

City of Fayetteville Staff Review Form

2019-0142

Legistar File ID

3/19/2019

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Ted Jack, Park Planning Superintendent

2/26/2019

PARKS & RECREATION (520)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Staff recommends approval of an Ordinance to amend Park Land Dedication §166.04 (B) (3) (l) (f) Dedication Ratios of the Unified Development Code to .023 acres of land for single-family units and .020 acres for multi-family units; and (g) Fee in-Lieu Formulas to change the single-family dwelling fee to \$1,089 per unit and multi-family dwelling fee to \$952 per unit based on the average cost per acre at \$47,130.

Budget Impact:

Account Number	Fund
Project Number	Project Title
Budgeted Item? <u>NA</u>	Current Budget \$ -
	Funds Obligated \$ -
	Current Balance \$ -
Does item have a cost? <u>NA</u>	Item Cost
Budget Adjustment Attached? <u>NA</u>	Budget Adjustment
	Remaining Budget \$ -

V20180321

Purchase Order Number: _____

Previous Ordinance or Resolution # #5570 (3/5/2013)

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF MARCH 19, 2019

TO: Mayor and City Council

THRU: Don Marr, Chief of Staff
Connie Edmonston, Parks & Recreation Director

FROM: Ted Jack, Park Planning Superintendent

DATE: February 26, 2019

SUBJECT: An Ordinance to amend Park Land Dedication §166.04 (B) (3) (l) (f) Dedication Ratios of the Unified Development Code to .023 acres of land for single-family units and .020 acres for multi-family units; and (g) Fee in-Lieu Formulas to change the dedication ratios for single-family dwellings to \$1,089 per unit and multi-family units to \$952 based on the average cost per acre at \$47,130.

RECOMMENDATION:

Staff recommends approval of an Ordinance to amend Park Land Dedication §166.04 (B) (3) (l) (f) *Dedication Ratios* of the Unified Development Code to .023 acres of land for single-family units and .020 acres for multi-family units; and (g) *Fee in-Lieu Formulas* to change the single-family dwelling fee to \$1,089 per unit and multi-family dwelling fee to \$952 per unit based on the average cost per acre at \$47,130.

BACKGROUND:

The Park Land Dedication Ordinance, adopted January 20, 1981, requires residential developers to dedicate land for parks or pay a fee in lieu of land dedication. The city is divided into four park quadrants with College Avenue separating the east and west quadrants and Wedington/North Street/Mission Boulevard separating the north and south quadrants. Funds must be spent for acquisition or development of park land in the park quadrant in which it is collected. Collected funds must be expended within five years of the last day of the calendar year in which it was received. For the past 37 years (1981 – 2018), over 290 acres and \$7,836,229 in money in lieu of land have been collected for park development and to help maintain an enriched quality of life for Fayetteville's citizens and visitors.

The ordinance requires that the fees be reviewed every two years. The Park Land Dedication fee is set by a formula utilizing the following three factors: Land value x (acres per person x number of occupants per dwelling) = Fee. These factors are further explained below.

1. **Acres per Person is the amount of park land required to serve the increased population**

Staff reviewed acres per person and recommends continuing to utilize the National Recreation and Park Association's (NRPA) standard of 10 acres per 1,000 residents for the required park land needed to serve our citizens.

2. Number of occupants in a dwelling unit

Staff at the Northwest Arkansas Regional Planning Commission analyzed the US Census for the number of occupants in dwelling units as follows:

- Single-family Units now average 2.31 occupants per unit compared to the currently used average of 2.32 occupants. This is a very minor change.
- Multi-family Units now average 2.02 occupants per unit compared to the currently used average of 1.39 occupants. This is a 45 percent increase.

3. Value of land in the City

Staff worked with the County Assessor's Office to review the land sales data within our City limits. Data from the two-year period of January 1, 2017 to December 31, 2018 was reviewed and analyzed by Parks Staff. The average cost per acre of raw land was calculated at \$47,130 per acre compared to the currently used average cost of \$40,000 per acre. This is an 18 percent increase.

Utilizing the new factors, the formula equates to the following fees:

- Single-family Units: $\$47,130 \times (.010 \text{ acres} \times 2.31 \text{ people}) = \$1,089$
Current rate is \$920 per unit. This change represents an 18.4 percent increase.
- Multi-family Units: $\$47,130 \times (.010 \text{ acres} \times 2.02 \text{ people}) = \952
Current rate is \$560 per unit. This change represents a 70 percent increase.

The percent increase in the fee for Multi-family is greatest due to the increase in the cost of land and the increase in the number of people living in a unit. The fee has been reviewed every two years and the last ordinance update for the fees was in 2013.

DISCUSSION:

The Parks and Recreation Advisory Board (PRAB) discussed the Park Land Dedication Ordinance formula and new fees at the December 3, 2018, January 7, 2019 and February 4, 2019 monthly meetings. (February 4, 2019 Minutes are attached.) PRAB unanimously approved (9-0-0) Parks Staff's recommendation of changes to the Park Land Dedication Ordinances.

Staff and PRAB Recommendations:

1. Continue to use the 10.0 acres per 1,000 population as the park land acreage requirement.
2. Use new occupancy rates of 2.31 per unit for single-family and 2.02 per unit for multi-family which calculates to the following fees:
 - Single-family Units: \$1,089 per unit (increase of \$169 or 18.4%)
 - Multi-family Units: \$952 per unit (Increase of \$392 or 70%)
3. Utilize \$47,130 per acre for the land value. Acres per unit remain the same for single-family at .023, and increase to .020 for multi-family.

PRAB also recommended the following motion to City Council: As soon as practicable, an Impact Study be done by a professional on the Park fees, so that it can potentially be changed. Motion approved unanimously (9-0-0).

Proposed Changes to Unified Development Code Park Land Dedication §166.04 (B) (3) (I)

- **(f) Dedication Ratios.** Land shall be dedicated at a ratio of .023 acres of land for each single-family dwelling unit and ~~.014~~ **.020** acres of land for each multi-family dwelling unit.
- **(g) Fee-in-Lieu Formulas.** A contribution in lieu of land dedication shall be made according to the following formula:

~~\$920.00~~ **\$1,089.00** for each single-family unit

~~\$560.00~~ **\$952.00** for each multi-family unit based upon actual density.

BUDGET/STAFF IMPACT:

Revenues from the Park Land Dedication Ordinance fluctuate each year depending upon the amount of development occurring within our City. Over the past five years, an average of \$428,673 was collected. The amount collected depends upon whether the residential development consists of single-family units or multi-family units; therefore, future impact on the increase in fees will range from 18 to 70 percent. These additional funds from the Park Land Dedication Fund will extensively help the City to keep up with our City's growing population needs for parks.

Attachments:

1. February 4, 2019 PRAB Meeting Minutes



Parks and Recreation Advisory Board

February 4, 2019

5:30 p.m.

City Administration Building Room 326

113 West Mountain Street

Fayetteville, AR

Members: Richie Lamb, Nicole Claesen, Wade Colwell, Will Dockery, Joel Freund, Jennifer Neill, Bill Putman, Dana Smith, Keith Tenclve

City Staff: Connie Edmonston, Director; Byron Humphry, Maintenance Superintendent; John Crow, Recreation Superintendent; Ted Jack, Park Planning Superintendent; Ken Eastin, Park Planner; Sonya Morell, Operations Assistant

7. Park Land Dedication Proposed Fees: Ted Jack, Planning Superintendent

Jack updated board on information meeting with Assessor's Office:

- Staff asked for data set that included more land types than previous sets – in order to capture more relevant land sales.
- Staff worked on analyzing new data set and updated numbers.
- New data set was also updated to 24-month period from January 1, 2017 to December 31, 2018

Jack reviewed Park Land Dedication and the reason for fees. He also reviewed the New Data with the board.

Jack gave new numbers:

- For Single Family $\$47,130 \times (.010\text{ac} \times 2.31 \text{ people}) = \1089
- For Multi Family $\$47,130 \times (.010\text{ac} \times 2.02 \text{ people}) = \952
- Current Single-Family fee is \$920
- Current Multi Family fee is \$560
- \$920 to \$1089 is an increase of 18.4%
- \$560 to \$952 is an increase of 70%

Jack gave staff recommendation for Park Land Dedication Fee-In-Lieu Allocation Change:

- Use \$47,130 per acre for land value
- Use new occupancy rates of 2.31 for Single Family and 2.02 for Multi Family
 - Single Family dedication ratio: (Current = .023 acres per unit)
Proposed = .023 acres per unit
 - Multi Family dedication ratio: (Current = .014 acres per unit)
Proposed = .020 acres per unit
- Continue to use 10.0 acres per 1000 population
- For Single Family $\$47,130 \times (.010\text{ac} \times 2.31 \text{ people}) = \1089

- For Multi Family $\$47,130 \times (.010\text{ac} \times 2.02 \text{ people}) = \952

Lamb asked for public input.

Jessie Fulcher, Rausch Coleman, said he feels like the data is more accurate than what was provided before. He still believes that single family is too high and maybe being charged too much already. Maybe, multi family is not being charged enough, which can be skewing the math tremendously.

Lamb said this will require approval by City Council, and this would allow time for Fulcher to go through the new data and give input.

Edmonston said the dates it would likely go before City Council would be March 5th or March 19th.

Smith asked if the numbers could be pulled annually for the board to review.

Jack said it took many hours to go through the data and stated it should be done every 2 years. Additionally, the possibility of a new Impact Study would help determine if we will continue to use this method.

Edmonston said she reviewed the minutes and in January 2016, this issue was brought to the board, but the board didn't want to change, it was reviewed.

Board discussed the Park Land Dedication Fees.

Edmonston said the City Attorney feels strong that we need to stick with the same formula until an Impact Study can be done.

PRAB Motion: Joel moved to accept the recommendation of the new fees, based on the new data, Lamb seconded the motion. Motion passed 9-0-0.

PRAB Motion: Dockery made a motion to send a recommendation to City Council as soon as practicable that an Impact Study be done by a professional on the Park's fees, so that it can potentially be changed, Freund seconded the motion, Motion passed 9-0-0.

Edmonston said staff could get estimates.

Jack added other departments in the city may join in on the Impact Study.

Board further discussed Park Land Dedication Fees.