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**CITY OF CAMPBELL
PARKS AND RECREATION
QUIMBY ACT FEE UPDATE**

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CITY OF CAMPBELL



PARKS AND RECREATION QUIMBY ACT FEE UPDATE

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I INTRODUCTION

The City of Campbell (the "City") expects that future growth within the City will create a demand for additional park and recreation facilities. DTA was retained by the City to assist in the development and adoption of an updated Quimby Act Program ("Quimby Program"). California Government Code Section 66477 (the "Quimby Act") allows the City, by ordinance, to require the dedication of land or the payment of in-lieu fees, or a combination of both, for park or recreational purposes as a condition of subdivision map approval. The amount of the land to be dedicated or the fee to be imposed in lieu thereof is limited by statute and must be based upon policies and standards contained in an adopted general or specific plan. DTA's study provided recommendations for the City's update of its existing Quimby Program, which was established in Fiscal Year 1994-95.

II PARK STANDARDS

Pursuant to Section 66477(a)(4) of the Government Code, the City must have adopted a general or specific plan containing policies and standards for parks and recreation facilities, which are in accordance with definite principles and standards. The Open Space, Parks and Public Facilities Element of the City's General Plan (the "General Plan") states that "the City has set the open space standard at three acres of open space, park land and recreational facilities and one acre of school open space and recreational facilities for every 1,000 residents," which resulted in a mix of standards in the City's Municipal Code (4.0 acres per 1,000 residents in Section 13.08.050 and 3.0 acres per 1,000 residents in Section 20.24.050). For uniformity, the City Council amended the total park acreage standard in Section 13.08.050 of the Municipal Code to be 3.0 acres per 1,000 residents on November 5, 2019 (Ordinance No. 2254).

The General Plan also establishes planning guidelines for park facilities, which address size and service radii for neighborhood, community, and passive parks. These guidelines are summarized in Table 1 below (adapted from page OSP-9 in the Open Space, Parks and Public Facilities Element of the General Plan).

Table 1: City Standards for Park Areas

Type of Park Area	Area to be Served	Typical Facilities
Community Parks	Entire community	Athletic fields, swimming pools, recreation buildings and other special use facilities
Neighborhood Parks	Small portion of City, within comfortable walking and biking distance from residences	Children's playgrounds, picnic facilities, natural/landscaped areas, multi-use open fields
Passive Parks	Areas of high population density or commercial areas with high pedestrian use	Children's playgrounds, plazas, turf, picnic areas, benches and special features

III PARKLAND COSTS PER ACRE

The Quimby Act provides that the amount of fees to be paid must bear a reasonable relationship to the use of the park and recreational facilities by future residents of the subdivision. As the City plans to acquire, develop, and construct new park facilities or rehabilitate existing park facilities, it is reasonable to assume that the in-lieu fees are based on the land acquisition costs.

The principal assumption used to determine parkland acquisition costs for a particular subdivision, and subsequent fee amounts, is that the costs depend on the fair market value of unimproved land within the subdivision which otherwise would have been dedicated. If a subdivision meets its Quimby Program obligation through payment of an in-lieu fee, rather than dedication of land, the land value component of the fee should be equal to the market value of the unimproved land for which the fee was substituted, because the land required to be dedicated would necessarily be unimproved. The following three methods can generally be used to determine the fair market value of the unimproved land within the subdivision.

- Current sale prices of land within, or in the vicinity of, the subdivision;
- Assessed land value based on records of the Santa Clara County Assessor's Office; or
- Appraised land value based upon the determination by a qualified professional.

Generally, because land acquisition costs may vary throughout the City, in-lieu fee amounts could vary depending on the specific subdivision project under consideration for approval. It is DTA's understanding, however, that City staff did not want to establish a structure where specific figures would be assessed to each project, thereby calling into question equity issues or the appropriateness of the analysis used to arrive at the figure. Therefore, this study generated a land valuation based on the sales histories of vacant land over the past ten (10) years in the City of Campbell and its neighboring communities, including the City of Sunnyvale and the City of Santa Clara. Using reports accessed in October 2019 from CoStar, DTA determined the weighted average of fair market value for parkland acquisition to be **\$3,721,873 per acre**.

On November 5, 2019, after lengthy deliberation and concern over increasing the fee so significantly all at once, Campbell City Council approved a reduced valuation of **\$3,000,000 per acre** for calculating in-lieu fees for parkland acquisition. **Table 2**, on the following page, outlines the approved Quimby Land Valuation per Acre for Campbell, as well as the valuation utilized by surrounding communities that were reviewed as part of this analysis.

As outlined in **Table 3**, the valuation approved by Council of \$3,000,000 represents a 46.44% increase over the previous valuation.

Table 2 - Fair Market Value of Parkland in Campbell and Surrounding Communities

City	Quimby Land Valuation per Acre	Recent Quimby Land Valuation History
Campbell	\$3,000,000	Approved by City Council on November 5, 2019
Santa Clara	\$3,922,000	Santa Clara commissioned an appraisal report with an effective date of value opinion on December 31, 2017, the new fee was adopted in August 2019.
Sunnyvale	\$5,662,771	Sunnyvale City Council approved a Quimby Land Valuation adjustment and increase in September 2014 with a 3% annual escalator.
Saratoga	\$2,395,800	Saratoga updated their formula from 1990 Census Data to 2010 Census Data in FY 2014-15 and updated their land valuation in FY 2015-16.
Mountain View	\$4,166,667	Mountain View last updated their formula in 2017 when revising their Housing Element 2015-2023.
Palo Alto	\$5,132,568	Annual reassessment
San Jose Comp Average	\$2,494,965	San Jose commissioned a Residential Land Values Study in 2012 and last updated their land valuations trended to 2015 and updated 2010 Census Data.
<i>San Jose - Willow Glen</i>	\$2,960,725	
<i>San Jose - Cambrian</i>	\$1,520,645	
<i>San Jose - Campbell</i>	\$2,749,245	
<i>San Jose - Cupertino</i>	\$2,749,245	
Cupertino	\$10,000,000	Annual reassessment
Los Altos	\$9,580,000	Los Altos commissioned an appraisal report in November 2018 to back up this land valuation and the new fee was adopted in early 2019.

Table 3 – City of Campbell Fair Market Value of Parkland Increase

City of Campbell FY 19-20 Quimby Valuation per Acre	Quimby Land Valuation per Acre Approved November 5, 2019	% Increase
\$2,048,620	\$3,000,000	46.44%

IV FEE AND PARKLAND DEDICATION FORMULAS

According to Section 66477(a)(2) of the Government Code, the amount of land to be dedicated or in-lieu fees to be imposed shall not exceed the amount necessary to provide three (3) acres of parkland per 1,000 residents, unless certain criteria are met. The City General Plan policy to use the Quimby Act to provide three (3) acres of community, neighborhood, and passive parks per 1,000 residents is consistent with this statutory requirement. Since the City currently provides fewer than three (3) acres per 1,000 residents, the City cannot impose a higher standard through the Quimby Program.

The following formulas determine the amount of land to be dedicated or the fee to be paid in lieu of land dedication for Single Family dwelling units and Multi-Family dwelling units:

1. Formula for calculating the dedication of land for a Single Family dwelling unit:

$$\begin{array}{r}
 2.72 \\
 \text{(Average Number of} \\
 \text{Persons Per Dwelling Unit} \\
 \text{According to California} \\
 \text{Department of Finance} \\
 \text{and 2010 U.S. Census} \\
 \text{Benchmark)}
 \end{array}
 \times
 \begin{array}{r}
 0.003 \\
 \text{(3 Acres Per 1,000} \\
 \text{Residents)}
 \end{array}
 =
 \begin{array}{r}
 .00816 \\
 \text{Number of Acres} \\
 \text{to be Dedicated} \\
 \text{(per dwelling unit)}
 \end{array}$$

2. Formula for calculating the fee amount in lieu of land dedication for a Single Family dwelling unit:

$$\begin{array}{r}
 .00816 \\
 \text{Number of Acres} \\
 \text{to be Dedicated (per} \\
 \text{dwelling unit)}
 \end{array}
 \times
 \begin{array}{r}
 \$3,000,000 \\
 \text{Park Cost Per Acre}
 \end{array}
 =
 \begin{array}{r}
 \$24,480 \\
 \text{Total} \\
 \text{In-lieu Fee} \\
 \text{(per dwelling} \\
 \text{unit)}
 \end{array}$$

3. Formula for calculating the dedication of land for Multi-Family dwelling unit:

$$\begin{array}{rcl}
 1.93 & & .00579 \\
 \text{(Average Number of} & & \text{Number of Acres} \\
 \text{Persons Per Dwelling Unit} & & \text{to be Dedicated (per} \\
 \text{According to California} & \times & \text{dwelling unit)} \\
 \text{Department of Finance and} & & \\
 \text{2010 U.S. Census} & & \\
 \text{Benchmark)} & & \\
 & \text{(3 Acres Per 1,000} & \\
 & \text{Residents)} & \\
 & & =
 \end{array}$$

4. Formula for calculating the fee amount in lieu of land dedication for Multi-Family dwelling unit:

$$\begin{array}{rcl}
 .00579 & & \$17,370 \\
 \text{Number of} & & \text{Total} \\
 \text{Acres} & & \text{In-lieu Fee} \\
 \text{to be} & \times & \text{(per dwelling} \\
 \text{Dedicated} & & \text{unit)} \\
 \text{(per dwelling} & & \\
 \text{unit)} & & \\
 & \text{\$3,000,000} & \\
 & \text{Park Cost Per} & \\
 & \text{Acre} & \\
 & & =
 \end{array}$$

The average number of persons per dwelling unit may be revised based on an updated U.S. Census or by a census taken pursuant to Chapter 17 (commencing with Section 40200) of Part 2 of Division 3 of Title 4 of the California Government Code.

Table 4, below, outlines the existing Quimby in-lieu fees, categorized by Dwelling Unity Density. Table 5 on the following page outlines the proposed and approved fees, now categorized by residential zoning designation within the City.

**Table 4
City of Campbell Existing Quimby Fees**

Dwelling Unity Density Per Gross Acre	Persons per Unit	Acreage Requirement per Unit Based on 3 Acres/1,000 Persons	Fees
Less than 6	3.14	.00942	\$19,298
6 – less than 13	2.01	.00603	\$11,265
13 – less than 21	1.89	.00567	\$7,923
More than 21 and secondary living units	1.61	.00483	\$7,771

Table 5
City of Campbell Summary of Proposed and Approved Quimby Fees

	Land Use Type	Residents Per Unit	Acreage Requirements per 1,000 Residents	Acreage Requirements per Dwelling Unit Calculation	Land Valuation Per Acre	Quimby Fee (Per Dwelling Unit)
Proposed Quimby Fees	Single Family	2.72	3.0	0.0082	\$3,721,873	\$30,350
	Multi-Family	1.93	3.0	0.0058	\$3,721,873	\$21,539
	Secondary / Accessory					\$7,771
Quimby Fees Approved by City Council 11-5-19 (Ordinance No. 2254)	Single Family	2.72	3.0	0.0082	\$3,000,000	\$24,480
	Multi-Family	1.93	3.0	0.0058	\$3,000,000	\$17,370
	Secondary / Accessory					\$7,771

V PEER CITIES FEE COMPARISON

A comparison of the City's existing and proposed Quimby fees against the Quimby fees of other Santa Clara County cities is provided below in Table 6.

Table 6
City of Campbell
Peer Cities Fee Comparison – Single Family and Multi-Family

City of Campbell and Other Bay Area Cities	Single Family	Multi-Family
Campbell (Previous)	\$19,298	\$7,923
Campbell (Approved November 5, 2019)	\$24,480	\$17,370
Santa Clara	\$39,432	\$31,757
Sunnyvale	\$77,863	\$50,965
Saratoga	\$32,343	\$21,562
Los Altos	\$77,863	\$50,965
Mountain View	\$55,575	\$41,166
Palo Alto	\$62,584	\$43,137
Cupertino	\$105,000	\$60,000
San Jose Comp Average	\$24,775	\$22,150
San Jose – Willow Glen	\$29,400	\$26,300
San Jose – Cambrian	\$15,100	\$13,500
San Jose – Campbell	\$27,300	\$24,400
San Jose – Cupertino	\$27,300	\$24,400
9 City Average (Including Campbell)	\$55,546	\$37,679



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