

48. Accept and file the Park and Recreation Development Impact Fees - Annual Report for Fiscal Year 2023-2024 ()



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Parks, Open Spaces, and Cultural Services

Subject: Accept and File Park Impact Fees Annual Report

Meeting Date: January 14, 2025

Formal Title: Accept and file the Park and Recreation Development Impact Fees - Annual Report for Fiscal Year 2023-24

Recommended Action

Accept and file the Park and Recreation Development Impact Fees – Annual Report for Fiscal Year 2023-24.

Executive Summary

The Department of Parks, Open Space, and Cultural Services (Parks) has completed the Park and Recreation Development Impact Fees - Annual Report for Fiscal Year 2023-24 for the Board's acceptance and filing. This annual report is presented in compliance with Santa Cruz County Code Section 15.03.090, which requires an annual review of park and recreation impact fees held in trust by the County.

Discussion

Park and recreation fees are necessary to enable new development to pay for the increasing costs of the County's system of neighborhood, community, rural, and regional parks, open spaces, trails, and coastal access facilities on a marginal cost basis. In 2020, the Parks Department, in partnership with Keyser Marston Associates, conducted a Parks and Recreation Development Impact Fee Study.

At the meeting on June 8, 2021, the Board of Supervisors approved changes to the sections of County Code related to Parkland Dedication and In-Lieu Fees and Park Impact Fees (Chapter 15.03 Parks and Recreation Development Impact Fees). This update to the park dedication fee program provides much-needed funds for the expansion and improvement of the parks system.

Pursuant to Section 15.03.090, the Parks Department shall make an annual report to the Board of Supervisors within 180 days after the end of the fiscal year. The attached report includes details of the collected fees and how they were expended. Staff requests that the Board approve and file the 2023-24 Annual Report.

The recommended action supports the Parks Strategic Plan Goal 2: Strong Organization, by fostering transparency.

Financial Impact

There is no financial impact from the recommended actions.

Strategic Initiatives

Equity Framework - Community Voices & Partnership

Operational Plan - Sustainable Environment

Submitted By:

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Recommended By:

Carlos J. Palacios, County Administrative Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.



Park and Recreation Development Impact Fees – Annual Report for Fiscal Year 2023-24

1. Introduction

This report outlines the uses and allocations of park impact fees for the 2023-24 fiscal year for the County of Santa Cruz. It includes detailed descriptions and amounts of fees used for completed projects, identifies improvements constructed, any intra-fund transfers or loans, and any unexpended fees along with their associated allocations for future projects. The goal is to provide a comprehensive overview of the financial aspects and accomplishments related to park impact fees for the past fiscal year.

2. Park Impact Fees Description and Amounts

Park impact fees are levied on new developments to fund park improvements and ensure that Community recreational facilities keep pace with population growth. These fees are crucial for maintaining the quality and accessibility of parks for all residents. The program includes two types of fees that apply to new development:

- **In-Lieu Fees:** Parkland dedication in-lieu fees apply to new residential subdivisions. All residential subdivisions in the unincorporated County must either dedicate parkland or pay a fee in-lieu of dedicating parkland. The fee is per dwelling unit based on whether the parcel is zoned for single family or multi-family residential, described in Santa Cruz County Code Chapter 15.01. The fee program is based on provisions of the Quimby Act (Section 66477 of the California Government Code).
- **Parks Impact Fees:** Parks impact fees apply to new building permits for new residential and nonresidential development. New development projects that add square footage to an existing structure, or create a new structure, are subject to park impact fees. Projects that paid in-lieu fees at the time of subdivision pay a reduced rate for the impact fees. Park impact fees are described in Santa Cruz County Code Chapter 15.03. The fee program is based on provisions of the Mitigation Fee Act (Sections 66000 – 66008 of the California Government Code).
- **Fee Amounts:** Park Impact Fees are updated regularly, and current fee rates are posted in the County's Unified Fee Schedule. More information about the Parks Impact Fee Program, how they are used, and how the fees are calculated, as well as a link to the UFS can be found here ([Parks Impact Fees](#)). Fees are calculated on the amount of new livable square footage created. For additions, the fee is based on the net increase of livable square footage.



- **Exemptions:** Santa Cruz County Code Section 15.03.050 describes projects that are exempt from the requirements for park impact fees. These exemptions apply to affordable housing rental units, public projects, accessory dwelling units with less than 750 square feet, and others.

3. Improvements

Parks and recreation development impact fees shall be used to fund the acquisition of land and construction of improvements for neighborhood, community, rural and regional parks, open spaces, trails, and coastal access facilities in order to mitigate the demand created by new development.

In Fiscal Year 2023-24, the funds collected from park impact fees have been allocated to several key projects aimed at enhancing the local park infrastructure:

- **Hidden Beach County Park:** \$3,054 towards the installation of permanent restroom at Hidden Beach County Park. The total amount of fees allocated to this project is \$296,193, which represents 28% of the total project cost.
- **South County Park:** \$648,984 towards the acquisition of 188 Whiting Rd parcel. The total amount of fees allocated to this project is \$657,000, which represents 23% of the total acquisition cost.
- **Boulder Creek Pocket Park:** \$19,931 for analysis of viability to purchase land for a new pocket park in downtown Boulder Creek. The total cost of the analysis was funded by impact fees.
- **Simpkins Family Swim Center:** \$19,246 toward warranty cost associated with the installation of capstones. The total cost of the warranty is funded by park fees.
- **Heart of Soquel County Park:** \$14,849 towards mitigation monitoring for newly planted native trees and plants species required as part of the construction of Phase II. The total amount of park fees allocated to this project is \$169,671, which represents 8% of the total project cost.
- **Willowbrook County Park:** \$71,540 towards new memorial seating area, flagpole, and playground improvements. The total amount of park fees allocated to this project is \$84,148, which represents 14% of the total project cost.
- **San Lorenzo Park Dedication Fund loan repayment:** \$22,446 transfer to General Fund.
- Various small park improvements: \$39,428.



4. Unexpended Fees

There are certain funds that remain unspent, earmarked for future projects or contingencies:

Beginning Fund Balance¹: \$2,190,473 as of 07/01/2023

Fees Collected: \$415,786

Interest Earned: \$70,624

Funds Expended: \$840,103

Ending Fund Balance: \$1,836,780 as of 6/30/2024

Allocated for Current and Future Park Projects: \$1,466,142 for the following planned projects:

- Anna Jean Cummings: \$350,000 in an alternative waterline;
- Brommer: \$189,740 towards permanent restroom expansion;
- Hidden Beach: \$157,077 towards permanent restroom installation;
- Moran Lake: \$49,909 towards restroom ADA modernization and expansion project;
- Opal Cliffs: \$25,970 towards new fence and entrance enhancements; and
- Simpkins Family Swim Center: \$650,000 towards waterslide expansion project, and \$21,000 toward cost of warranty associated with new capstones installation;
- San Lorenzo Park Dedication Fund loan repayment: \$22,446 transfer to General Fund.

5. Conclusion

The administration of park impact fees has enabled significant improvements to local parks, enhancing community access to quality recreational facilities. Ongoing financial oversight ensures that these funds are used effectively to support continuous park development and maintenance.

¹ The beginning balance includes both impact fees collected since the Impact Fee was updated in July 2021, as well as park dedication fees in the amount of \$1,711,045 collected prior to that update, which remained unspent at the time of the implementation of the new fee structure.