

Folsom park fee hike disturbs developers

THEY OBJECT TO ITS SIZE AND SHORT NOTICE

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The Folsom City Council tabled a proposal late Tuesday to increase park fees on new construction by 170 percent after getting an earful from developers about the amount and lack of notification.

Under the proposal, the fee on a single-family home would jump from \$2,910 to \$7,874 to pay for city parks. Similar increases are proposed for multifamily housing and commercial projects. City staff said the increases

are needed because the council avoided adjusting for inflation during the recession and because the fees are significantly lower than those in other cities in the region. A consultant study found that Folsom's park fee is the lowest of eight cities, with Elk Grove charging the most in the Laguna Ridge community at \$16,059.

The fees are one of several that homebuilders pay - and pass onto consumers - to offset the cost of government services in Folsom and other cities. Those fees add up to about \$70,000 per house in Folsom, developers said.

The increased parks fees are expected to raise \$21.6 million for new and im-

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proved parks in Folsom as part of a \$36 million parks master plan unanimously approved by the council Tuesday. The fees would apply to development in the existing city north of Highway 50 and pay for parks in that part of the city.

A separate parks fee would apply to the annexed area south of Highway 50.

Developers conceded the fees need to go up, but they disagreed with the proposed amount. The City Council is scheduled to reconsider the fee hike on March 24.

"It's abnormal to have them jump up this much," said Scott Whyte of the North State Building Industry Association, who suggested an increase of no more than \$2,000 per single-family home.

While the recession is over, the housing market has not returned to its pre-recessionary levels, developers said.

"This could throw a wet blanket on an already fragile housing economy," said Rusty Ameter of D.R. Horton Homes.

Milo Terzich of USA Properties said his company doesn't build in other area cities because of expensive fees. He said the proposal threatens a senior citizen apartment complex his company plans to build because it would add \$1 million to the cost.

"It's a big bite to take with very little time to chew it," he said.

Terzich and other developers complained that they only learned of the proposal in recent days, not giving them time to thoroughly examine the methodology behind it. Under state law, cities must commission a study showing

how development creates a need for service and the cost of it. Council members deferred voting on approval of the study, which sets the fee rates.

City staff said work on the parks master plan and fee proposal was only recently completed, and council members also didn't receive the information until last week.

Although council members expressed frustration with staff about the lack of community outreach, they all said they were going to increase the fees at least some amount.

"This is the day of reckoning," said Councilman Ernie Sheldon, referring to developers avoiding past increases in recent years. "I don't expect you to like it."

The council directed staff to hold a meeting with developers to discuss their complaints. Mayor Andy Morin cautioned developers not to

expect too much of a reduction in the proposal because he doesn't want community expectations of the park system to decline.

Councilman Jeff Starsky directed staff to return with the amount of all housing fees in each city in the region, in particular Roseville, because it is Folsom's biggest "competitor" for attracting residents and tax dollars.

According to the parks master plan, the city can obtain about \$4 million from other fund sources, which, along with the park fee revenue, would leave the city about \$10 million short of the \$36 million needed to make improvements to 11 parks and build 12 parks. Most of the money, almost \$23 million, would go to new parks.

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