

**City of Albuquerque
Impact Fee Committee**

**COMMENTS TO CITY COUNCIL REGARDING PARKS/RECREATION
/TRAILS/OPEN SPACE FACILITIES IMPACT FEES**

Recommendation: *The Committee has the concerns which are listed herein. We suggest these be addressed and resolved before implementation.*

Introduction

The Impact Fee Committee heard presentations from consultants James C. Nicholas and Arthur C. Nelson regarding Parks/Recreation /Trails/Open Space Facilities Impact Fees on February 10, 2004, April 6, 2004 and June 15, 2004, and received Dr. Nicholas' final report on August 31, 2004.

James C. Nicholas, PhD, is professor of urban and regional planning and affiliate professor of law at the University of Florida. He is an impact fee pioneer, credited with developing the "dual rational nexus" test. He is widely published, and has been retained by 21 Counties and 14 Cities over the last several years to develop their impact fees.

Dr. Arthur C. Nelson, PhD, ASCE, FAICP, is director of graduate studies in Urban Affairs and Planning at Virginia Polytechnic Institute and State University. He is the author of numerous books and publications, including a professional textbook on impact fees. He also has extensive experience as a developer of impact fees.

Methodology

Description: The consultants propose seven Service Areas for Parks/Recreation /Trails/Open Space Facilities Impact Fees. (See attached map – Exhibit A.)

- Academy Northeast,
- Central University,
- Foothills Southeast,
- North Albuquerque,
- North Valley – I 25,
- Southwest Mesa, and
- Volcano Northwest.

The cost to serve new development in each of the service areas is calculated by

- Determining the residential population for each service area for 2004, 2011 and 2025.

- Determining the current levels of service for each Service Area, with levels of service being measured as:
 - Acres of developed neighborhood and community parks per 1,000 population by Service Area,
 - Acres of trails per 1,000 population citywide, and
 - Acres of open space within the City of Albuquerque per 1,000 population citywide.
- Determining the City's total cost and cost per capita to provide parks, recreation, trails and open spaces by Service Area by examination of the City's costs for land acquisition by service area and for park development by type of park or recreational facility.
- Identifying any existing deficiencies in the existing levels of service by Service Area and the cost of rectifying those deficiencies.
- Identifying the needed neighborhood and community park land acquisitions and improvements to 2025 by Service Area in terms of number of acres at a citywide level of service of 2.6 acres per 1,000 population and determining the cost of those improvements.
- Identifying needed land acquisitions and improvements for trails to 2025 at a citywide level of service of 0.251 acres per 1,000 population and determining the cost of those improvements.
- Identifying needed land acquisitions of open space land to 2025 at a citywide level of service of 59.295 acres per 1,000 population and determining the cost of those improvements.
- Assigning a per capita cost for these improvements to the new population that will arrive in the service area between the present and 2025.
- Setting the legal maximum impact fee for residential development by multiplying the per capita cost of Parks/Recreation /Trails/Open Space Facilities improvements times the persons per dwelling by Service Area and then converting that cost to per 1,000 square feet of residential floor area.
- Projecting maximum impact fee receipts by service area to 2011 and contrasting projected receipts with proposed capital expenditures to 2011 and, if necessary, adjusting downward the level of impact fees so that projected impact fee receipts will not exceed the cost of growth serving capital improvements.

Impact Fee Committee Comments on Methodology

Comments of support:

- *Dr. Nicholas and Dr. Nelson are clearly “qualified professionals”, as defined by the NM Development Fees Act and are internationally respected authorities on Impact Fee methodology.*
- *The methodology on which the Parks/Recreation /Trails/Open Space Facilities costs are based is a marginal cost approach, as required by Ordinance 02-39 which adopted the Planned Growth Strategy. The marginal cost approach identifies the cost to accommodate the “next unit” of growth, and the methodology takes into account the requirements for new capacity that are generated by growth in specific service areas. This is in contrast to assigning an “average cost” to accommodate growth no matter where in the city it occurs.*
- *The growth estimates utilized in the methodology are based on the Land Use Assumptions adopted by Ordinance 04-9.*
- *The methodology is tied strongly to local characteristics. Dr. Nicholas has worked closely with City of Albuquerque planners Christina Sandoval in Parks, Matt Schmader in Open Space and Theresa Baca in Trails (City Staff).. These city staff members have contributed information and experience that has helped shape the methodology. For example,*
 - *At the suggestion of City Staff, the Service Areas for Parks/Recreation / Trails/ Open Space Facilities were developed by combining existing Cash in Lieu areas used for the collection of funds for acquisition and development of parks. Following the Cash in Lieu boundaries made it possible to utilize these funds as offsets to the fees.*
 - *At the suggestion of City Staff, the Level of Service for parks was set at the city average (2.6 acres of developed parkland per one thousand population). The service levels for trails and open space were set at existing city Level of Service.*
 - *Future specific capital needs for Parks/Recreation /Trails/Open Space Facilities were identified by City Staff.*
- *The consultant and City Staff have been open to suggestions from the Impact Fee Committee and revisions resulting from these suggestions have been incorporated.*
 - *The consultants presented the first draft of their report in February, 2004, and returned to Albuquerque again in April and June with revised versions to present to the Impact Fee Committee. Further revisions in July and August were made as well. Among the changes made in this process were changes to the Impact Fee CIP to include new parks at new locations.*

Comments of Concern:

- *Parks/Recreation/Trails/Open Space Facilities are assessed only against residential development. All kinds of new development in the city make use of these facilities. Some members of Impact Fee Committee feel the fees should be applied to all development. Others find it more reasonable to apply the fees only to residential development so that people will not be charged twice.*
- *The level of service for Parks is calculated as “developed parks”. In other words, land dedicated for parks but not yet developed is not counted. Developing parks on land that was already dedicated should not be construed as serving new growth. Most of these parks will be developed in existing neighborhoods.*
- *The level of service for Parks has been changed from a distance criterion (.5 miles from every home) to a population criterion (2.6 acres per 1000 people). The new criterion does not contain the convenience and physical accessibility properties that characterized the old one, which was first expressed in the Parks Master Plan (unadopted) of 1994.*
- *It is unclear whether the methodology has taken into account joint use agreements for parks and recreation facilities.*
- *The level of service specified for Open Space is the existing level of service. That level of service calculation includes the 4,027 acre Rio Grande State Park, 3801 acres in the East Mountains and 2300 acres managed by the National Park Service on the Atrisco Terrace. The City does not own the Rio Grande State Park, it only manages it. The East Mountain holdings are not contiguous to the city limits. The City does not manage the 2300 acres of the Atrisco Terrace, it only owns it. These three referenced Open Space land holdings should not be counted in the level of service calculation.*
- *Lands are owned by Open Space that are being held for exchange. These lands should be credited against the Open Space portion of the impact fee for Parks/Recreation/Trails/Open Space Facilities.*
- *Offsets from other funding sources should not be used to reduce the marginal cost calculations for impact fees. (Refer to Page 18, Table 13 of the consultants’ report.)*
- *Existing levels of service were not reduced by the outstanding GO Bond obligations which will be paid by both current residents as well as new residents who will also pay impact fees.*
- *The level of service for trails was stated as 119.79 acres for the current City population of 476,973 which is further refined as .251 acres per 1,000 residents. The report does not state if the 119.79 acres are improved trails or if that acreage includes trails which are both improved and unimproved.*

Costs

Description: The consultants have determined that the costs to provide local parks, and recreation facilities to new growth differs by service area while costs to provide trails and open space are at a cost standard across the city. The cost to accommodate these needs for a 2,000 square foot residence is indicated in the table on below.

**Cost to Accommodate Various Types of Development by Service Area
Parks, Trails, and Open Space**

Type of Development	Cost in Service Area						
	North Albuquerque	NE/ Academy	Foothills/ SE	Central/ University	North Valley/I-25	SW Mesa	NW Mesa
2,000 square foot Residence	\$3,265	\$2,557	\$1,073	\$802	\$3,444	\$3,382	\$2,529
20,000 square foot Retail	Not assessed for non-residential						
20,000 square foot Office							
20,000 square foot Industrial							

Impact Fee Committee Comments on Costs

Comments of support:

- *The costs to provide local parks, recreation facilities to new growth differ by service area. These differences reflect the application of a marginal cost methodology, as required by Ordinance O-02-39 which adopted the Planned Growth Strategy, including the concept that fees will logically be more in areas where there is less infrastructure already in place.*
- *The information on which the cost calculations were based was supplied by city staff who are conversant with the cost characteristics of providing the Levels of Service specified in the methodology.*

Comments of concern:

- *Land costs specified for the NW Mesa seem excessive at \$120,000 per acre.*
- *We are proud that Albuquerque has a very high level of service for Open Space (59 acres per 1000 people), relative to other cities. It does not seem reasonable, however, to assign a disproportionate amount of the financial responsibility for Open Space only to new development when Open Space is an amenity that all citizens enjoy.*

- *Open Space is too important for future Open Space acquisitions to be funded by the uncertain real estate and development market.*

Impact Fee Capital Improvement Plan

The Impact Fee CIP for Parks/Recreation Facilities/Trails/Open Space for the years 2005 – 2011 is attached as Exhibit B. It was prepared by City Staff based on the consultants' projections of revenue from impact fees set at the capital costs to the City of accommodating new development.

Impact Fee Committee Comments on Impact Fee Capital Improvement Plan (IFCIP)

Comments of support:

- *The Parks/Recreation /Trails/Open Space Facilities IFCIP was prepared by City Staff based on the consultants' projections of revenue from impact fees set at the capital costs to the City of accommodating new development in each Service Area. The Impact Fee Committee recognizes the expertise of the consultants in calculating the costs of accommodating new development. The Impact Fee Committee further recognizes the expertise of City Staff in identifying capital projects which will satisfy the service needs of new development within the next ten years.*

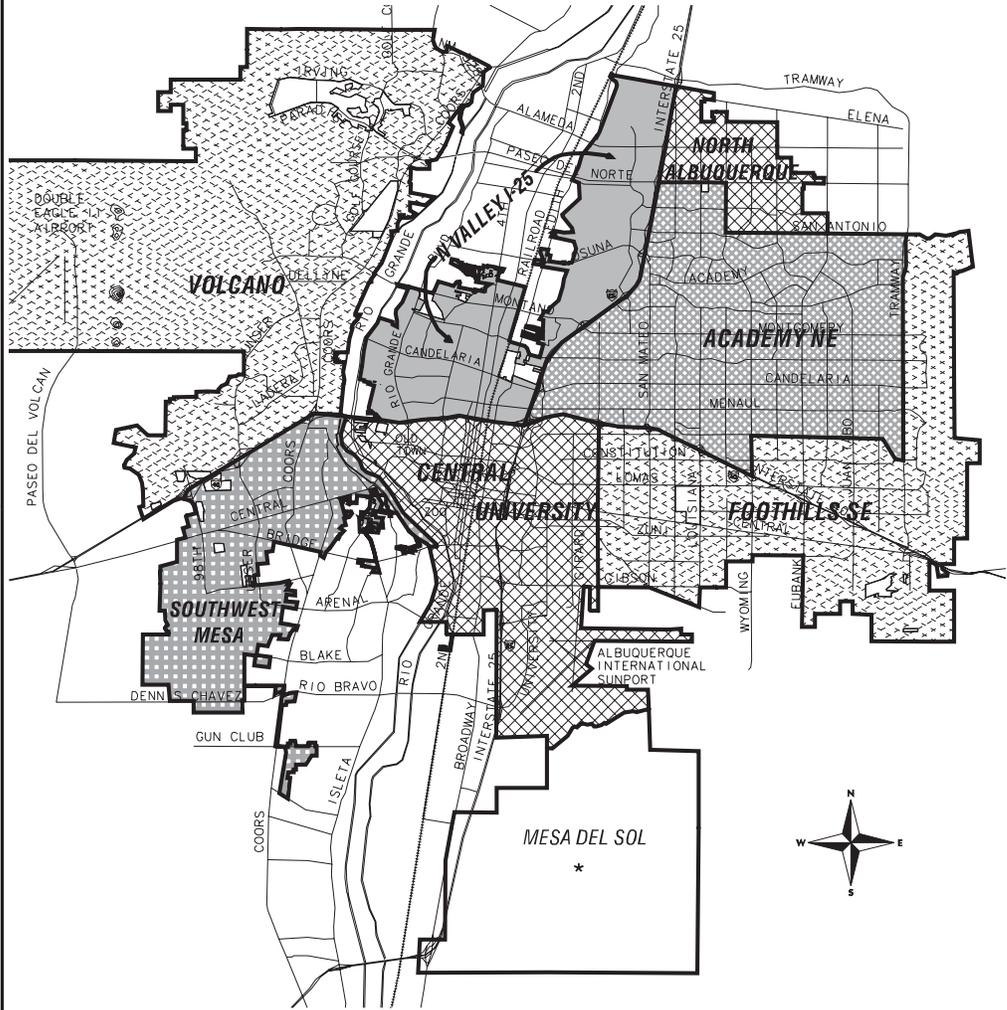
Comments of concern:

- *Ordinance 02-39 states that impact fees must be spent in the service areas where they are collected. The Open Space portion of the IFCIP lists property to be acquired that is outside the city limits. All the properties to be acquired ought to be within the city limits, since that is the boundary of the service areas. If impact fees are collected based on land that cannot be annexed, it may be necessary to refund them, since the city must gain the approval of Bernalillo County to annex land.*
- *The consultants' report expresses the level of service in acres but the IFCIP expenditures are expressed in dollars. A level of service of 59 acres per 1000 residents cannot be correlated with the Open Space IFCIP expenditures of \$19,209,000.*
- *There is no level of service expressed for facilities in the Open Space IFCIP, although the IFCIP is spending \$5,959,000 on facility-building over the next seven years. There is no information in the report that explains how this investment is tied to new growth.*
- *Parks CIP has \$43,989,000 in Local Park improvements. How does that amount translate to 2.6 acres of park for 1000 new residents or needed facilities such as baseball fields, swimming pools, etc?*

- *Of the \$18,117,000 to be spent in the Northwest quadrant, \$11,479,000 in park improvements is being directed to Ventana Ranch and Ventana Ranch West. That is 63.36% of the total northwest mesa's budget.*

Exhibit A

*Service Areas for Parks, Recreation Facilities
Trails, and Open Space*



*Mesa del Sol (Planned Community requirements will apply)

Map Printed August 16, 2004

Exhibit B

**TABLE 12
PARKS, RECREATION, TRAILS AND OPEN SPACES
CAPITAL IMPROVEMENT PROGRAM**

	2005	2006	2007	2008	2009	2010	2011	TOTAL
LOCAL PARKS								
Academy/NE								
Arroyo del Oso					\$550,000		\$800,000	\$1,350,000
Lafayette		\$327,000						\$327,000
San Antonio			\$1,050,000					\$1,050,000
Tanoan Corridor Park				\$500,000			\$230,000	\$730,000
Total Academy NE	\$0	\$327,000	\$1,050,000	\$500,000	\$550,000	\$0	\$1,030,000	\$3,457,000
Impact Fees								\$2,987,433
Other Funds								\$469,567
Central/University								
none designated	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Impact Fees								\$0
Other Funds								\$0
Foothills/SE								
Manzano Mesa	\$0	\$0	\$0	\$0	\$0	\$0	\$325,000	\$325,000
Tramway Linear				\$300,000				\$300,000
Singing Arrow							\$0	\$0
Total Foothills SE	\$0	\$0	\$0	\$300,000	\$0	\$0	\$325,000	\$625,000
Impact Fees								\$520,064
Other Funds								\$104,936
North Albuquerque								
N. Domingo Baca	\$0	\$1,000,000	\$0	\$1,000,000	\$0		\$1,680,000	\$3,680,000
Impact Fees								\$3,066,899
Other Funds								\$613,101
North Valley/I-25								
Paseo de Estrella	\$0		\$600,000	\$680,000	\$0		\$0	\$1,280,000
Land Acquisition	\$0	\$500,000		\$0	\$600,000	\$0		\$1,100,000
Develop new land							\$1,380,000	\$1,380,000
Total N Valley/I-25	\$0	\$500,000	\$600,000	\$680,000	\$600,000	\$0	\$1,380,000	\$3,760,000
Impact Fees								\$3,130,499
Other Funds								\$629,501
SW Mesa								
Tower Community		\$0	\$2,000,000	\$500,000	\$0	\$1,800,000	\$0	\$4,300,000
Westgate Community	\$500,000	\$0	\$2,000,000	\$0	\$0	\$0	\$1,500,000	\$4,000,000
Avalon	\$0	\$0		\$900,000	\$0	\$0	\$0	\$900,000
Eldorado	\$0	\$0	\$0	\$0	\$600,000		\$0	\$600,000
Anderson Hills		\$1,000,000			\$800,000			\$1,800,000
El Rancho Grande 1					\$750,000			\$750,000
New Park Dev.							\$1,000,000	\$1,000,000
Silver Tree						\$1,000,000		\$1,000,000
Total SW Mesa	\$500,000	\$1,000,000	\$4,000,000	\$1,400,000	\$2,150,000	\$2,800,000	\$2,500,000	\$14,350,000
Impact Fees								\$11,872,234

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	2005	2006	2007	2008	2009	2010	2011	TOTAL
Other Funds								\$2,477,766
NW Mesa/Volcano								
Ventana Ranch	\$1,000,000	\$2,000,000	\$0	\$2,000,000	\$2,000,000		\$2,700,000	\$9,700,000
Black Arroyo	\$0	\$0	\$1,038,000	\$0		\$0	\$0	\$1,038,000
Seville	\$0	\$0	\$0	\$0	\$1,000,000	\$0		\$1,000,000
Creighton	\$0	\$0		\$1,800,000	\$0	\$0	\$0	\$1,800,000
Trails 1 & 2		\$1,800,000						\$1,800,000
Ventana Ranch West			\$1,779,000					\$1,779,000
New Park Dev.						\$1,000,000		\$1,000,000
Total Volcano NW	\$1,000,000	\$3,800,000	\$2,817,000	\$3,800,000	\$3,000,000	\$1,000,000	\$2,700,000	\$18,117,000
Impact Fees								\$14,619,692
Other Funds								\$3,497,308
Total Local Parks	\$1,500,000	\$6,627,000	\$8,467,000	\$7,680,000	\$6,300,000	\$3,800,000	\$9,615,000	\$43,989,000
Impact Fees								\$36,196,821
Other Funds								\$7,792,179
TRAILS								
Journal Center Bikeway	\$90,000							\$90,000
I-40 Trail	\$190,000							\$190,000
I-40 Trail	\$440,000							\$440,000
I-40 Trail			\$125,000					\$125,000
Sunport Trail			\$145,000					\$145,000
I-40 Trail	\$50,000							\$50,000
N. Channel Trail	\$50,000							\$50,000
Calabacillas Trail				\$25,000	\$25,000			\$50,000
I-40 Crossing		\$40,000	\$500,000	\$300,000	\$200,000	\$500,000	\$500,000	\$2,040,000
Calabacillas Trail					\$150,000			\$150,000
S. Diverson Ch. Trail			\$125,000	\$25,000				\$150,000
Pino Arroyo/PNM ease.					\$70,000			\$70,000
La Orilla Trail			\$125,000					\$125,000
Atrisco Trail				\$125,000				\$125,000
Unser Trail				\$125,000				\$125,000
Alameda Drain Trail					\$300,000			\$300,000
N. Glenwood Hills Trail					\$160,000			\$160,000
S. Pino Arroyo Trail				\$125,000				\$125,000
Bear Canyon Arroyo			\$150,000	\$300,000	\$300,000	\$100,000	\$100,000	\$950,000
Fortuna				\$60,000				\$60,000
Tijeras Arroyo Trail		\$100,000						\$100,000
Unser Trail				\$200,000				\$200,000
Eagle Ranch		\$75,000						\$75,000
Calabacillas Trail				\$100,000	\$100,000			\$200,000
Total Trails	\$820,000	\$215,000	\$1,170,000	\$1,385,000	\$1,305,000	\$600,000	\$600,000	\$6,095,000
Impact Fees								\$586,493
Other Funds								\$5,508,507
OPEN SPACE								
Land Acquisition								
Taylor Bosque	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$5,250,000

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	2005	2006	2007	2008	2009	2010	2011	TOTAL
N Sand Dunes	\$500,000	\$500,000	\$500,000					\$1,500,000
N Geol Window	\$500,000	\$500,000	\$500,000	\$750,000	\$750,000	\$750,000		\$3,750,000
Tijeras Arroyo	\$150,000	\$150,000	\$150,000	\$500,000	\$500,000			\$1,450,000
Little Property		\$150,000	\$150,000					\$300,000
N Rio Puerco						\$500,000	\$500,000	\$1,000,000
Facilities								
Visitor Center	\$500,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,900,000
Access Control	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$700,000
Poblanos Fields	\$50,000		\$40,000		\$57,000		\$40,000	\$187,000
Candelaria Farm	\$30,000		\$30,000			\$50,000		\$110,000
Hubbell Farm	\$30,000	\$30,000	\$30,000			\$30,000		\$120,000
Shooting Range	\$30,000	\$37,000	\$30,000			\$37,000		\$134,000
Equestrian Complex	\$30,000	\$50,000				\$40,000		\$120,000
Petroglyph Trails	\$30,000	\$30,000				\$50,000	\$50,000	\$160,000
Bosque Trails	\$75,000	\$30,000	\$30,000					\$135,000
Parking-Atrisco Terr.		\$35,000	\$30,000			\$40,000		\$105,000
Parking-N Dunes				\$50,000		\$30,000		\$80,000
Manzano/Four Hills	\$62,000	\$75,000				\$30,000		\$167,000
Tijeras Arroyo			\$30,000	\$30,000	\$30,000			\$90,000
Calabacillas Arroyo			\$30,000	\$30,000	\$30,000			\$90,000
Tres Pistolas				\$30,000	\$30,000		\$30,000	\$90,000
Golden Park				\$30,000	\$30,000		\$40,000	\$100,000
San Antonio				\$30,000	\$30,000			\$60,000
Gutierrez Canyon				\$30,000	\$30,000		\$30,000	\$90,000
Juan Thomas				\$30,000	\$30,000		\$30,000	\$90,000
Carolino Canyon				\$30,000	\$30,000			\$60,000
Elena Gallenos			\$37,000	\$47,000		\$30,000	\$50,000	\$164,000
Montessa Park		\$50,000	\$50,000		\$40,000		\$67,000	\$207,000
Total Open Space	\$2,837,000	\$2,887,000	\$2,887,000	\$2,837,000	\$2,837,000	\$2,837,000	\$2,087,000	\$19,209,000
Impact Fees								\$19,209,000
Other Funds								\$0
GRAND TOTAL								
Improvements								\$69,293,000
Impact Fees								\$55,992,314
Other Funds								\$13,300,686