3,000	TOTAL	\$1,000
Infrastructure*	\$100,000		
TOTAL	\$1,045,000		
Sam Michaels Park		Total Improvements Value	
Pavillions (2)	\$100,000		\$7,267,200
Kitchen/Restrooms	\$150,000		
Maintenance Facility	\$200,000		
Baseball Fields w/ Lights (3)	\$310,000		
Playground Equipment	\$75,000		
Perimeter Fencing	\$100,000		
Community Center	\$2,500,000		
Soccer Field Complex	\$150,000		
Walking Trail	\$150,000		
Picnic Tables	\$6,000		
Horseshoe Pits	\$1,000		
Volleyball Courts	\$5,000		
Cross Country Trail	\$30,000		
Sign	\$1,000		
Landscaping	\$3,000		
Infrastructure	\$300,000		
TOTAL	\$4,081,000		

*Infrastructure includes site preparation, utilities, parking, internal road improvements.

Table 5. Vehicles and Equipment Inventory

<i>Equipment</i>	<i># Units in Service</i>	<i>Cost/ Unit</i>	<i>Total Cost</i>
Tractors & Mowers	13	\$22,020	\$286,260
Ford F150 Pickup	1	\$22,155	\$22,155
Dodge 2500 Pickup	1	\$32,153	\$32,153
GMC Pickup	2	\$32,153	\$64,306
Misc. Equipment		\$45,370	\$45,370
Total Vehicles and Equipment			\$450,244

2.3 Consultant Study

The current study as well as the previous fee study were conducted in-house using staff of the Jefferson County Commission. The current best practice is to engage a fee study consultant at some point in the fee update cycle in order to introduce any new best practices. Since nearly 7 years has passed since the last consultant-generated fee recalculation, it is appropriate to include that future cost at this time.

The cost for a study in three years is estimated to be \$10,000. This amount is allocated to the projected increase in population over the next three years. The US Census Bureau estimated the 2006 population of Jefferson County at 52,750 and the population estimate for 2009 was 50,960. Assuming the past 3-year trend continues for the next three years, this yields a 3-year population increase of 2,060 persons. The future fee study results in a consultant fee cost per demand unit of \$4.85 per person ($\$10,000/2,060$ persons).

3.0 Fee Calculations

Fees are calculated by relating the demand generators to the capitalized costs for parkland, facilities and improvements, and vehicles and equipment. The results of these calculations are presented in Table 6. The data from Table 6 serves as the source for the final calculated maximum justifiable fees, expressed per housing unit type or commercial use category. Those data are presented in

Table 7, which is a duplicate of the data in Table 1. A detailed explanation of the methodology follows these tables.

Table 6. Fee Calculations – Demand Unit Costs

Category	Asset Value (2010)	Cost/person
Acreage	\$ 3,807,660	\$ 72.18
Improvements	\$ 7,267,200	\$ 137.77
Vehicles & Equipment	\$ 450,244	\$ 8.54
Fee Study	\$ 10,000	\$ 4.85
TOTALS	\$ 11,535,104	\$ 223.34

Table 7. Fee Calculations - Maximum Justifiable Impact Fees

Housing Unit Type	PPH	Fee/Unit Type
Single Family Detached	2.63	\$ 587
Townhome/Duplex	2.01	\$ 449
Multifamily Apartment	1.98	\$ 442

3.1 Fee Calculation Methodology

The **Demand Unit Cost** expressed as *Per Person* for parkland, improvements, and vehicles and equipment constitutes the total *per person* cost of parks & recreation. These values serve to ultimately calculate the parks & recreation impact fee for each residential dwelling unit type, based on the average persons per household for those dwelling types.

3.1.1 Residential Fee Calculations

The per person costs of \$72.18 for parkland, \$137.77 for improvements, \$8.54 for vehicles and equipment and \$4.85 for the next fee study are presented in Table 6 are derived as follows:

- The total capitalization per category is divided by the total residential population to derive the per person costs. These values are totaled, resulting in the \$223.34.06 per person.
- The total cost per person is multiplied by the persons per household generators for each housing unit type to derive the calculated fee schedule.
- The future fee study is based on an estimated population growth of 2,060 persons and across that pool the estimated \$10,000 study cost is spread.

Appendix – Data Sources

Base data, asset inventory, and fee calculations:

\\fee calculations\2010\parks\2010 11 30 Parks and Recreation Fee Calculation.xls

This workbook contains the updated capital asset inventory as provided by the Parks & Recreation Commission in October of 2010, as well as updated data from the US Bureau of the Census. A change log highlights differences between these data sets and those used in 2007.

Land sales (basis for price per acre)

\\fee calculations\2010\base data\2010 Land Sales.xls

The workbook contains data from DMS entry 5813. It details all land sales in Jefferson County between January and October of 2010 where the parcel was undeveloped and 10 acres or larger. The workbook also includes data from the purchase of the Hite Road property, which was a 119 acre parcel purchased in 2009.

Consultant Study – population and traffic projections for the next three years:

Population: \\fee calculation2010\base data\2010 Population Estimates.xls

This workbook contains the 2006 and 2009 US Census estimates of total population for Jefferson County, WV.