

City of Sacramento

Legislation Text

File #: 2018-01498, **Version:** 1

Title:

Agreement: Park Impact Fee Credit Agreement for Encore McKinley Village Park Sites ES3 and ES4 and Appropriating Funding to Capital Improvement Project (L19019000)

File ID: 2018-01498

Location: District 3

Recommendation:

Adopt a Resolution: 1) approving the Park Impact Fee Credit Agreement with Encore McKinley Village, LLC (“Developer”) for Park Sites ESE3 and ES4; and 2) authorizing the City Manager or the City Manager’s designee to: a) execute the agreement; b) increase the revenue budget in the Department of Youth, Parks, & Community Enrichment FY2018/19 operating budget by \$71,555 in Park Impact Fee (Fund 3204) to account for City costs to be paid by the Developer pursuant to the Agreement; c) increase the expense budget by \$65,480 (Fund 3204) in the McKinley Village Parks project (L19019000); and d) increase the expense budget by \$6,075 (Fund 3204) in the PA-6 Art in Public Places project (L19920600).

Contact: Dana Mahaffey, Senior Planner, (916) 808-2762; Raymond Costantino, Park Planning and Development Services Manager, (916) 808-1941, Department of Youth, Parks, & Community Enrichment

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Location Map
- 3-McKinley Village Parks Master Plan
- 4-Park Site ES3 Solomon Schematic Plan
- 5-Park Site ES4 Favela Schematic Plan
- 6-Resolution
- 7-Exhibit A

Description/Analysis

Issue Detail: Encore McKinley Village, LLC (Developer) is the master developer of the McKinley Village project that is currently under construction in East Sacramento. The Developer has opted to develop the subdivision's parks as turnkey parks in lieu of paying the Park Impact Fee (PIF). Turnkey parks are developer-funded and constructed under the terms of a Park Impact Fee Credit Agreement, which provides the developer with early issuance of PIF Credits to be applied towards building permits within the subdivision exchange for security to ensure that the developer completes park construction.

The Developer has completed the construction of the three other turnkey park sites known as R. Burnett Miller Park, Park Site ES5, and Alan and Helen Post Park. The last remaining turnkey parks to be completed are for Park Sites ES3 and ES4. ES3 is a 0.68-acre park site, and ES4 is a 0.13 acre park site. Due to the small size of these parks and as a cost saving measure by the Developer, they will be built at the same time and under the same agreement. Both parks are for use as neighborhood parks to serve the residents of the development project.

Park Site ES3 is anticipated to have the following amenities: Bike rack, picnic tables, picnic table benches, bench, table, table tennis, chairs, trash receptacle, and pet waste station. Park Site ES4 is anticipated to have one bench and landscaping.

Policy Considerations: The McKinley Village project was approved on April 29, 2014 and found to be consistent with the City's General Plan. Providing parks and recreation facilities is also consistent with the City's strategic plan to enhance livability in Sacramento's neighborhoods by expanding park, recreation, and trail facilities throughout the city.

Economic Impacts: The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

The park construction project, in the amount \$641,618.28 of is expected to create 2.57 jobs (1.48 direct jobs and 1.09 indirect jobs through indirect and induced activities). Furthermore, it will create \$396,158 in total economic output (\$249,701 of direct output and \$146,456 of output through indirect and induced activities).

Environmental Considerations: The City Council certified the environmental impact report (EIR) for the McKinley Village project and adopted CEQA findings of fact, Mitigation Monitoring Program, and approved the project on April 29, 2014 (Resolution No. 2014-0102). The proposed actions to facilitate development of the parks were included in the project as approved. The City has completed review of

the parks as required by the California Environmental Quality Act (CEQA). None of the circumstances identified in CEQA Guidelines section 15162 (e.g., change in circumstances or new information that identifies a new significant effect) are present. No further CEQA review is required.

Sustainability: These parks are being developed pursuant to the City Council approved McKinley Village Parks Master Plan, which is consistent with the goals, policies and targets of the Parks and Recreation Sustainability Plan by reducing greenhouse gas emissions and air pollution through the addition of landscape plantings, and by improving the health of residents through access to diverse mix of wellness activities.

Commission/Committee Action: The Parks and Recreation Commission reviewed and recommended approval of the McKinley Village Parks Master Plan at its June 12, 2014 meeting. The City Council adopted the Parks Master Plan at its August 12, 2014 meeting with Motion No. 2014-0201.

Rationale for Recommendation: The Park Impact Fee Credit Agreement with the Developer allows for construction of Park Sites ES3 and ES4 in lieu of paying the Park Impact Fees. The Developer's construction of the two parks, rather than the City, will accelerate the timing when the new residents will be able to use the project's parks.

Financial Considerations: The Development Agreement for the McKinley Village project (Contract No. 2014-0494) specifies that the project's Park Impact Fees be allocated for onsite park improvements at a rate that is proportionately equal to the percentage of parkland dedication met by on-site dedication. Park Impact Fee budgets for each park were established using fiscal year-end figures and based upon the percentage of the total park dedication requirement each park represented relative to the whole. The park budget that is eligible for Park Impact Fee (PIF) credits for the 0.68-acre Park Site ES3 and 0.13-acre Park Site ES4 is \$303,750. Total construction costs for the two parks is expected to be \$734,691, of which \$468,446 will be the Developer's responsibility. The total costs include the City costs of \$56,737; which include staff costs (\$71,810) and funds for Art in Public Places (\$6,075) and a remaining staff costs credit of \$6,330 from prior turnkey agreements (2014-0293 and 2015-0172). The Developer will pay \$71,555 to cover staff costs and the Art in Public Places. The Developer already paid City staff costs incurred during the Master Plan process and for review of construction documents via two service agreements. These costs were prorated at \$37,505 for Park Sites ES3 and ES4 and are accounted for in these figures.

Development of parks creates an ongoing cost for park maintenance and utilities based on the size of the park. The Project entitlement conditions of approval required that a Community Facilities District (CFD) or another type of assessment district be formed to fund maintenance costs before the City will accept a park. On April 28, 2014, the City Council established the McKinley Village Community Facilities District No. 2014-03, which will fully fund the maintenance costs of the development's parks. Maintenance of each park will be fully funded by the CDF and thus will not impact the

Department 's Operating Budget.

To account for the Developer's portion of the City staff cost, staff recommends increasing the revenue budget in the Youth, Park, & Community Enrichment Department FY2018/19 Operating Budget by \$71,555 (Fund 3204) and increase the expenditure budget in L19019000 (\$65,480) and L19920600 (\$6,075).

Local Business Enterprise (LBE): The Developer is funding the construction of the parks; therefore, the City's LBE requirements do not apply.