

Huge Increase To Park Impact Fees Considered

Fee Hike, On Agenda For Tonight's (June 19) City Council Meeting, Aimed At Developers

By Nick Diamantides, Senior Writer

Long Beach officials are contemplating an ordinance to raise the city's park impact fees by 57 percent. The city council is scheduled to vote on the matter tonight, June 19. If the council adopts the ordinance, this fee paid by developers (there are several others) will increase to \$4,221 for single-family residences, \$3,260 per unit for multifamily developments, \$2,397 for manufactured housing and \$1,630 for lofts and studio apartments.

Mike Murchison, of Murchison Consulting, which represents several large developers in the area, said he wanted to study the proposed fee increases before making a comment on them. "We're trying to be supportive of what Long Beach is trying to do, but developers have been hit with a lot of fees lately and that makes it more difficult for them to undertake their projects," he said. "However, we need to do due diligence before taking a position on this proposed increase."

Glen Golightly, spokesperson for The Boeing Realty Corp., echoed Murchison. "We have not actually sat down to analyze the fee increase," he said. "It's too early to comment on it."

Long Beach established its park impact fees in 1989. Revenue from the fees has allowed the city to expand local parks to serve the growing population in Long Beach. Between 1989 and September 30, 2006, the city collected more than \$12 million in fees, according to Phil Hester, director of the city's parks, recreation and marine department. "The fees have purchased 15.23 acres of new or expanded parks, built 3,825 square feet of community recreation center buildings, developed a one-third acre nature reserve, and provided the equivalent of one new soccer field through lighting night play," he wrote in a staff report.

Hester noted that while the fees have resulted in an increase in park land and facilities during the past 18 years, their purchasing power has eroded due to inflation. "The construction cost index has climbed more than 65 percent since the fee was established in 1989," he said. "The current fee is no longer adequate to develop new parks and recreational facilities equal to those enjoyed by

existing residents."

Before a new fee or fee increase is adopted, state law requires that cities conduct a nexus study that analyzes the relationship of the fee to the impact it is supposed to mitigate. MuniFinancial, a consulting firm based in Oakland, undertook the study for the city earlier this year. The study found that new residential developments increase population, which adversely impacts parks and recreational facilities through crowding and overuse. The impacts include:

- worn turf due to too many field sports games in the same location;
- the inability of residents to register for a class or sports facility because all available times are full; and
- the inability of residents to enjoy a sense of nature or open space because of crowded parks.

"To fully mitigate the impacts of residential growth, a fee must maintain the current level of service," the MuniFinancial study noted. "The fee is based on the existing ratios of parkland and facilities to the population."

Currently, Long Beach has 2.9 acres of park space per 1,000 residents. Calculating the cost of acquiring new land and developing parks, the study concluded that in order to maintain the current ratio of park space per 1,000 residents, park impact fees would have to be increased.

The study also concluded that while the proposed fee increase is substantial, it represents a very small portion of land acquisition and development costs. Thus, according to MuniFinancial, raising the park impact fees would not adversely affect new development in Long Beach.

Nancy Ahlswede, CEO of the Apartment Association, California Southern Cities, said the association has not taken a stand on this particular fee yet, but generally opposes laws that place unfair burdens on developers. "The increase of fees works against the people who are trying to develop the city," she said. "If we keep depleting the companies who come to town with business and development fees, eventually they will stop coming to town."

Ahlswede stressed that the association supports increasing park space in the city, but believes the cost of doing that should be borne by everyone in the community. "The city keeps hitting up developers for more and more," she said. "At some point, this has to stop."