

City of Fayetteville Staff Review Form

City Council Agenda Items
and
Contracts, Leases or Agreements

9/4/2012

City Council Meeting Date
Agenda Items Only

Alison Jumper
Submitted By

Park Planning
Division

Parks and Recreation
Department

Action Required:

Approval of an ordinance amending Chapter 166.04 (I)(ii)(g) Fee-in-lieu formulas.

Cost of this request	\$ -	Category / Project Budget	Program Category / Project Name
Account Number	\$ -	Funds Used to Date	Program / Project Category Name
Project Number	\$ -	Remaining Balance	Fund Name

Budgeted Item

Budget Adjustment Attached

Connie Edmonston
Department Director
8-15-12
Date

Previous Ordinance or Resolution # _____

Joe Skelley
City Attorney
8-19-12
Date

Original Contract Date: _____

Original Contract Number: _____

Paul a. Bueh
Finance and Internal Services Director
8-15-2012
Date

08-14-12 P01:49 RCVD
Received in City
Clerk's Office
Kim J.

Don Man
Chief of Staff
8-15-12
Date

Received in
Mayor's Office
ENTERED
8/14/12
JA

David Jordan
Mayor
8/15/12
Date

Comments:



THE CITY OF FAYETTEVILLE, ARKANSAS
DEPARTMENT CORRESPONDENCE

www.accessfayetteville.org

CITY COUNCIL AGENDA MEMO

To: Mayor Lioneld Jordan, City Council

Thru: Don Marr, Chief of Staff
Connie Edmonston, Parks and Recreation Director *C.E.*

From: Alison Jumper, Park Planning Superintendent *aj*

Date: August 13, 2012

Subject: Park Land Dedication Ordinance Update

PROPOSAL:

Chapter 166.04 (l)(ii)(g) of the Unified Development Code (UDC) requires the Parks Department to review the park land dedication contribution formula every two years and make recommendations to the City Council. The last major change to the formula occurred in 2006 when the cost per acre of land was increased from \$23,125 to \$40,000 per acre.

Housing Type	Persons/unit	Current Park Land Dedication Formula Updated 2006		Cost/acre	Fee in lieu/unit
		Acres/1,000 Pop.	Acres/unit		
Single Family	2.39	10	.024	\$40,000	\$960
Multi-Family	1.7	10	.017	\$40,000	\$680

In February, Park Staff analyzed data received from the Washington County Assessor's office and Northwest Arkansas Regional Planning Commission and recommended the following updates to Parks and Recreation Advisory Board (PRAB),

- 1) Update the cost per acre of land from \$40,000 to \$42,800.
- 2) Update the persons per unit to 2.3 for single family units and 1.4 for multi-family units.

PRAB forwarded their recommendation of approval of the above changes to the Planning Commission. Planning Commission also recommended approving the changes to the City Council (7-1-0). However, questions were raised at the Planning Commission meeting that warranted further research. Chief of Staff and Park Staff met with the County Assessor, discussed options for determining the most accurate cost of land per acre and ultimately decided for the Assessor to directly submit his calculation since he is more familiar with determining land values than Park Staff. The Assessor's official value was \$37,481/ acre of non-subdivided land. Since the cost was so close to the current fee of \$40,000/acre, staff reconsidered updating the formula at this point and reviewed the findings with PRAB again in June. Additionally, Kit Williams recommended in his memo dated July 31 (see attached) for the persons per unit to be updated to accurately affect the current population distribution between single and multi-family housing units.

RECOMMENDATION:

Staff recommends keeping the cost per acre at \$40,000 and updating the persons per unit figure as provided by Northwest Arkansas Planning Commission from 2.39 for Single Family and 1.7 for Multi-family to 2.32 for Single Family and 1.39 for Multi-family. See current and proposed charts below.

Proposed Park Land Dedication Formula

Housing Type	Persons/unit	Acres/1,000 Pop.	Acres/unit	Cost/acre	Fee in lieu/unit
Single Family	2.32	10	.023	\$40,000	\$920
Multi-Family	1.39	10	.014	\$40,000	\$560

This would decrease the single family cost by \$40 per unit and the multi-family cost by \$120. Park Staff will review the cost of land again next year as the Parks and Recreation Advisory Board recommended.

BUDGET IMPACT:

This will decrease the per unit requirements of the Park Land Dedication Fund for both the fee-in-lieu and the acres of land. The exact impact can not be determined since it is unknown when the developments are coming into the system.

Attachments:

- Staff Review Form
- Memo from Kit Williams 7-31-12

ORDINANCE NO. _____

AN ORDINANCE AMENDING SUBSECTION 166.04(l)(ii)(g) OF CHAPTER 166 DEVELOPMENT OF THE UNIFIED DEVELOPMENT CODE TO CHANGE THE FEE-IN-LIEU FORMULAS RELATED TO PARKLAND DEDICATIONS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That the City Council of the City of Fayetteville, Arkansas hereby amends Subsection 166.04(l)(ii)(g) of Chapter 166 Development of the Unified Development Code so that, after amendment, the subsection shall read as follows:

“g. *Fee-in-lieu formulas.* A contribution in lieu of land dedication shall be made according to the following formula:

\$920.00 for each single-family unit

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

The Parks Department shall review the contribution formula every two (2) years and make recommendations to the City Council following such review.”

PASSED and APPROVED this 4th day of September, 2012.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

TO: Mayor Jordan
City Council
Don Marr, Chief of Staff
Connie Edmonston, Parks & Recreation Director
Alison Jumper, Park Planning Superintendent

Kit Williams
City Attorney
Jason B. Kelley
Assistant City Attorney

FROM: Kit Williams, City Attorney



DATE: July 31, 2012

RE: Parkland Dedication Ordinance

Our Parkland Dedication Ordinance is an impact fee ordinance that was specifically grandfathered in the Impact Fee Statute. We need to ensure it remains consistent with the statutory and constitutional requirements for such impact fees. The most important of these factors is that it does not charge more than what the City Council long ago decided was a fair and reasonable amount needed to offset new residential demands for parkland.

The City can safely undercharge for the Parkland Dedication, but it cannot overcharge without risking the impact fee becoming a tax which cannot be imposed by the City Council, but must be approved by a public vote. *Harris v. Little Rock*, 344 Ark. 95, 40 S.W. 3d 214, 221 (2001).

It is clear from Alison Jumper's excellent memo that all of our analysis shows that the multifamily rate is currently higher than it should be. Using the City's original analysis of raw land values, the apartment rate is \$81 too high (12% too much). Using the County Assessor's analysis of land values of \$37,481 per acre, the apartment rate would be \$525. This is \$155 per unit too high (23% too much). I do not believe this is legally acceptable.

If the City is unsure whether to use its increased figure for land values (\$42,800) or the County Assessor's valuation (\$37,481), it is probably okay to keep the \$40,000 land value figure (which basically splits the difference between these two figures) and review it next year as the Parks and Recreation Advisory Board recommended.

However, unless we doubt the per person rate for single family homes and apartments supplied by the Northwest Arkansas Regional Planning Commission, these new persons per unit rates should be applied which will result in slightly smaller money in lieu of parkland dedication rates: \$920 per unit for single family housing and \$560 per unit for multifamily housing.

I recommend these figures be used to ensure the City of Fayetteville does not charge more than is fair, reasonable and legally supportable in Court.