

**Council Date: October 30, 2012****SUBJECT: City Council Policy for Allocation of Park Dedication Funds****BACKGROUND**

The City expects significant increases in revenue to the Park Dedication Fund as a result of Council's action on April 26, 2011 to increase the park dedication requirements related to new development (RTC 11-083). To assist with the planning of more park and open space projects, staff has created a policy intended to provide guidance in developing the plan for park and open space projects.

On February 7, 2012, Council held a joint study session with the Parks and Recreation Commission to consider Park Dedication Policies and Review Project Priorities (Attachment A – Meeting Minutes Summary). Various aspects of this subject were presented and discussed including funding levels for parkland acquisition, geographic distribution of funds and prioritization guidelines for project funding. Council was informed at the session that staff would return at a later date with suggested policy that would address the subjects discussed and provide both Council and staff with a useful tool to guide park planning in the future. The proposed policy on Park Dedication Fees Allocation and Prioritization (see Attachment B) is intended to provide guidance for the allocation of Park Dedication Fees and the prioritization of funding for related projects.

The draft of this report was reviewed by the Parks and Recreation Commission on October 10, 2012. The Commission voted unanimously (4-0 Commissioner Harms absent) to recommend that Council approve the proposed draft Council Policy on Park Dedication Fee Allocation and Prioritization. (Attachment C - Excerpt from Draft Meeting Minutes of Sunnyvale Parks and Recreation Commission on October 10, 2012.)

EXISTING POLICY

Consolidated General Plan:

Policies supporting Goal LT-8 Adequate and Balanced Open Space:

Policy LT-8.1 Follow management and preventative maintenance strategies to extend the usable life of open spaces and recreational facilities.

Policy LT-8.8 Support the acquisition or joint use through agreements with partners of suitable sites to enhance Sunnyvale's open spaces and recreation facilities based on community need and through such strategies as

development of easements and right-of-ways for open space use, conversion of sites to open space from developed use of land and landbanking.

Policy LT 8.11 Support the acquisition of existing open space within the city limits as long as financially feasible.

Policy LT-8.13 Mitigate as feasible the open space need in areas identified as underserved through the acquisition of new parkland and/or the addition of amenities in order to bring sites in line with design and development guidelines.

DISCUSSION

The proposed Council Policy is to guide and assist staff in the area of park planning including funding levels for parkland acquisition, geographic distribution of funds and project prioritization. The adoption of this policy will supply a functional tool for staff to use to develop recommendations in various areas of park planning. Staff will use the policy to develop the recommended 20-year Capital Improvement Program Budget for park, recreation, and open-space projects. Council would have the final say in how funds are allocated through review and approval of the budget.

This policy will help ensure that funds collected from a developer will be used to provide benefits to the future occupants of a subdivision. The State Subdivision Map Act (Quimby Act) requires, “The amount and location of land to be dedicated or the fees to be paid shall bear a reasonable relationship to the use of the park and recreational facilities by the future inhabitants of the subdivision.”

The policy establishes a minimum threshold of funds collected that will be used to acquire and improve new parks, open spaces, and recreation facilities. The policy also creates a new system to improve geographic equity in how park dedication fees are spent and prioritization guidelines that will provide assistance in the ranking of projects for funding. The following is a description of how the policy would apply in each of these areas:

Minimum Funding Levels for Park Acquisition

A minimum of 20% of all park dedication fees collected shall be allocated to acquire and develop new land for the purpose of parks, open space, trails and other recreational facilities. Sunnyvale’s Level of Service (LOS) for open space as measured by open space acreage per 1,000 residents is on a downward trend due to the loss of existing open space and increase in the City’s population. Loss of acreage has occurred predominantly at school sites as school districts have needed to utilize open space for additional classrooms required for a growing student population. Compounding the problem has been a lack of new land acquisition and park development in the last ten years although Seven Seas Park (5.3 acres) is scheduled to be developed and opened in 2014. Based on 2010 census data, the current Level of Service is 5.19 acres per 1,000 residents.

Over time the City will need to acquire new sites or the LOS may dip below 5.0 acres, which would hinder the City's ability to collect park dedication fees at the 5.0 acre standard as established by Council on April 26, 2011. Unfortunately there is no exact way to determine what percentage of park dedication fees received should be allocated for new land acquisition and development to maintain a minimum LOS of 5.0 acres per 1,000 residents. There are simply too many factors including the cost of development, a changing population total, and the amount of land that is actually dedicated vs. fees paid from future developments. The only other agency in Santa Clara County with a set aside for parkland acquisition and development is the County of Santa Clara. The County's Park Charter Fund requires 80% of funds be used to maintain existing open space, 15% be used to acquire new parkland and 5% be used to develop new parkland.

The City's current long-term financial plan estimates that approximately \$150 million in fees will be generated over the next 20 years. If 20% of that amount were allocated to acquiring new parkland, the City would spend approximately \$30 million on land acquisition and development over that time period. It should be emphasized that 20% of the park dedication fees collected would only be the minimum amount spent on parkland acquisition and development.

Geographic Distribution of Funds

This part of the policy will establish how funds are distributed to ensure that there is a reasonable relationship between where park in-lieu fees are collected and then allocated for improvements. The proposed policy establishes a division of Sunnyvale into three geographic funding zones or areas as depicted in Exhibit A of the draft policy.

Within each zone existing parks and recreational facilities are categorized as either a community or neighborhood facility (see Exhibit B of the proposed Council Policy for a specific listing of facilities). Community parks are typically larger facilities (nine acres and above) or have special features such as sports fields that serve a broad segment of the community. Community parks provide a benefit to all residents of Sunnyvale. Neighborhood Parks (including mini-parks) are intended to serve a particular zone or area within the City.

The draft policy requires that (after setting aside 20% of funds for land acquisition) 40% of the fees collected within each funding zone must be allocated towards eligible projects within that zone for either Neighborhood or Community facilities. The remaining 40% of the fees collected in a geographic area must be allocated towards eligible projects at Community facilities in any of the three geographic areas.

Prioritization Guidelines for Project Funding

A five-level system is proposed to provide a framework that will assist in the selection of projects for funding. The five-levels, listed in priority order, are as follows:

1. Renovate existing facilities on City-owned property.
2. Acquire and develop new parks and open space.
3. Improve or add features to parks on City-owned property.
4. Improve existing parks and open space on non-City-owned property.
5. Develop non-City-owned property.

All proposed projects in a higher priority level are not required to be funded before funding projects at a lower priority level. For example, not all parcels of land identified as possible Level 2 projects (Acquire and develop new parks and open space) would have to be funded for acquisition and/or development before funding Level 3 projects (Improve or add features to parks on City-owned property). This system is consistent with current policy and provides a framework for prioritization while also allowing flexibility to meet special needs and circumstances. These guidelines would be used by staff to develop the proposed Capital Improvement Program Budget. Council would have the final say through the budget process as to which projects are ultimately funded.

FISCAL IMPACT

The City currently estimates that it will receive approximately \$150 million in park dedication fee revenues over the next 20 years. This policy will not affect the amount of funds generated by the park dedication fees under the current City ordinances governing the collection of these fees, but it will provide the necessary guidance to prioritize the projects to be funded by this revenue source.

Once this policy is approved, the next step will be to prioritize park dedication fee-funded projects in compliance with the policy and program them into the 20-year plan. Projects will be funded in the order of priority, and estimated park dedication fee revenue will determine how many projects on the priority list can be funded over the course of the 20-year financial plan. This will be done in conjunction with the development of the FY 2013/14 Recommended Budget, specifically the long-term plan for the Park Dedication Fund. There is no fiscal impact to any other City fund, including the General Fund, resulting from this policy, as projects funded by park dedication fee revenues are not supplemented by any other City funding source.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

On February 7, 2012, Council held a joint study session with the Parks and Recreation Commission to consider Park Dedication Policies and Review Project Priorities (Attachment A).

The Parks and Recreation Commission conducted a public hearing on this item at their meeting of October 10, 2012 (Attachment C).

ALTERNATIVES

1. Adopt the attached draft Council Policy on Park Dedication Fee Allocation and Prioritization.
2. Council takes no action at this time.
3. Other action as determined by Council.

RECOMMENDATION

Staff recommends Alternative No. 1: Adopt the attached draft Council Policy on Park Dedication Fee Allocation and Prioritization. This policy will provide clear guidelines that will enable Council and staff to make strategic decisions for park planning including funding levels, geographic distribution of funds and project prioritization.

The Parks and Recreation Commission voted unanimously (4-0 Commissioner Harms absent) to recommend that Council approve Alternative No. 1. Reasons given included that it was a well thought out plan and would provide clear guidelines for staff to make recommendations for park planning.

Reviewed by:

Kent Steffens, Director, Department of Public Works
Prepared by: Scott Morton, Superintendent of Parks & Golf

Reviewed by:

Lisa Rosenblum, Director of Library and Community Services

Approved by:

Gary M. Luebbers
City Manager

Attachments

- A. Summary meeting minutes of February 7, 2012 joint study session with City Council and the Parks and Recreation Commission to consider Park Dedication Policies and Review Project Priorities
- B. Draft Council Policy “Park Dedication Fee Allocation and Prioritization”
- C. Excerpt from Draft Meeting Minutes of Sunnyvale Parks and Recreation Commission on October 10, 2012.

CITY OF SUNNYVALE
City Council Study Session Summary
Joint Study Session with Parks and Recreation Commission
February 7, 2012 – 6 P.M.

The City Council met in joint study session with the Parks and Recreation Commission at City Hall in the West Conference Room, Sunnyvale, California on February 7, 2012 at 6:00 p.m. with Vice Mayor Whittum presiding.

City Councilmembers Present:

Mayor Anthony (Tony) Spitaleri
Vice Mayor David Whittum
Councilmember Christopher Moylan
Councilmember Jim Griffith
Councilmember Pat Meyering
Councilmember Tara Martin-Milius
Councilmember Jim Davis

City Councilmembers Absent:

None

Parks and Recreation Commissioners Present:

Chair Robert Pochowski
Commissioner Howard Chuck
Commissioner Robert Harms

Park and Recreation Commissioners Absent:

Vice Chair Robert Kinder
Commissioner Craig Pasqua

City Staff Present:

City Manager Gary Luebbers
Assistant City Manager Robert Walker
Director of Public Works Kent Steffens
Director of Library and Community Services Lisa Rosenblum
Community Services Superintendent Nancy Steward
Parks Superintendent Scott Morton

Call to Order:

6:00 p.m.

Study Session Summary:

Council and Commissioners met to consider Park Dedication Fund policies and to review project priorities and related key issues.

Public Comment:

Skip Gottschalk, resident and 2nd Vice-President of the Lakewood Village Neighborhood Association (LVNA) Board (also represented from the LVNA Board were President Judy Fernandez and 1st Vice-President Joan Simon), requested the Council reconsider their decision to close the Lakewood Pool. They have tried to find a sponsor to pay pool costs and have not been able to do so. The LVNA board feels it is an important recreation resource in the neighborhood, especially for children, and would like it to be funded and open for the summer of 2012.

Susan Muller-Robb, resident, spoke in favor of expediting the expansion of Orchard Gardens Park.

Council Discussion:

Discussion was held on a variety of topics related to the presentation on Park Dedication Fund policies and key issues by Director of Public Works Kent Steffens. Items discussed included joint use agreements for open space including school districts and Baylands Park, mechanism for prioritizing capital projects, golf and tennis enterprise fund projects, location and development of new open space, funding structure and city-owned properties adjacent to Murphy and Orchard Gardens Park.

Adjournment:

6:57 p.m.

Respectfully submitted,

Scott Morton
Superintendent of Parks

COUNCIL POLICY MANUAL

Policy _____ Park Dedication Fee Allocation and Prioritization**POLICY PURPOSE**

The purpose of this policy is to provide guidance for the allocation of park dedication fees and the prioritization of funding for projects. This policy will ensure that funds collected will be spent to provide reasonable benefits to parties required to pay park dedication fees under the City's Ordinance. The policy establishes a minimum threshold of funds collected that will be used to acquire and improve new parks, open spaces, and recreation facilities. The policy also creates a new system to improve geographic equity in how park dedication fees are spent and prioritization guidelines that will provide assistance in the ranking of projects for funding.

POLICY STATEMENTS:**MINIMUM FUNDING LEVELS FOR PARK ACQUISITION**

20% of park dedication fees collected shall be allocated to the Park Acquisition and Improvement Fund (see Exhibit C) and used for projects that expand parks and recreational opportunities at any location in the City of Sunnyvale. These funds may be used to acquire land for new parks, open space, trails, and other recreation facilities. This funding may also be used to develop and make improvements to parkland dedicated and accepted by the City, purchased by the City, or otherwise acquired by agreement for recreational purposes. Eligible projects costs include land acquisition, planning, design, construction, utility services, applicable fees and related costs necessary to develop and improve new park and recreational facilities.

GEOGRAPHIC DISTRIBUTION OF FUNDS

For the purpose of this policy, Sunnyvale shall be divided into three geographic areas as depicted in Exhibit A. Within each of the three areas, each park or facility shall be designated as either a "Community" or "Neighborhood" facility as shown in Exhibit B. Community facilities are generally nine (9) to 20 acres in size or include features such as pools, recreation centers and sports fields that are used by residents or visitors throughout Sunnyvale. Neighborhood facilities are generally less than nine (9) acres in size and are intended to serve the needs of one of the three geographic areas defined in Exhibit A. Unique features or the location of a site may also be used to determine if a particular facility serves a citywide need or local need.

Park dedication fees collected within each of the three geographic areas shall be accounted for separately as shown in Exhibit C and allocated as follows:

- 40% of the fees collected in a geographic area shall be allocated to the Neighborhood Park Fund (North, Central or South) and used for projects within the same geographic area at either Neighborhood or Community facilities.

- 40% of the fees collected shall be allocated to the Community Park Improvement Fund and used for projects at Community facilities located anywhere within Sunnyvale.

PRIORITIZATION GUIDELINES FOR PROJECT FUNDING

The following five-level system, with number one being the highest relative priority, is intended to provide a framework that will assist in the selection of projects for funding. Final decisions about which projects to fund and at what level will be made by the City Council through the Capital Improvement Program bi-annual budgeting process. Because there may be more projects proposed for funding than available funds, these guidelines will be an important tool in this decision making process. All proposed projects in a higher priority level are not required to be funded before funding projects at a lower priority level. Other factors which may be considered will include: the availability of grant or other outside funds; operations and maintenance costs; and facility condition assessments.

1. Renovate existing facilities on City-owned property.
2. Acquire and develop new parks and open space.
3. Improve or add features to parks on City-owned property.
4. Improve existing parks and open space on non-City-owned property.
5. Develop non-City-owned property.

Adopted: RTC __-__, 2012

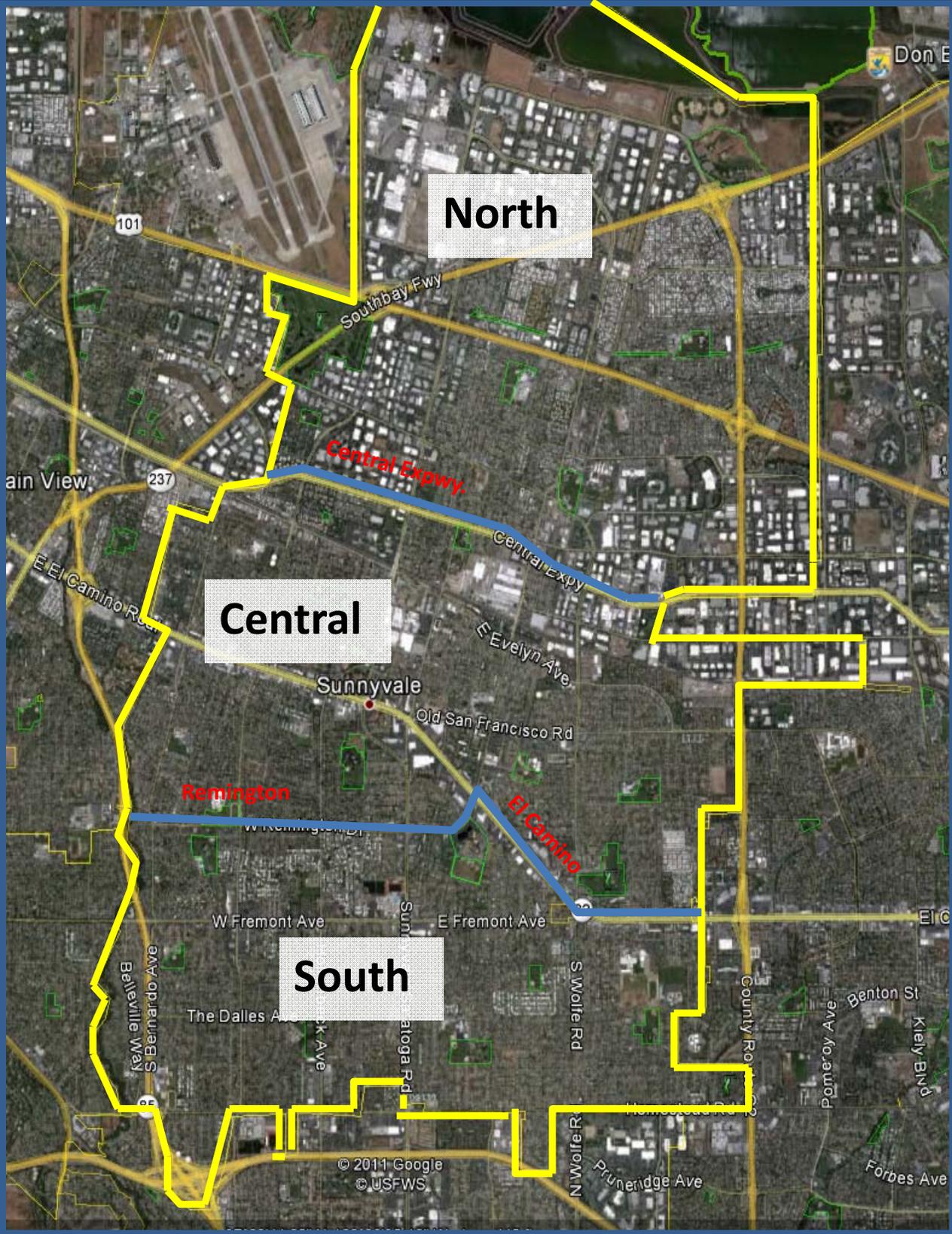
Lead Department: Department of Public Works

Exhibit A – Zones for Park Funding Allocation

Exhibit B – Listing of Community and Neighborhood Parks

Exhibit C – Park Dedication Fee Funding Framework

Zones for Park Funding Allocation



Listing of Community and Neighborhood Parks

North – North of Central Expressway

Community Parks and Open Space	Neighborhood Parks and Open Space
<ul style="list-style-type: none"> • Lakewood Park • Fair Oaks Park • Columbia Park, School, and Pool • Baylands Park • Bay Trail • Landfill Trails/Open Space • Sunnyvale Golf Course • Lakewood Elementary School • Fairwood Elementary School • San Miguel Elementary School • Bishop Elementary School 	<ul style="list-style-type: none"> • Orchard Gardens Park • Encinal Park • Fairwood Park • John W. Christian Greenbelt

Central – North of El Camino/Remington

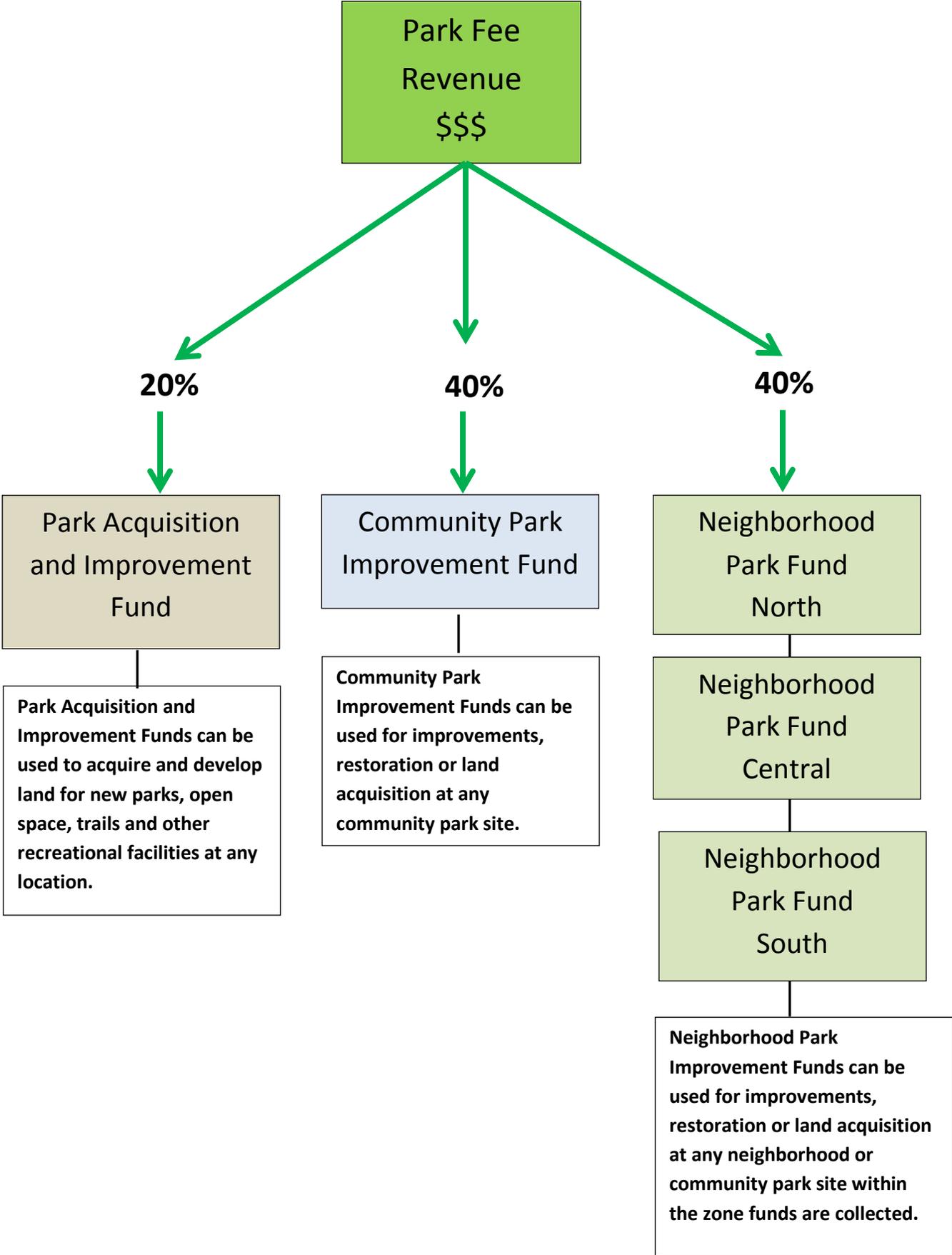
Community Parks and Open Space	Neighborhood Parks and Open Space
<ul style="list-style-type: none"> • Washington Park and Pool • Ponderosa Park • Las Palmas Park • Plaza Del Sol • Sunken Gardens Golf Course • Sunnyvale Tennis Center • Cherry Orchard • Vargas Elementary School • Cherry Chase Elementary School • Sunnyvale Middle School and Pool • Cumberland Elementary School • Ellis Elementary School • Braly Elementary School • Ponderosa Elementary School 	<ul style="list-style-type: none"> • Cannery Park • Greenwood Manor Park • Victory Village • Murphy Park • Mango Park • Braly Park • Civic Center Grounds

South – South of El Camino/Remington

Community Parks and Open Space	Neighborhood Parks and Open Space
<ul style="list-style-type: none"> • Serra park • Ortega park • Raynor Park • De Anza Park • Community Center • Orchard Heritage Park • De Anza School • Fremont High School Pool • Hollenbeck School • Nimitz Elementary School • West Valley Elementary School • Cupertino Middle School • Serra School • Stockmeier Elementary School 	<ul style="list-style-type: none"> • San Antonio Park • Panama Park • Three Points (Butcher's) Corner

NOTE: This listing will be updated from time to time as new park, open space or recreation sites are added to the City's inventory.

Park Dedication Fee Funding Framework





EXCERPT FROM DRAFT MINUTES

SUNNYVALE PARKS AND RECREATION COMMISSION OCTOBER 10, 2012

The Sunnyvale Parks and Recreation Commission met in regular session in the Community Center Conference Room, 550 E. Remington Drive, Sunnyvale CA 94087 at 7 p.m. with Chair Kinder presiding.

CALL TO ORDER

Chair Kinder called the meeting to order at 7 p.m.

SALUTE TO THE FLAG

ROLL CALL

Commissioners Present:

Chair Robert Kinder
Vice Chair Robert Pochowski
Commissioner Henry Alexander III
Commissioner Craig Pasqua

Commissioners Absent:

Commissioner Robert Harms

Council Liaison:

Councilmember Pat Meyering (arrived 7:15 p.m.)

Staff Present:

Director of Library and Community Services Lisa Rosenblum
Director of Public Works Kent Steffens
Superintendent of Community Services Nancy Bolgard Steward
Superintendent of Parks Scott Morton
Administrative Aide Karen Smith

PUBLIC HEARINGS/GENERAL BUSINESS

2. MOTION City Council Policy for Allocation of Park Dedication Funds

Director Steffens presented the staff report. He said the February 7, 2012, joint study session with Council and the Commission provided direction to draft the Council Policy for Park Dedication Fee Allocation and Prioritization that is before the Commission for recommendation and will be going before Council for action on October 30, 2012.

Commissioners' questions included the scenario of receiving park dedication land instead of funds, revenue increases for FY 11/12, Park Dedication Fund resources, the unfunded CIP Plaza del Sol Phase II, prioritization guidelines, and improvement of existing parks and open space on non-City owned property, such as Baylands Park.

Director Steffens said he would provide the Commissioners with park dedication fund revenue increases for the past five fiscal years through FY 11/12.

The public hearing was opened.

Mr. Michael Goldman spoke in opposition to the proposed City Council Policy. He said General Fund resources should be used to maintain existing parks, and Park Dedication Fund resources should be used for land acquisition. He said maintenance of existing parks has been pushed out of the General Fund into the Park Dedication Fund because of rising employee costs. He said employee costs should be reduced so the General Fund can be used, as it should be, to maintain existing parks. He suggested an indoor pool on the first level and branch library on the second level at Lakewood Park.

The public hearing was closed.

Superintendent Steward referred Commissioners to an email from Mr. Andy Frazer. Mr. Frazer was opposed to the proposed Council Policy for the same reasons as Mr. Goldman and urged Commissioners to reject the proposal.

MOTION: Vice Chair Pochowski moved and Chair Kinder seconded to recommend that Council accept staff's recommendation Alternative No. 1, adopt the attached draft Council Policy on Park Dedication Fee Allocation and Prioritization.

VOTE: 4-0 motion passed unanimously. Commissioner Harms was absent.

Commissioners said it was a well thought out plan and would provide clear guidelines for Council and staff to make decisions for park planning.