

CHAPTER 4

IMPLEMENTATION PLAN

The City of Rio Vista Parks Master Plan presents a long range vision for development of a system of park and recreation facilities that will serve a buildout population of approximately 24,000. Implementation of this plan will require funding, design, and construction of individual projects within the framework of the City's Capital Improvement Program. This chapter outlines estimated costs, discusses funding sources, and discusses priorities for development of the park system.

ESTIMATED COSTS OF PARK SYSTEM DEVELOPMENT

Estimated costs for acquisition and development of the park system are presented in Table G.. The cost estimates which are stated in 2006 dollars. They include construction ("hard costs"), and design, inspection, construction administration, testing, surveying, and contingencies ("soft costs"). Projects that correct existing deficiencies are denoted with an asterisk on Table G. It is anticipated that construction costs will escalate by as much as 30% over the next five years due to the cost of fuel, and fuel dependent products. This escalation may create a shortfall between the impact fees for park development, and the increased cost of those projects over time.

The following cost assumptions were used to develop the estimates: Escalation must be factored in on an annual basis.

	<u>Construction</u>	<u>Soft Costs</u>	<u>Total</u>
• Community Parks	\$200,000/acre	\$50,000 (25%)	\$250,000/acre
• Neighborhood Parks and Greens	\$225,000/acre	\$56,250 (25%)	\$281,250/acre
• Sports Complex	\$390,000/acre	\$97,500 (25%)	\$487,500/acre
• Trails – Class 1 (12-foot wide asphalt path within a 25-foot wide landscaped corridor)*	\$450,000/mile	\$112,500 (25%)	\$562,500/mile
• Community/Senior/Teen Center	\$300/square foot (plus site development costs)	\$105/square foot (35%)	\$405/square foot (plus site costs)
• Swimming pool (indoor)	\$3,000,000	\$750,000 (25%)	\$3,750,000
• Land Acquisition	\$150,000/acre**		

* Class 2 and 3 bicycle facilities are public works improvements and are not included in the parks system costs.

** Land Acquisition is not included in the following cost estimate, because the developer is either dedicating the land or, in the case of the community parks, other than Del Rio Hills, the city owns the land.

Table H Estimated Costs for Park System Development (at Buildout)

<u>Diagram Key</u>	<u>Facility Name</u>	<u>Size</u>	<u>Total</u>
<u>COMMUNITY PARKS – EXISTING*</u>			
C1	Egbert Field*	5.0 acres	\$750,000*
Subtotal – Existing Community Parks			\$750,000*
<u>COMMUNITY PARKS – NEW</u>			
C1	Gibbs Ranch	16.7 acres	\$4,175,000
C2	Sports Complex	24 acres	\$11,700,000
C3	Del Rio Hills	10 acres	\$2,500,000
C4	Army Base Reuse Site	15 acres	\$3,750,000
Subtotal – New Community Parks			\$22,125,000
<u>NEIGHBORHOOD PARKS AND VILLAGE GREENS – EXISTING*</u>			
N1	Homecoming*	1.0 acres	NA
N2	Airport Runway BB Court*		0.6 acres NA
N3	Val de Flores*	3.2 acres	\$100,000*
N4	Fishing Pier Park*	0.4 acres	\$500,000*
N5	Crescent Park*	0.2 acres	\$100,000*
N6	Brunavista Park*	2.0 acres	\$200,000*
N7	Sierra Park*	0.1 acre	NA
N8	City Park*	1.4 acres	\$100,000*
N9	Drouin Park*	1.1 acres	\$100,000*
Subtotal – Existing Neighborhood Parks			\$1,100,000*
<u>NEIGHBORHOOD PARKS AND VILLAGE GREENS – NEW</u>			
Planning Area 3: Homecoming/Riverwalk		12.2 acres	\$3,452,600
Planning Area 4: Del Rio Hills – East		4.7 acres	\$1,330,100
Planning Area 5: Del Rio Hills – West		11.1 acres	\$3,141,300
Planning Area 6: Trilogy		NA	NA
Planning Area 7: Brann Ranch		7.1 acres	\$2,009,300
Planning Area 8: Gibbs Ranch		5 acres	\$1,406,250
Subtotal – New Neighborhood Parks			\$11,339,550
<u>TRAILS – NEW</u>			
Class 1 Trail Corridors		12 miles	\$6,750,000
Subtotal – New Trails			\$6,750,000
<u>SPECIAL FACILITIES – EXISTING*</u>			
SF 1	City Park Swimming Pool	NA	\$2,000,000
Subtotal – Existing Special Facilities			\$2,000,000*
<u>SPECIAL FACILITIES – NEW</u>			
SF 2	Community Center	5,000 square feet	\$2,675,000
SF 3	Community/Senior/Teen Center	25,000 square feet	\$12,125,000
SF 4	Aquatic Center	1 center	\$4,500,000
Subtotal – Special Facilities			\$19,300,000
<u>SUMMARY</u>			
Existing Facilities			\$1,850,000
New Facilities			\$59,514,550
Total System Costs			\$61,364,550

FINANCING

This section contains the City's policies for financing acquisition and development of park land and recreation facilities. These policies address the financing of parks, recreation facilities, and special facilities such as an aquatic center and a community center. The Master Plan establishes the relationship, or nexus, between new residents and the provision of new park and recreation improvements.

Major Conclusions

- The City's parks constitute a citywide system. Residents will travel within the City to use various parks and recreation facilities, especially community parks and special facilities. Neighborhood parks will be located within easy walking distance from the majority of residents living in the neighborhood that the park is intended to serve.
- This Master Plan includes acreage standards for neighborhood and community park acquisition and standards and guidelines for park development. The standards are expressed in terms of acres of parkland to serve the residential population.
- The Trilogy development, which is an active adult community, does not require traditional neighborhood park amenities and, hence, its population is not included in the neighborhood park standard. (Under the terms of its development agreement with the City, Trilogy is exempted from Neighborhood Parks improvement costs under the current Park and Recreation Facilities Fee. It is included in the standards for Community Parks and does contribute to the acquisition and improvement of Community Parks.)
- The City has an existing deficiency of 9.2 acres of community parks and a 2.9 acre deficiency in neighborhood parks. The neighborhood park deficiency is so small that there may be no practical way to provide for its remedy.
- State and federal grants, gifts, and bequests, and other external sources of funds will, to the maximum extent possible, be sought to remedy the park and recreation system and to finance special facilities.

Public Finance Considerations

Like most municipalities in California, the City of Rio Vista is under substantial fiscal pressure due to limits on property taxes (Proposition 13), cyclical swings in the State and local economies, state and federal cutbacks in local grant programs, and continuing pressures at the state level to reduce local revenues.

The ability of local governments in California to finance public improvements has been increasingly circumscribed over the last three decades. In June 1978, the voters of California amended the state constitution to limit the ability of local governments to impose property taxes. That amendment, commonly known as Proposition 13, added Article XIII A to the state constitution, which limits the maximum ad valorem tax on real property to one percent of the assessed value of that property. Proposition 13 also limited annual assessed value increases to 2 percent or the inflation rate, whichever is smaller, until a property is sold.

Since the passage of Proposition 13, more than a dozen other statewide propositions have been passed that restrict how local revenues can be raised or spent. While many measures were passed during the late 1980's and early 1990's, the measure that has had the most widespread impact since Proposition 13 was passed in 1996 as Proposition 218. This measure adds Articles XIII C and XIII D to the state constitution. Proposition 218 does the following:

- Limits authority of local governments to impose taxes and property-related assessments, fees and charges, requires that a majority of voters approve increases in general taxes and reiterates that two-thirds must approve a special tax;

- Requires that assessments, fees, and charges must be submitted to property owners for approval or rejection, after notice and public hearing;
- Limits the amount of an assessment on a property to the “special benefit” that is conferred on the property;
- Limits fees and charges to the cost of providing the service and establishes that such fees and charges may not be imposed for general governmental services that are generally available to the public.
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Development-Related Financing

In response to the new fiscal realities heralded by Proposition 13, local governments in California have increasingly turned to various forms of development-related financing to provide the public improvements required to serve new development. In return for the right to develop property, a developer provides land, improvements, and/or fees required to provide services to the new residents who will live in the new development.

While there are a number of different development-related financing techniques, development impact fees are a frequently used method. Section 66000 (et seq.) of the State of California Government Code establishes a demanding set of requirements for development impact fees. This section of the Government code (enacted as AB 1600) requires a local agency that establishes, increases, or imposes a development impact fee as a condition of development after 1 January 1989 to do the following:

- Identify the fee’s purpose.
- Identify the fee’s uses.
- Establish a reasonable relationship between the fee’s use and the type of development project on which the fee is imposed.
- Determine whether there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Current Funding Mechanisms

The City of Rio Vista has adopted fee requirements for parks and recreation improvements under its general authority over land use, codified by AB 1600. These fees apply to both subdivided and non-subdivided residential land, as well as to commercial and industrial development. The fees can be used for land acquisition and for improvements. All new development pays a development impact fee for development of parks and recreation facilities. The Park and Recreation Facilities Fee has three components: Neighborhood Parks, Community Parks and Trails.

Moneys from the Parks and Recreation Facilities Fee can only be used to fund the acquisition and development of parks and recreation improvements that are acquired or constructed to serve new development. Any new park or recreation improvements needed to serve existing residents (to satisfy the “existing deficiency”) must be funded from sources other than future development impact fees.

Rio Vista also has a Municipal Improvements development impact fee which is intended to provide for public buildings and long term capital equipment such as fire engines. In the study supporting the fee’s adoption in 2003, the identified list of facilities included a community center, recreation center, senior center and swimming pool (along with a police station, fire station, City Hall improvements, library, corporation yard and other public improvements and heavy equipment).

In addition, Rio Vista has adopted requirements on new residential subdivisions for the dedication of neighborhood park land. The requirement is that the new developments dedicate neighborhood parkland sufficient to meet the City's three neighborhood park acres per 1,000 population standard. These requirements are included in the Development Agreements entered into by the City and the residential developer. Not only does the City's parkland dedication requirement ensure that adequate and appropriate land is reserved for neighborhood parks to serve new development, but also it helps solve the cash flow problem often associated with development impact fees. The cash flow problem occurs because impact fees are received incrementally as development proceeds and must be accumulated until sufficient funds are in hand to purchase land or provide the park improvements. Thus, development impact fees can result in the public improvements lagging well behind the new residential development.

Development Impact Fee Update

Both the Park and Recreation Facilities Fee and the Municipal Improvement Fee will need to be updated after the adoption of the Parks Master Plan. The update of the impact fees will be based on the analysis of the costs of development of parks, the park standards and the park improvements and special facilities contained in the Master Plan.

The revenues projected to be generated by the current Park and Recreation Facilities Fee fall substantially short of the facilities acquisition and development costs presented in this plan. This is true for each of the components of the fee: neighborhood park improvements, community park land acquisition and improvement and trails. The projected shortfalls are due primarily to the substantially higher park development costs that are estimated in the Master Plan than those originally used when the fee was adopted in early 2003. The projected shortfall is greatest for neighborhood parks.

The Municipal Improvements Fee should also be updated in light of the far higher per square foot construction costs identified in this Master Plan for the Community/Senior/Teen Center than those used in preparing the current fee (\$370 per square foot including Soft Costs in contrast to \$150 per square foot).

The fee update should include an explicit identification of the public improvements to be funded by the fee along with their estimated costs. Along with satisfying the requirements for a legal fee as discussed earlier, this facilities list and cost data will provide the basis for considering when, where and for how much credits should be granted when a developer provides improvements or capacity beyond that required to serve the needs of his/her development project.

Such credits against future impact fee payments are typically requested to compensate a developer for making land dedications beyond those required to meet parkland acreage standards or to reimburse the developer for providing park improvements. In considering whether to grant such credits, the City should consider the potential impact of such credits on its ability to meet the long-term objectives of the Park Master Plan.

Credits should only be granted against the portion of the park facilities impact fee that covers the type of facility that is being dedicated (e.g. neighborhood park, community park or trail) and in total it should not exceed the cost of that type of facility as used in determining the park facilities impact fee. The park facilities impact fee update will be based upon an explicit estimate of the cost to acquire and develop all park and recreation facilities at the standards adopted in the Park Master Plan. Credits should be limited to the amount of the cost estimate that was used in

calculating the fee. To grant a larger credit would run the risk of undercutting the integrity of the fee and City's ability to provide adequate park and recreation facilities elsewhere in the city.

The fee update will ensure that future residents bear their fair share of the costs for the parks and recreation system.

Acquisition and Development of Special Facilities

Special facilities tend to be unique and are relatively expensive to develop. An indoor swimming facility and a new community/teen/senior center, which have been discussed in Rio Vista, are examples of special facilities.

Residents' Willingness to Pay for Parks and Recreation Facilities

In addition to federal and state grant programs, gifts and bequests, and public-private cooperative mechanisms, there are several ways to fund special facilities. Such mechanisms include special benefit assessments, General Obligation bonds, general taxes (such as utility taxes) and special taxes earmarked by the City Council for parks and recreation purposes. While requirements for voter approval vary among such mechanisms, strong resident support would be required for such new funding sources.

The Master Plan makes no recommendation about new citywide taxes or assessments for recreation facilities at this time.

Potential Funding Sources for Facilities to Serve Existing Development

This section describes the funding sources that could be used to cure existing deficiencies or finance the acquisition and development of special facilities to serve existing development in Rio Vista.

Use of Existing City Assets

The City currently has substantial landholdings that have potential for location of a community park or a special facility. If any of these lands are used for either a community park or a special facility then the land cost for the existing city's share could be set at zero since these lands have already been acquired and are owned by the City. The portion of the land that is associated with the share of the overall improvement that is to serve new development should be set at fair market value and included in the appropriate development impact fee. In abstract terms, this could be considered a sale of assets by current to future city residents. Another way to express it is that it is a reasonable way to establish new development's fair share of the land costs.

Federal and State Grants

Given the difficulties in locally financing costly public improvements that were discussed earlier, a preferred approach where feasible is to use external grant funding. State and Federal grants have historically provided important sources of funding for park and recreation improvements. However, under current economic conditions, they cannot be relied upon for substantial on-going resources. The priority use for Federal and State grants would be (1) the remediation of any deficiencies that presently exist, and (2) special facilities and other park and recreation improvements that are not to be provided through development exactions or other requirements imposed as conditions of development.

General Revenues

General revenues are revenues that the city receives that may be used for any valid municipal purpose. General revenues flow into the General Fund. The General Fund covers the cost of most on-going municipal services such as police and fire services and general governmental services. The largest municipal general revenue sources are sales taxes and property taxes. Budget surpluses and reserves, if available, could provide some funds for park improvements.

Without substantial new general revenues, relatively few California municipalities are in a position to make substantial on-going commitments to pay for major capital improvements from the General Fund. However, with majority voter approval, municipalities can increase or impose certain new general taxes.

General Obligation Bonds (GO bonds).

General Obligation (GO) bonds may be issued by cities, counties and certain other local government entities to finance specific projects. Debt service for GO bonds is provided by an earmarked property tax above the one percent general property tax mandated by Proposition 13 (often called a “property tax override”). These overrides typically show up on the annual tax bill as “voted indebtedness”. The proceeds from GO bonds can be used to finance the acquisition, construction and improvement of real property, but cannot be used to pay for equipment, supplies, operations or maintenance costs. GO bonds require a 2/3 majority vote by registered voters.

Gifts and Bequests

Contributions from private individuals and businesses are an attractive source of financing. They are normally accompanied by some gesture of recognition to the donor. Although fundraising through donations is unpredictable, it can provide a useful supplement to other sources of finance.

Special Benefit Assessment

Special Benefit assessments can be levied on real property by municipalities, counties and special districts to acquire, construct, operate and maintain public improvements which convey an identifiable special benefit to the defined properties. Prior to issuing bonds, the City Council would conduct a set of proceedings to establish the scope and cost of the improvements to be financed, identify the land parcels that are benefited, determine a fair and equitable allocation of the costs to the benefited parcels, and conduct a landowner approval process.

Proposition 218 establishes a strict requirement for formal landowner approval before such assessments can be put in place. Each landowner votes in proportion to the amount of any assessment that would be levied on his or her property. The assessment must be approved by a simple majority of the weighted ballots cast. Under Proposition 218, public properties are treated the same as private properties in a benefit assessment.

Landscaping and Lighting Maintenance Districts

The Landscaping and Lighting Act of 1972 (and amended in 1984) provides for local governments (cities, counties and certain special districts) to raise funds for developing, maintaining and servicing public landscaping and lighting facilities. Public landscaping and lighting can include parks, recreation and open space acquisition and improvement, landscaping, street lighting, sidewalks, curbs and gutters. The revenue to pay for these facilities comes from special assessments levied against the benefited properties. The establishment of the assessment is subject to the requirements of Proposition 218, and the assessment is collected as a separate item on the annual property tax bill.

Special Tax/Community Facilities District

While some municipal general taxes can be imposed or increased with majority voter approval, it is prudent to assume that Rio Vista, like most California cities, will continue to provided other non-General Fund sources for the future expansion of parks operating and maintenance expenditures. The Mello-Roos Community Facilities Act permits various local governments to establish a Community Facilities District (CFD) to finance new facilities and/or to pay for operations and maintenance through the levying of a special tax. The Act (as well as Proposition 218 discussed earlier) requires a two-thirds vote for approving the special tax.

Redevelopment Tax Increment

A California city or county can establish a redevelopment agency to undertake the revitalization of an area that it finds to be "blighted". The redevelopment agency can incur indebtedness to finance improvements needed to accomplish the goals of its redevelopment plan. The property tax base in the redevelopment area is "frozen", and increments in property taxes after the tax base is frozen go into the redevelopment fund to be used for the financing of improvements. Voter approval is not required for tax increment financing. Such financing can be used only for improvements to support the needs of redevelopment. Rio Vista currently has a redevelopment project area. The redevelopment project area includes the downtown area, the business park and the waterfront among other areas. Park improvements that are consistent with and advance the redevelopment goals, plans and priorities for these areas might be candidates for future RDA support.

Business Improvement Districts

There are two types of Business Improvement Districts authorized under California law. Each is authorized under a separate law.

Under the Parking and Business Improvement Law of 1989, a BID can be established and business owners can be assessed to pay for a limited range of improvements and services. These eligible improvements and services include parking facilities, parks, benches, fountains, street lighting, promotion of public events, promotion of tourism, and music in public places.

Under the Property and Business Improvement District Law of 1994, a BID can be created and a special benefit assessment can be levied against real property to finance a variety of downtown improvements. Districts created under this law are often referred to as "property-based business improvement districts" (or PBIDs).

Since neither type of district is authorized to issue bonds, BIDs are more appropriately used to pay for on-going services than for large capital improvements. BIDs established under the 1989 law must be reestablished annually while PBIDs can be established for up to five years. Hence, they are not, in general, appropriate for financing large, long-term improvements.

OPERATION AND MAINTENANCE

Historically, Rio Vista's General Fund has provided the primary support for the operation and maintenance of the City's parks and recreation facilities. The General Fund will continue to provide some support for operations and maintenance but supplementation from other sources will be required over time. However, support for the operation and maintenance of park improvements to support new development must be provided for from new sources. The

City has established a policy that such new sources be established as part of the conditions of approval on new development.

Landscaping and Lighting Maintenance Districts discussed earlier are one appropriate mechanism to provide on-going support for park, recreation and open space operations and maintenance. An LLMD is particularly well suited to provide for the maintenance associated with new park or open space lands that are acquired as part of a major development project.

As the City's population grows the demand for new and expanded recreation programs will also grow. As this happens, the City should establish a policy regarding program and user fees and what proportion of the O & M costs such fees should cover. While some cities have established targets of 100 percent recovery, many others have established lower goals.