CHEN RYAN

Parks Master Plan Developer Impact Fee Program Unit Cost Analysis

TO:	Heidi Vonblum, City of San Diego
FROM:	Stephen Cook, PE, Chen Ryan Associates
DATE:	July 1, 2020
RE:	Parks Master Plan: Developer Impact Fee Program – Unit Cost Analysis

1. Introduction

The purpose of this memorandum is to establish the cost for new development within the City of San Diego to pay their fair-share to maintain the level or service currently provided by the City's Park System, as the region grows and population expands. The fair-share cost was derived based on the standards and criteria outlined in the City of San Diego's Parks Master Plan – Value Standard, which establishes a recreational value, based on a point system, in which residents should have access to. The fair-share cost to develop or enhance park space was then normalized on a per resident basis to establish an overall unit cost per new resident. The unit cost will be assessed to new development through the Parks component of the City's Developer Impact Fee (DIF) Program. Park DIFs will be assessed based on the projected population in which new residential development projects will house. Therefore, the payment of the Park DIF will allow developments to meet their recreational requirements, outlined by the City's General Plan, without providing on-site recreational amenities.

1.1. Project Background

The City of San Diego is currently undergoing a process to completely update their DIF Program. The biggest overall change to the Updated DIF Program from the previous program is that the fee and associated nexus studies, will now be calculated, collected, and allocated based on asset class instead of by community. Deriving and implementing the DIF program based on asset class allows the City to collect and allocate fees on a citywide basis to help fund and implement citywide assets that are shared by multiple communities. Collecting at a citywide level will also allow for funds to accrue faster, since they will be collected from multiple communities instead of just one. This will allow for needed infrastructure to be funded and implemented sooner.

Implementation of a Parks Fee Program will be the first asset class to be put into place under the Updated DIF Program. The Parks Fee Program will be implemented with the fourth coming adoption of the City's Parks Master Plan Update and associated General Plan Recreation Element Amendment, projected for July 2020. The updated parks component of the City's DIF program will be based on the new recreational standards outlined within the Parks Master Plan Update and General Plan Amendment. The parks facilities included within the City's previous DIF Program will be removed with the adoption of this program.

1.2. Purpose

San Diego Municipal Code §142.0640 provides for the imposition and administration of development impact fees. Development impact fee programs are generally established and utilized to provide new or expanded public capital infrastructure that is needed to serve future development. The fees are established based on a methodology and calculation derived from the cost of the public facilities needed and the nature and size of the proposed development, also known as establishing a nexus. A "rational nexus" must be established between the fee and the needs created by future development and the benefits incurred by the development. The nexus identifies a fair-share cost (or unit cost) of the needed capital infrastructure that can be allocated to individual developments based on a standard metric (e.g., project square footage,

generated vehicle miles traveled (VMT), population and/or projected employment). The fees collected through a DIF program cannot be used to improve or mitigate current needs or deficiencies, only those associated with future growth.

2. Methodology

This section documents the standards and methods that were utilized to determine the fair-share value that new development will need to contribute to maintain the current level of service for parks within the City of San Diego.

2.1. Standards

The City has historically used a standard of 2.8 acres per 1,000 residents for community parks, neighborhood parks, miniparks, and joint use facilities. As the City continues to grow through infill development limited open land and rising acquisition costs make it increasingly difficult to meet this acreage-based standard. Reliance on development impact fees to meet the acreage-based standard limits resources to invest in existing parks and expand recreational opportunities in neighborhoods with fewer parks.

However, with the implementation of the City's new Park Master Plan, a Recreational Value-Based Park (Value Standard) standard supplants the previous acreage standard. The Value Standard establishes a point value to represent recreational opportunities within parks. Recreational value emphasizes the activities and experiences that residents can enjoy, rather than the parkland in a given area. The Value Standard is based on four communities that in 2020 met the previous acreage standard of 2.8 acres per 1,000 residents. These communities were scored on their recreational amenities, yielding a recreation value of 12 points per 1,000 people that is now applied Citywide. The points reflect the ability of parks to meet the needs of diverse users; promote physical activity; create a safe, active environment; and connect to the Citywide transportation and recreation network. A recreational value of 12 points per 1,000 people represents a range of recreation experiences comparable to the opportunities available to residents in communities that previously achieved the acreage-based standard. Attachment A provides a description of how the recreational value scoring was developed and will be applied.

2.2. Fair-Share Cost and Unit Cost

With the implementation of the City's Parks Master Plan, new development will be required to provide 12 Recreational Value points per 1,000 residents that are projected to be housed within their project site. To understand what the fair-share cost new development would need to pay to achieve this standard, A unit cost analysis was conducted to determine what the average cost would be to implement one Recreational Value point within the City, and then normalizing that cost based on the number of residents it would need to serve. To determine this unit cost, several sample parks that have either recently been developed or are in the development process were analyzed. The Recreational Value Score was calculated for each sample park (further described in Section 2.3), then the cost to construct and implement the sample park (further described in Section 2.4) was divided by the park's Recreational Value Score to determine the overall cost per point for the park. Finally, the per resident unit costs for each of the sample parks were derived and averaged together to determine a citywide unit cost.

2.3. Recreational Value Scoring

As noted previously, the Value Standard establishes a point value to represent the recreational opportunities within local parks. Recreation value emphasizes the activities and experiences that residents

can enjoy, rather than the amount of parkland in a given area. It measures the inherent benefits of park spaces – their ability to support active recreation and exercise; encourage socializing; link people to transit, bike facilities, trails, and active public areas; and invite activity throughout the day.

Since the Value Standard stresses the amenities and features within a space, rather than its size alone, the standard recognizes the value of parks appropriate for diverse communities, from a large field park for active recreation to trails within a regional park or a small, lively public urban gathering space. A focus on value also recognizes opportunities to upgrade existing parks by adding amenities and introducing new recreational activities. The Recreational Value scoring criteria, established by the City's Parks Master Plan, is provided in Attachment B.

2.4. Cost

Four components were accounted for when developing the sample park cost estimates: construction cost, construction contingency, right-of-way cost, and administration cost. Each cost component and the sources in which the costs were derived from are further explained below.

Construction Cost

The construction cost for each sample project was derived one of three ways. For completed parks the actual cost to construct the park was utilized. For parks that are under construction or in the bid process, the construction cost estimate or bid estimate was used, both of these are provided in Attachment C. For sample parks where construction cost data could not be provided, a planning level cost estimate was derived based on the City of San Diego Park Cost Estimation Tool, which is provided in Attachment D.

Contingency

A contingency of 20% of the park construction cost was assumed for each sample park. The 20% contingency is based on City's best practices as well as engineering judgment, and is a common number assumed for the construction of public facilities.

Right-of-Way Cost

Right-of-way costs for each sample park were derived based on the average land value (based on acres) for the Community Planning Area in which the sample park is located. The land values were derived based on the City's Park Costing Tool, which is provided in Attachment D. The cost per acre for the respective community was then applied to the total acreage of the sample park to determine the overall right-of-way costs for the park. However, since a portion of the fees collected will go towards improving existing parks (by increasing their existing Recreational Value) and some parks will be developed on land in which the City already owns, only 40% of the total right-of-way costs were assumed for each sample park.

Administration Cost

The administrative cost is the cost for City staff to process, permit, and oversee the construction of the sample park. Administrative costs for each sample park were calculated based on the cost of City staff hours for each specific project and were derived from City of San Diego records. The administrative cost for each project is also provided in Attachment C.

3. Unit Cost Analysis

This section outlines the analyses and calculations utilized to develop the Recreational Value point unit cost within the City, as well as the associated fair-share unit cost per resident.

3.1. Sample Parks

To ensure that the unit costs were derived from realistic and implementable parks, a series of recently constructed or soon to be constructed parks (27 total) were identified by the City of San Diego as "Sample Parks." The sample parks range in both size and location throughout the City, with each providing a diverse set of amenities. **Table 1** displays the sample parks that were utilized to develop the unit cost. The table also provides the current phase of implementation the project is in (as of the date of this memo), the date in which the project was completed or is anticipated to be completed, and the community planning area in which the sample park is located. The site design plan for each sample park is provide in **Attachment E**.

Table 1: Sample Parks

Park Name	Estimated/Actual Completion Date	Phase of Implementation	Community Planning Area
Beyer Park	September, 2022	Design	San Ysidro
Canon Street Pocket Park	February, 2021	Design	Peninsula
Central Avenue Mini Park	July 1, 2016	Completed	Mid-City/City Heights
Coast View Park	May 3, 2016	Completed	Torrey Hills
Cesar Solis Community Park	September 19, 2018	Completed	Otay Mesa
City Heights Square Mini Park	June 30, 2016	Completed	City Heights/Mid-City
Creekside Park	September 1, 2020	Construction	Mission Valley
Elizabeth Rabbitt Neighborhood Park	May 11, 2018	Completed	Del Mar Mesa
Del Mar Mesa Southern Multi-Use Trail	TBD	Planning	Del Mar Mesa
Del Sur Neighborhood Park	August 25, 2018	Completed	Black Mountain Ranch
Fairbrook Neighborhood Park	November, 2021	Design	Scripps Ranch
Franklin Ridge Pocket Park	February, 2020	Construction	Mission Valley
Hawk Pocket Park	July 25, 2018	Completed	Encanto
La Paz Mini Park	June, 2021	Design	Encanto
Linda Vista Skate Park	January 16, 2018	Completed	Linda Vista
North Park Mini Park	August, 2020	Bid & Award	Greater North Park
Ocean Beach Gateway Mini Park	December 27, 2016	Completed	Ocean Beach
Olive Grove Community Park	April. 2024	Design	Clairemont Mesa
Olive St Park	March, 2023	Design	Uptown
Pacific Highlands Ranch Community Park	April 10, 2019	Completed	Pacific Highlands Ranch
Park de la Cruz Skate Park	January 17, 2018	Completed	Mid-City/City Heights
Riviera Del Sol Neighborhood Park	August, 2021	Design	Otay Mesa
Southwest Neighborhood Park	TBD	Planning	Otay Mesa Nestor
Torrey Meadows Neighborhood Park	December 14, 2017	Completed	Torrey Highlands
Trail for All People	September 7, 2016	Completed	Black Mountain Ranch
Waldo D. Waterman Mini Park	October 25, 2017	Completed	Uptown
Wightman Street Neighborhood Park	August 29, 2017	Completed	Mid-City/City Heights

3.2. Park Recreational Value Score

Table 2 displays the size and Recreational Value score for each sample park. The Recreational Value scores were derived using the Recreational Value scoring system outlined in the City's Parks Master Plan Update

(provided in Attachment A) and review of the sample park site plans (provided in Attachment E). Individual scoring sheets for each sample project are provided in **Attachment F**. As shown in the table, there is little to no correlation between park size and its Recreational Value score. Some parks, such as Beyer Park are 8 acres in size and have a Recreational Value Score of 41, while other similar sized parks, such as Olive Grove Community Park (9.2 Acres) have a recreational value score of 22. This confirms the intent of the Recreational Value system and shows the diversity in which recreation each park can provide.

Table 2: Sample Park Recreational Value Scores

Sample Park	Park Size (Acres)	Recreational Value Score
Beyer Park	8.0	41.3
Canon Street Pocket Park	0.7	6.0
Central Avenue Mini Park	0.6	5.0
Coast View Park	0.9	10.0
Cesar Solis Community Park	20.4	35.0
City Heights Square Mini Park	0.3	4.0
Creekside Park	1.3	8.0
Elizabeth Rabbitt Neighborhood Park	3.7	10.5
Del Mar Mesa Southern Multi-Use Trail	3.0	8.5
Del Sur Neighborhood Park	4.0	22.0
Fairbrook Neighborhood Park	3.4	12.5
Franklin Ridge Pocket Park	0.2	2.0
Hawk Pocket Park	0.6	19.0
La Paz Mini Park	0.6	10.0
Linda Vista Skate Park	1.1	12.0
North Park Mini Park	0.5	10.0
Ocean Beach Gateway Mini Park	0.2	35.0
Olive Grove Community Park	9.2	22.0
Olive St Park	0.4	9.0
Pacific Highlands Ranch Community Park	12.5	35.0
Park de la Cruz Skate Park	7.3	15.0
Riviera Del Sol Neighborhood Park	4.7	30.0
Southwest Neighborhood Park	11.6	46.0
Torrey Meadows Neighborhood Park	5.0	20.5
Trail for All People	0.0	14.0
Waldo D. Waterman Mini Park	0.2	5.0
Wightman Street Neighborhood Park	1.0	14.0

3.3. Cost

As noted previously in Section 2.4, four factors went into establishing the cost to implement a park: construction cost, administrative cost, contingency, and right of-way. The individual costs of these components are displayed in **Table 3** for each sample park. Attachment C provides the costing information in which City staff could identify for the sample parks. If actual costing information for a Sample Park could not be found, then a planning level cost estimate was derived using the City's Park Costing Tool. Planning level cost worksheets are provided in Attachment F, along with the Recreational Value Score.

Table 3: Sample Park Cost to Implement

Sample Park	Construction	Administration	Contingency	Right-of-Way	Implementation Cost
Beyer Park	$9,576,786	$415,915	$1,915,357	$7,374,467	$19,282,526
Canon Street Pocket Park	$1,163,131	$208,374	$232,626	$1,768,605	$3,372,736
Central Avenue Mini Park	$677,157	$459,320	$135,431	$774,570	$2,046,478
Coast View Park	$2,034,548	$813,819	$406,910	$1,389,202	$4,644,479
Cesar Solis Community Park	$13,942,405	$842,721	$2,788,481	$12,186,846	$29,760,452
City Heights Square Mini Park	$437,549	$293,045	$87,510	$387,285	$1,205,389
Creekside Park	$798,441	$319,376	$159,688	$1,899,199	$3,176,704
Elizabeth Rabbitt Neighborhood Park	$2,053,175	$448,997	$410,635	$1,392,706	$4,305,512
Del Mar Mesa Southern Multi-Use Trail	$2,811,058	$34,556	$562,212	$1,122,423	$4,530,249
Del Sur Neighborhood Park	$3,196,060	$1,278,424	$639,212	$2,913,330	$8,027,026
Fairbrook Neighborhood Park	$4,452,569	$249,677	$890,514	$2,333,818	$7,926,578
Franklin Ridge Pocket Park	$147,614	$59,046	$29,523	$303,872	$540,055
Hawk Pocket Park	$2,008,096	$432,426	$401,619	$313,982	$3,156,123
La Paz Mini Park	$1,762,356	$187,365	$352,471	$313,982	$2,616,175
Linda Vista Skate Park	$3,319,726	$490,202	$663,945	$995,565	$5,469,438
North Park Mini Park	$408,815	$475,501	$81,763	$1,350,247	$2,316,327
Ocean Beach Gateway Mini Park	$1,188,015	$475,206	$237,603	$905,130	$2,805,954
Olive Grove Community Park	$6,400,050	$186,297	$1,280,010	$7,186,061	$15,052,418
Olive St Park	$999,768	$331,023	$199,954	$1,382,707	$2,913,452
Pacific Highlands Ranch Community Park	$9,436,814	$2,730	$1,887,363	$15,840,450	$27,167,357
Park de la Cruz Skate Park	$11,678,413	$1,119,652	$2,335,683	$8,786,525	$23,920,273
Riviera Del Sol Neighborhood Park	$7,510,138	$226,104	$1,502,028	$2,831,649	$12,069,919
Southwest Neighborhood Park	$12,138,630	$117,373	$2,427,726	$14,063,282	$28,747,010
Torrey Meadows Neighborhood Park	$3,407,136	$404,089	$681,427	$7,377,802	$11,870,454
Trail for All People	$256,897	$208,730	$51,379	$0	$517,007
Waldo D. Waterman Mini Park	$475,002	$490,218	$95,000	$760,489	$1,820,709
Wightman Street Neighborhood Park	$2,007,806	$421,998	$401,561	$1,149,752	$3,981,118

3.4. Cost Per Point

The cost per point was derived for each sample park by dividing the total implementation cost, shown in Table 3, by the parks' Recreational Value score, shown in Table 2. **Table 4** displays the associated cost per point for each sample park. Additionally, since the revised City Park Standard is to develop 12 Recreational Value points of park space for every 1,000 people, a cost per resident served (i.e. the unit cost) was also derived using the following formula: (Cost Per Point X 12 Points) / 1,000 residents. This information is displayed in the last column of Table 4.

Table 4: Cost Per Recreational Value point for Sample Parks

Sample Park	Recreational Value Score	Implementation Cost	Cost Per Recreational Value point	Cost Per Resident
Beyer Park	41.3	$19,282,526	$467,455	$5,609
Canon Street Pocket Park	6.0	$3,372,736	$562,123	$6,745
Central Avenue Mini Park	5.0	$2,046,478	$409,296	$4,912
Coast View Park	10.0	$4,644,479	$464,448	$5,573
Cesar Solis Community Park	35.0	$29,760,452	$850,299	$10,204
City Heights Square Mini Park	4.0	$1,205,389	$301,347	$3,616
Creekside Park	8.0	$3,176,704	$397,088	$4,765
Elizabeth Rabbitt Neighborhood Park	10.5	$4,305,512	$410,049	$4,921
Del Mar Mesa Southern Multi-Use Trail	8.5	$4,530,249	$532,970	$6,396
Del Sur Neighborhood Park	22.0	$8,027,026	$364,865	$4,378
Fairbrook Neighborhood Park	12.5	$7,926,578	$634,126	$7,610
Franklin Ridge Pocket Park	2.0	$540,055	$270,027	$3,240
Hawk Pocket Park	19.0	$3,156,123	$166,112	$1,993
La Paz Mini Park	10.0	$2,616,175	$261,617	$3,139
Linda Vista Skate Park	12.0	$5,469,438	$455,787	$5,469
North Park Mini Park	10.0	$2,316,327	$231,633	$2,780
Ocean Beach Gateway Mini Park	35.0	$2,805,954	$80,170	$962
Olive Grove Community Park	22.0	$15,052,418	$684,201	$8,210
Olive St Park	9.0	$2,913,452	$323,717	$3,885
Pacific Highlands Ranch Community Park	35.0	$27,167,357	$776,210	$9,315
Park de la Cruz Skate Park	15.0	$23,920,273	$1,594,685	$19,136
Riviera Del Sol Neighborhood Park	30.0	$12,069,919	$402,331	$4,828
Southwest Neighborhood Park	46.0	$28,747,010	$624,935	$7,499
Torrey Meadows Neighborhood Park	20.5	$11,870,454	$579,047	$6,949
Trail for All People	14.0	$517,007	$36,929	$443
Waldo D. Waterman Mini Park	5.0	$1,820,709	$364,142	$4,370
Wightman Street Neighborhood Park	14.0	$3,981,118	$284,366	$3,412
Average			$464,073	$5,569

As shown in Table 4, the average cost to implement one Recreational Value point of park space within the City of San Diego is $464,073 which equates to a unit cost of $5,569 per resident served. Therefore, the

Parks component of the City's DIF Program should assess new developments within the City of San Diego a fee of $5,568.88 per resident in which it can house.

4. Recreation and Aquatic Complex

As noted in the City's Parks Master Plan Update (provided in Attachment A) recreation and aquatic complex are not included within the Recreational Value point system because they have their own standards outlined within the City's General Plan. As noted in Table RE-3 of the City of San Diego General Plan Recreation Element, a recreation center (minimum 17,000 SF) serves a population of 25,000 people. An aquatic complex (minimum 25-meter by 25-yard pool) serves a population of 50,000 people. Similar to parks, new developments with the City are also required to meet this standard, either by building a facility or paying into the City's DIF Program. Therefore, the parks component of the Updated DIF Program, and associated unit cost, should account for these standards as well.

4.1. Sample Cost

The City of San Diego has only built one recreation center in recent years (Pacific Highlands Ranch) and has not build an aquatic complex in the last 20 years. Therefore, the use of sample projects for costing purposes is very limited. Instead, the cost to construct and implement a recreational center and aquatic center was derived from the City's Parks Cost Estimation Tool and was then validated based on the development of similar projects throughout the state. Costing information is provided in **Attachment F**. **Table 5** displays the assumed cost to construct and implement both a recreation center and aquatic center within the City of San Diego.

Table 5: Cost to Construct Recreation and Aquatic Complex

Facility	Construction	Administration[1]	Contingency	Right-of-Way[2]	Implementation Cost
Recreation Center	$7,905,000	$3,162,000	$1,581,000	$4,651,848[3]	$17,299,848
Aquatic Complex	$4,668,707	$1,867,482	$933,7412	$9,303,697[4]	$16,773,628

Notes:
[1]An administrative cost of 40% of the Construction Cost was assumed based on City input.
[2]It is assumed that 2 acres of land would be required for both a Recreation Center or an Aquatic Center. Land values were derived based on the average cost of an acre of land in the City of San Diego (2020 dollars).
[3]It is assumed that 50% of recreational centers will require new or non-city owned right-of-way.
[4]It is assumed that all new aquatic centers would need to purchase new right of way.

4.2. Cost Per Resident

Similar to the way unit cost per resident was developed for parks, the total cost to develop either a recreation or aquatic center was divided by the population in which it is intended to serve. **Table 6** displays the total cost to implement both facility types, the total population they are intended to serve, and the unit cost per resident to implement them.

Table 6: Cost Per Resident for Recreation and Aquatic Centers

Facility	Total Implementation Cost	Residents Served	Cost Per Resident
Recreation Center	$17,299,848	25,000	$692
Aquatic -Complex	$16,773,628	50,000	$335

5. Unit Cost

As noted initially, the purpose of this memorandum is to establish the cost for new developments within the City of San Diego to pay their fair-share to maintain the level or service currently provided by the City's Parks and Recreation System, based on the City's General Plan requirements. The previous sections of this memorandum broke down the cost to develop and maintain the park system based per these requirements on a per resident basis. Table 7 summarizes the findings of these sections and outlines the total cost per resident to maintain these standards. In-turn, this cost can be used as the unit cost in which new development would need to pay into the parks component of the DIF Program, if the development cannot, or declines to provide equivalent amenities on-site.

Table 7: Park Fee Unit Cost

Component	Cost Per Resident
Recreational Value	$5,569
Recreation Center	$692
Aquatic Complex	$335
Total	$6,596

6. Program Implementation

Developments which have a residential component would be assessed the Park DIF (based on the unit cost derived in Section 5) in-lieu of providing their required amenities on-site. Therefore, the payment of the Park DIF will allow developments to meet their recreational requirements, outlined by the City's General Plan, without providing on-site recreational amenities. Developments will be allowed to get credit for recreational amenities which are provided on site, consistent with the City's Park Master Plan Recreational Value system to either reduce or nullify their fee payment. However, a development will not be awarded more credit than what it is required to provide.