

**Memorandum**

**To: Mayor and Council**

**From: Tom Baker, Town Administrator**

**Date: December 3, 2013**

**Re: Policy Discussion: Parkland Development**

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**Purpose:** The purpose of this item is to follow-up on Council’s October 15<sup>th</sup> discussion on Parkland Development and the difficulty the community experiences when developing town parks. (At that meeting Council approved a code amendment that addressed primarily infill development (Ordinance TC-2013-7) for parkland dedication.)

**Background and Discussion:** Concurrent with the adoption of Ordinance TC-2013-7, Council directed staff to undertake the following:

1. Develop a more appropriate Recreation Impact Fee. The current fee is \$500 and provides only very modest assistance for the development of parks. Council asked staff to research the cost of park development and report to Council to allow Council an opportunity to adjust this fee and still honor the concept of “rational nexus” to ensure fair treatment to the development community.
2. Review the current Cash Payment In Lieu of Parkland Dedication. The current amount is \$120,000 per acre. Staff will review recent appraisals and develop a recommendation for an adjustment, if appropriate.
3. Amend the Comprehensive Plan to clarify that future annexations will be required to provide a minimum of 10% of the development as parkland and that the developer will be required to develop that parkland.

**Recreation Impact Fee Analysis** – As stated above, the Town’s current Recreation Impact Fee is \$500/dwelling unit. In an attempt to understand what the actual local cost of parkland development is per dwelling unit staff made the following assumptions:

- a. Dedicated parkland will be developed for both active and passive recreation purposes.
- b. National standards for parkland are 14 acres per 1,000 residents.
- c. The Lakota Sports Park (2014) is estimated to cost \$750,000 for both active recreation (2-volleyball courts, 2-tennis courts, 2-pickleball courts, a tot-lot, trails, shelters and siting areas and water fountains) and passive recreation. The total park is 6 acres with one-half active and one-half passive recreation.
- d. VIX Park (2007) is 9 acres and cost \$887,000 (playing field, trails, picnic area, shelters, water fountain).
- e. River Park (2010) is 10 acres and cost \$846,000 (playing field, trails, playground, picnic area, shelter, expansion of existing pond).
- f. Total acreage and cost of above three parks: 15 acres and \$2,483,000.
- g. Residents per dwelling unit (d.u.): 2.66 (based upon 2009 Comprehensive Plan)

Given the above assumptions we calculate:

- parkland development cost of \$165,533 per acre
- a per resident demand for parkland of 0.014 acres per resident
- parkland development cost per resident of \$2,317
- parkland development cost per dwelling unit of \$6,164\*

**Recreation Impact Summary** – The Town’s Recreation Impact Fee of \$500/d.u. is well below the actual cost of parkland development on a per dwelling unit basis. (Please note this analysis did not consider the cost of recreation programs or parks maintenance.)

**Payment-In-Lieu of Parkland Dedication** – Currently the code values parkland at \$120,000 per acre. Within the last year the town is aware of an appraisal for land zoned mixed use, which was valued at \$146,000 per acre. Staff finds that the current code value is adequate.

**Amendment to the Comprehensive Plan** – Staff has developed a memorandum and scheduled a Planning and Zoning Commission public hearing for December 11, 2013 to begin this amendment process. As Council will recall this Comprehensive Plan Amendment is intended to create a new policy that clarifies Council’s direction that future annexations will be required to provide a minimum of 10% of their development as parkland and that the developer will be required to develop that parkland. Additionally, the development of that parkland will be required in three equal phases and the completion of the park will be required when 51% of building permits for the development have been issued.

**Recommendation:** Staff recommends:

- No code change in the payment-In-Lieu of Parkland Dedication values.
- Continue with the P&Z Comprehensive Plan Amendment process.
- It is clear that the Recreation Impact Fee is significantly lower than the actual cost of parkland development. It is also clear that the Council’s number one priority is

stimulating the economy. During staff discussion regarding this tension, we felt that we should err on the side of no action so we do not confuse the Council's message of encouraging development.

\*The actual acreage of River Park is 19 ac.; however, the construction of the park encompassed roughly 10 acres. If we were to calculate "parkland development cost per dwelling unit" using the entire 19 ac. figure, then the analysis would be:

- parkland development cost of \$103,458 per acre
- a per resident demand for parkland of 0.014 acres per resident
- parkland development cost per resident of \$1,448
- parkland development cost per dwelling unit of \$3,851

**Table 4-2**  
**Capital Development Cost &**  
**Maintenance Impact Projections**

<u>FACILITY</u>	<u>CIP COST</u>	<u>MAINTENANCE COST</u>
Indoor Facility	\$200 - \$ 350 S.F.	\$10 -\$15 S.F.
Open Space	\$40K - \$100K Ac.	\$2,000 Ac./Yr.
Mini, Neighborhood & Community Parks	\$250K- \$500K Ac.	\$6,000 -\$8,000 Ac./Yr.
Sports Fields	\$300K - \$1M Ac.	\$9,000 - \$12,000 Ac./Yr.
Trails	\$100K - \$900K Mi.	\$6,000 Mi./Yr.

SOURCE: City of Des Moines Parks, Recreation & Senior Services Department