

Sunnyvale's park dedication fees are set to rise starting in July

The park dedication standard the city uses to maintain a balance between park space and development land will gradually increase to 5 acres per 1,000 residents by July 2014, tacking on higher fees to land developers and possibly potential home buyers.

The city of Sunnyvale has a ratio of 5.19 acres of parkland per 1,000 in population, but the rate for parkland fees charged to developers is currently set at 2.25 acres per 1,000 residents and is due to increase to 3 acres in July. Moreover, hoping to catch up on lost revenue in the past few years, the city council voted 4-3 on April 26 to gradually increase the standard from 3 acres in July 2011 to 5 acres in July 2014.

"What the city really has is 5 and what that means is that we've been grossly undercharging for years and that might be one of the reasons why we don't have enough parks," Councilman Christopher Moylan said. "So we need to fix that problem and we need to fix it in such a way that it doesn't break anyone's back, but we're making up for lost time."

The purpose of the fee is to ensure that new development contributes "its fair share" to park development in the city and that the current standard of parkland per population does not decrease as new developments occur.

The fees can be used only for developing new or rehabilitating existing neighborhood or community parks or recreational facilities, expanding recreational opportunities and open space, and developing new parks to keep pace with population growth.

Developers currently contribute around \$20,000 per unit for a new, medium- to high-density residential development. In two years that amount will nearly double to \$40,000. Fees also fluctuate with changes in estimated land values, which are expected to decrease in the upcoming year.

Craig Champion, land acquisition manager for Toll Brothers, feared that higher park dedication fees would be overwhelming for developers already struggling in this economy.

"I certainly recognize the city's needs to meet its park requirement to fulfill the needs of the city; that's really not the issue. It's really the implementation of it," Champion said. "At that same time there's an increase in park dedication fees going on, we're trying to raise ourselves off the floor after being hit by a haymaker with this economy."

"We're still dealing with 10 percent unemployment, there's still a large number of foreclosures going on in the valley...the economy that we're dealing in right now is still very fragile, yet at the same time we're looking at fee increases that the only way I could describe it is breathtaking."

Representatives from the building industry, home loan companies and realty associations also shared concerns over increased rates.

"Our job is to finance homes so that we can help people buy homes so they can become your citizens," said Jonel Jackson of MetLife Home Loans. "Anything that affects the affordability of homes, whether fees or land dedication, that's a problem for me because I see people every day trying to buy homes and everything that stands in their way is hurtful."

Mayor Melinda Hamilton, however, shared Moylan's sentiments in that Sunnyvale needs the revenue.

"This is something that's way past due," Hamilton said. "We're playing catch-up here. I just see it as there's going to be more and more projects being built; the recovery is already here. If we don't implement this now, by 2016 we won't have any money to buy parkland."

By increasing the rate to 5 acres per 1,000 in population, Sunnyvale will be on par with neighboring cities Palo Alto and Menlo Park. As of January, Cupertino and Mountain View were at 3 acres and Santa Clara at 2.5 acres.