

# MEMORANDUM FOR AGENDA ITEMS

<b>TO:</b>	Parks and Recreation Board
<b>FROM:</b>	Chris Strohler, Long-Range Planner
<b>DATE:</b>	November 13, 2023
<b>SUBJECT:</b>	Fees in lieu of Land Dedication – 2024 Fee Increase
<b>COPY TO:</b>	T. Petrucci; H. Bender; L. Matula; G. Adams

• **Background Information:**

Chapter 312 Article VI of the Township’s Subdivision and Land Development Ordinance (SALDO) requires the consideration of open space and community facility needs in conjunction with the approval of subdivision and land development plans. Specifically, § 312-36(d)(4) states *Developers shall dedicate land or fees to the Township for parks, recreation, and open space, and/or pay fees or provide facilities in lieu thereof...*

Fees in lieu of land dedication are assessed separately for residential land developments and nonresidential land developments. § 312-36(d)(4)(G) states the following:

***Fees for residential subdivision or land development.** The amount of fees to be paid in lieu of open space land dedication in residential portions of subdivisions or land developments shall be a fee per dwelling unit (as listed in the Township Fee Schedule, as amended), based upon the maximum number of new dwelling units that would be permitted to be constructed on the lots of the subdivision or land development after the final plan is approved.*

***Fees for Nonresidential subdivisions or developments.** The amount of fees to be paid in lieu of open space land dedication in nonresidential portions of subdivisions or land developments shall be a fee per square foot (as listed in the Township Fee Schedule, as amended) of additional proposed impervious coverage (post-development impervious surface minus predevelopment impervious surface) as depicted on the final plan in lieu of the requirement for public dedication of land. Impervious coverage includes buildings, parking lots and any other man-made impervious surface. Only a net increase in impervious coverage will result in a fee to be charged.*

The fee currently assessed for residential developments in the Township Fee Schedule is **\$2,500.00 per dwelling unit** and **\$0.25 per square foot of additional impervious surface** for nonresidential development.

The recently adopted 2023 South Whitehall Township Comprehensive Parks & Recreation Plan identifies the methods, resources, organizational capacity, and capital investments needed to accomplish both short-term and long-term park and recreational goals for the community. Recommendation F.2 of the recently adopted plan suggests the Township increase the Township Recreation Impact Fees (Fees in lieu of land dedication) in order to more accurately reflect the

increased cost of land in the Township and surrounding area. Chapter 6 of the plan outlines the proportionality of land costs and fees in more detail.

Staff is bringing this to the attention of the South Whitehall Township Parks and Recreation Board for their consideration and discussion of whether to recommend to the Township Board of Commissioners an increase in fees for residential and nonresidential land developments to be reflected in the 2024 fee schedule.

- **Action Requested:**

Discussion and potential recommendation to the Board of Commissioners whether to increase the Fees in lieu of land dedication for the 2024 Fee Schedule and to what amount.

- **Attachments:**

2023 Comprehensive Parks & Recreation Plan: Chapter 6 – Programming and Financing  
2023 Township Fee Schedule – Schedule “D” Subdivision or Land Development Fees

# Chapter 6 - Programming and Financing

## *Programming*

South Whitehall Township offers a wide range of programming for all age groups and interests. Some of the activities that the Township hosts include:

- Movies in the Park
- Concerts in the Park
- Youth Athletic classes and camps
- Youth Association leagues (Township provides fields/courts)
- Youth Summer Camp programming
- Nature-based programming (all ages)
- Fitness programming (all ages)
- Senior Groups (senior activity programming)

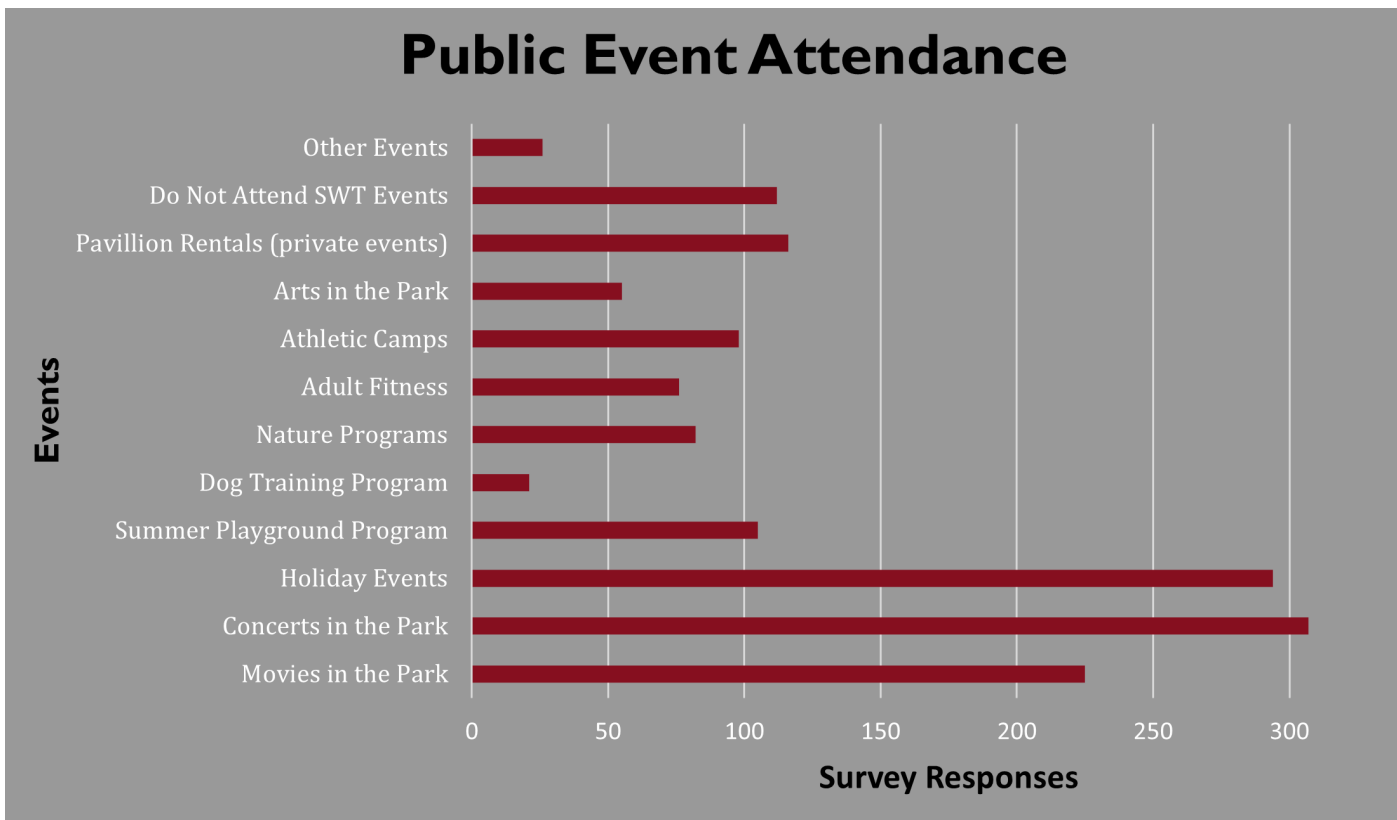
While many of these programs are solely funded and organized by the Township, others, such as the summer camp program, have fostered an opportunity for collaboration with other municipalities. Fitness, nature-based, and educational programs allow for potential collaboration with other local organizations. Partnerships and cooperative programs are excellent ways to save costs and time while offering a wide range of programming opportunities.

Program offerings greatly increase the number of interactions made between residents and visitors with the park system. The more programming offered at a particular park typically increases the number of interactions or “contacts” that park has each year. According to the National Recreation and Park Association (NRPA), the typical park and recreation agency registers approximately 341,000 “contacts” each year, with over 20,000 of those strictly from programming. As programming increases, considerations should be made to plan for the increase in user contacts.



# Chapter 6 - Programming and Financing

South Whitehall offers on average between 20 and 25 fee-based recreation programs annually. This total accounts for some programs (such as yoga classes) that are offered multiple times per year. According to the public survey from 2022, the most popular Township events are Concerts in the Park, followed by Holiday Events and Movies in the Park. NRPA has found that the typical park and recreation agency serving a population of 20,000 people or less holds an average of 30 fee-based recreation programs per year. The Township Parks & Recreation Department periodically adjusts its program offerings depending on how successful they are, but we would recommend tracking program satisfaction through surveys and/or attendance counts. When asked what additional programs residents would like to see offered, the highest number of responses were centered around outdoor and/or environmental programs. Continued periodic surveys can help ensure that program offerings are relevant and of interest to current demographics in the Township and meet the needs of the community.



## ***Township-PSD Relationship***

Parkland School District (PSD) is a well-established school district with many recreational facilities. An agreement was originally implemented back in October 1969 between the Township and the School District to share the recreational facilities, but the agreement requires updating. The study committee expressed interest in rekindling this relationship in hopes of obtaining greater access and transparency to outdoor and indoor facilities.

The Township does coordinate some of its programming with the school district; however, the main challenge that the Township and the School District face is the lack of available indoor facilities. Most of the facilities are booked six days a week by youth associates during the winter months.



## ***Financing***

It is critical to provide financial information in tandem with proposed recommendations. Without this information, a municipality would not be able to adequately prepare for any proposed program or facility that is being recommended in this study, let alone any municipal study. Financing for parks and recreation involves sourcing funds from Township annual budget/allocation, grants, rental and participant registration fees, donations, and recreation impact fees.

### **Donations**

Collaborations with other municipalities, the Chamber of Commerce, and other private or non-profit organizations can result in shared costs which will lower the Townships' financial obligation for some programming and events. Sponsorships should be considered where possible to help defray costs, such as requesting a dog walk event or dog park construction be sponsored by Nestlé Purina.

### **Grants**

State and Federal funding provide opportunities to facilitate planning, design and construction of trails and park and recreational facilities. As the competition for grant funding increases, municipalities need to be creative in developing projects which address multiple needs, including ADA/universal access, community needs, green stormwater infrastructure, and sustainability. Township capital funds offer a cash match which many grant programs require. Unfortunately, grants are typically not available for maintenance. Grant programs through the Pennsylvania Department of Conservation and Natural Resources (PA DCNR) and Pennsylvania Department of Community and Economic Development (PA DCED) are most commonly used to offset park planning, land acquisition, design, and construction costs.

### **Fees**

Charging rental use and participation fees can offset costs for maintenance of existing facilities and cover programming and staff costs. Fees shall be reviewed each year and adjusted to cover operating costs. Pavilion rentals shall include staff cost for trash cleanup, restroom cleaning, electricity, and other staffing needs. Often these rentals are on weekends, which require overtime costs for staff which should be factored into the fee cost. Participant fees for programs should be charged where feasible and include staff cost, facility use fees, materials, and utility costs.





# Chapter 6 - Programming and Financing

## *Annual Budget*

The Township passes an annual budget each year that outlines all funds to support Township operations and needs. The main funds to support parks and recreation are the General Fund, Capital Fund, and Open Space Fund (generated from Recreation Impact Fees). The General Fund supports all staffing expenses including park and recreation management, programming, and maintenance. Monies from the Capital Fund and Open Space Fund are used towards capital improvements and the purchase of new land or equipment. The main sources of revenue for the General Fund are taxes and fees.

High-quality parks and recreation offerings directly impact resident quality of life and nearby real estate values. The Township continues to maintain parks and recreation at a high level, while still being a good steward of Township funds. However, as inflation and annual costs continue to increase, the Township should also consider increases to the budget to continue the current level of service and quality.



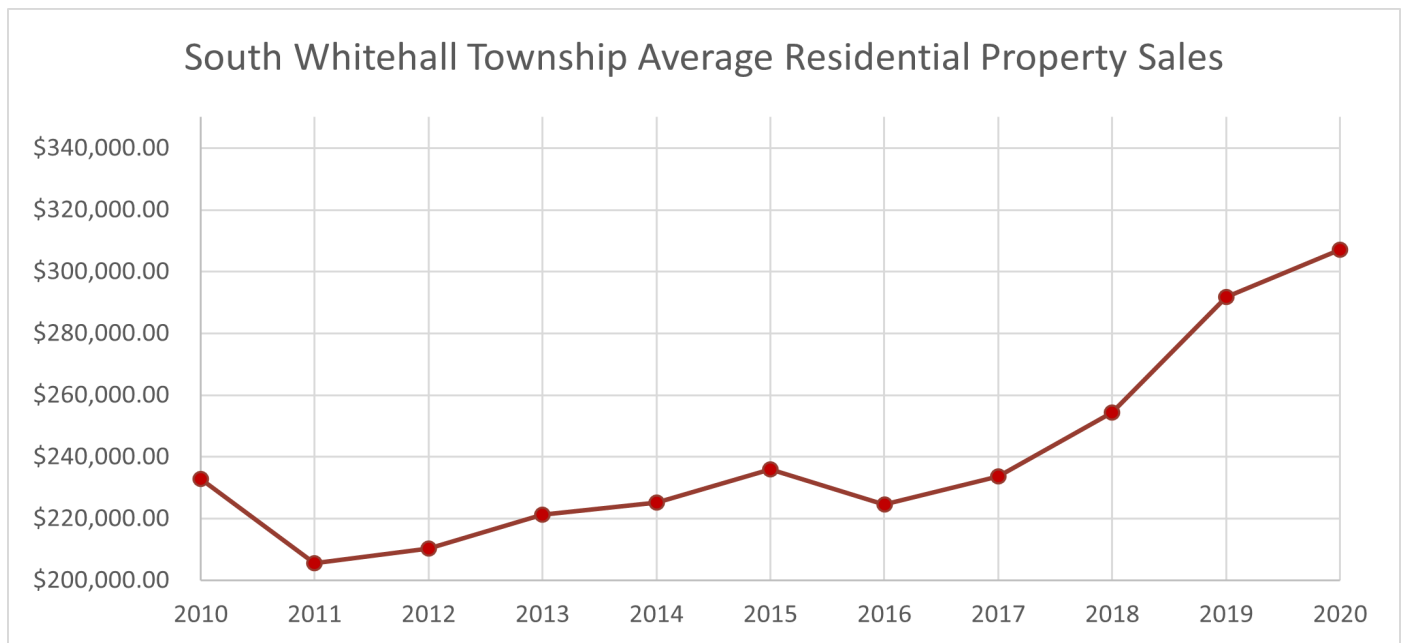


## Recreation Impact Fees

The Pennsylvania Municipalities Planning Code (MPC) allows municipalities the option to require the public dedication of land or construction of facilities for parks, recreation, and/or open space during the land development process. In lieu of dedicating land or facilities, the developer may instead pay a recreation impact fee to the municipality to support the municipal management/improvement of these facilities or acquisition of future parkland.

The quantity and quality of parks and open space can directly impact real estate values and quality of living for residents. Therefore, as a community grows, the expectation is that new developments will contribute their proportional fair share to help maintain the same standard of recreational opportunities and quality of life.

South Whitehall Township currently charges a fee of \$2,500.00 per dwelling unit in lieu of land dedication for all new residential developments. The fee for non-residential development is \$0.25 per square foot of new impervious surface constructed as part of that development. These fees were derived from the 2009 Joint Comprehensive Parks, Recreation, and Open Space Plan for North Whitehall and South Whitehall Townships. Since 2009, South Whitehall has seen a steady amount of both residential and non-residential development, although residential development has occurred in more mixed housing types rather than single-family homes. The most significant change however has been the drastic increase in real estate values as shown in the graph below:



The MPC indicates that the amount of fees charged shall bear a reasonable relationship to the use of the park and recreational facilities by future inhabitants of the development or subdivision. This plan recognizes the high value of recreational opportunities offered to residents of South Whitehall and recommends continuing, at minimum, that same level of service. Therefore, to keep up with growing demand for recreational needs and increasing land values, this plan recommends South Whitehall Township consider increasing its recreation impact fee to a more appropriate level.

Research was conducted to determine the current recreation and open space fees charged for new development in neighboring municipalities. The chart on the next page shows the 2023 fees for neighboring municipalities and other Townships of similar sizes in Lehigh County.

# Chapter 6 - Programming and Financing

## 2023 Recreation Impact Fees

Municipality	Size (Acres)	Population	Households (Dwelling Units)	Parkland (Acres)	2023 Open Space Fee
South Whitehall Township	11,040	21,080	8,139	225.44	Residential: \$2,500 per unit  Non-Residential: \$0.25 sf new impervious surface
City of Allentown	11,520	125,845	47,204	1,433	N/A
Lower Macungie Township	14,374	32,426	12,367	869	\$3,800
North Whitehall Township	18,272	15,655	6,017	123	\$2,500
Salisbury Township	7,213	13,621	5,041	1342	\$2,000
Upper Macungie Township	16,806	26,377	9,313	475	Residential: \$3,500 per unit  Non-Residential: \$3,500 base fee +\$0.20 sf (<100K sf) +\$0.10 sf (100K-500k sf) +\$0.05 sf (>500K sf)
Upper Milford Township	11,526	7,777	2,862	398	\$3,150
Upper Saucon Township	15,750	16,973	5,908	120	\$5,000
Whitehall Township	8,230	29,173	11,813	202	\$3,060

As indicated in the chart, South Whitehall Township is on the lower end of fees charged compared to other municipalities in the area, yet South Whitehall experiences a tremendous amount of development pressure compared to some of these municipalities.

The National Recreation and Park Association (NRPA) provides guidance and technical assistance to park and recreation organizations across the country. NRPA surveys hundreds of organizations across the United States and has found that on average the typical park and recreation agency offers one park for every 2,287 residents served, with 10.8 acres of parkland per 1,000 residents. Using this metric as a baseline, the argument could be made that South Whitehall maintains an adequate amount of parkland for the current population, however NRPA emphasizes that every community and park agency is different and should be assessed on a more specific basis to determine if the community recreation needs are being met by the public recreation resources.



Considering the development potential in South Whitehall, park acreage should increase proportionally to population increases from new developments. Additionally, the Lehigh Valley Planning Commission projects steady growth over the next ten years, potentially increasing the population of South Whitehall by approximately 29%. Growth at this scale should be anticipated when considering recreation space and facilities.

For the purpose of this plan, the current acreage of parkland and open space managed by South Whitehall Township (225.44 acres) will be used as a conservative estimate to calculate the amount of parks/open space land needed per resident. If the current park acreage is adequate for the Township’s current population, the following calculation provides an estimate as to the recommended acres of parks/open space that should be required per dwelling unit:

$$\frac{\text{Current Park Acreage (225.44)}}{\text{Current Population (21,080)}} = \text{Acres Per Person (0.01069)}$$

$$\text{Acres Per Person (0.01069)} \times \text{Average Household Size (2.49)} = \text{Acres Per Dwelling Unit (0.026)}$$

Using this calculation, new residential land developments should on average set aside 0.026 acres of recreation or open space land per dwelling unit in South Whitehall Township to keep up with the current standard.

To calculate the fee required in lieu of dedicating land or providing recreational facilities, the project team examined residential sales between the time since the current fee was enacted and now. Utilizing Lehigh County Tax Assessment Records, staff extrapolated approximately 2,600 residential property sales between 2010 and 2020. This data was scrubbed to filter out what would be considered non-arm’s length transactions (sales between family members, or sales that did not occur on the open market). The sum of residential sales during this ten-year period totaled \$685,484,437.00.

In order to understand the land value of these property sales, the team calculated the Land Value Ratio (LVR) for each property using the formula below:

$$\frac{\text{Total Land Assessment}}{\text{Total Property Assessment (including buildings/structures)}} = \text{Land Value Ratio (LVR)}$$

The Land Value Ratio provides a better indication of how just the raw land is valued compared to the entire property, excluding buildings and infrastructure.

*Example: Parcel "A" (3.85 acres, 3,421 sf building)*

$$\frac{\text{Total Land Assessment (\$110,400)}}{\text{Total Property Assessment (\$418,400)}} = \text{Land Value Ratio (0.26)}$$

# Chapter 6 - Programming and Financing

The project team then applied each unique LVR to the property records to estimate the Land Cost for each transaction. For example, a property sale of \$360,000 with an LVR of 0.26, would mean the estimated value of the undeveloped land in this transaction is \$93,600.

Once the raw Land Cost was determined for each transaction, it was then divided by the acreage of the property to determine an estimated Price Per Acre:

*Example: Parcel "A" (3.85 acres, 3,421 sf building)*

$$\frac{\text{Land Cost (\$93,600)}}{\text{Acreage (3.85)}} = \text{Price Per Acre (\$24,311.68)}$$

Using these formulas, the project team determined that the average Price Per Acre of undeveloped, residential land sold between 2010 and 2020 was estimated to be \$194,419.53. If the recommended average amount of open space per residential unit is 0.026 acres and the average Price Per Acre is \$194,419.53, then the average cost of open space per residential unit is \$5,054.90 in South Whitehall Township.

In order to provide the same standard of recreational land and opportunities, it is recommended that South Whitehall Township raise the recreation impact fee from \$2,500.00 per dwelling unit to \$5,000.00 per dwelling unit.



## SCHEDULE "D" Subdivision or Land Development Fees

Completeness Review Fee, Application Fee and Initial Escrow Amounts for Subdivision or Land Development Applications				
Type of Application	Completeness Review Fee (see Note 3)	Application Fee (see Note 4)	Escrow Amount (see Note 4)	Resubmission Fee (see Note 5)
Minor Plan Review	<b>\$50</b>	\$700	\$4,500 + \$500/additional lot	\$500
Major Sketch Plan Review	<b>\$50</b>	\$750	\$5,000 (to be credited to a subsequent Preliminary or Preliminary/Final submission escrow)	\$550
Major Non-Residential Plan Review	<b>\$50</b>	\$1,200	\$5,000 PLUS (0 to 5 acres - \$5,000/acre, rounded up) <b>PLUS</b> (>5 to 10 acres - \$2,000/acre, rounded up) <b>PLUS</b> (>10 to 20 acres - \$1,000/acre, rounded up) <b>PLUS</b> (20+ acres - \$250/acre, rounded up)	\$850
Major Residential Plan Review	<b>\$50</b>	\$1,000	\$5,000 PLUS (1 to 10 lots - \$1,000/lot) <b>PLUS</b> (11 to 20 lots - \$500/lot) <b>PLUS</b> (21+ lots - \$200/lot)	\$650
Major Mixed-Use Plan Review	<b>\$50</b>	\$1,200	\$5,000 PLUS [for residential lots (1 to 10 lots -\$500/lot) <b>PLUS</b> (11 to 20 lots - \$250/lot) <b>PLUS</b> (21+ lots - \$100/lot)] <b>PLUS</b> [for non-residential or mixed-use areas (0 to 5 acres - \$2,500/acre, rounded up) <b>PLUS</b> (>5 to 10 acres - \$1,000/acre, rounded up) <b>PLUS</b> (>10 to 20 acres - \$500/acre, rounded up) <b>PLUS</b> (20+ acres - \$100/acre, rounded up)]	\$850
Resubdivision/Lot Line Adjustment Plan Review	<b>\$50</b>	\$600	\$5,000	\$450
<b>Notes:</b>	<ol style="list-style-type: none"> <li>1. This fee schedule is subject to SWT Escrow and Reimbursement Policy for Subdivision/Land Development Applications, adopted on November 7, 2012.</li> <li>2. Applicant responsibility is not limited to the amount of the escrow noted on the above chart.</li> <li>3. Completeness Review Fee is due at plan submission. Completeness Review Fee is non-refundable.</li> <li>4. Application Fee and Escrow will be invoiced upon satisfactory submission Completeness Review. Application Fee is non-refundable.</li> <li>5. Resubmission Fees: After the initial Planning Commission meeting at which a plan is reviewed, a Resubmission Fee is required to be submitted along with each subsequent formal submission of plans and/or supporting materials before the plan shall be reviewed by staff for a subsequent Planning Commission or Board of Commissioners meeting. The Resubmission Fee is non-refundable.</li> <li>6. The applicant may postpone the plan's review at any Planning Commission or Board of Commissioner meeting prior to the advertisement of that plan for the particular meeting without penalty. Once the plan is advertised to be reviewed at a particular meeting, a new Resubmission Fee shall be required for a formal review at any subsequent meeting whether or not the plan was discussed at the advertised meeting.</li> </ol>			

### Fees in lieu of Land Dedication

Residential ..... \$2,500/dwelling unit

Non-Residential ..... \$0.25/square foot

### Fee in lieu of Planting Shade Tree

Fee per Tree not planted per the approved Landscaping Plan..... \$300