

Introduction

The *Development Fees Act* (NMSA 1978 5-8-1 et seq.) authorizes municipalities and counties to impose impact fees to fund Open Space in accordance with an adopted capital improvement plan. Pursuant to these State statutes and Bernalillo County Code, Chapter 46, this Open Space Impact Fee Capital Improvement Plan (IFCIP) has been prepared to support the adequate funding of Open Space necessary to serve new residential development.

Applicability and Eligible Facilities

Pursuant to the *Development Fees Act*, impact fees are intended to “generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development.” As such, impact fee revenues cannot be expended on maintenance, repairs, rehabilitation, reconstruction, or other capital improvements that merely preserve existing levels of service. This ensures that impact fees are used to meet the added demand generated by new development.

Also, as is common nationwide, Open Space-related impact fees are only imposed on new residential construction, rather than commercial or industrial construction. It is assumed that the residents of a community generate the demand for and use Open Space rather than the businesses and other non-residential uses that may employ individuals from within or outside of the community. Instead, those municipalities may assess impact fees for Open Space within their corporate limits.

Furthermore, Open Space impact fees may only be imposed or used to pay for Open Space within unincorporated Bernalillo County. On the contrary, municipalities within Bernalillo County have the jurisdiction to impose impact fees within their corporate limits. While Bernalillo County has funded Open Space acquisitions within municipalities such as the City of Albuquerque and the Village of Los Ranchos de Albuquerque through its Open Space mill levy, Open Space impact fees may not be used for that purpose.

Service Areas

Impact fees may be imposed upon and used to pay for Open Space within a sub-area, or service area, of a county. The *Development Fees Act* defines a service area as “the area within...the boundaries of a county to be served by the capital improvements or facility expansions specified in the capital improvements plan...”. Service areas also ensure that impact fee revenues are expended in the areas in which they are generated.

Unlike the Park, Recreation and Trail IFCIP, this Open Space IFCIP establishes one Open Space service area. The rationale for one service area is rooted in the regional nature of Open Space. The Bernalillo County Open Space program seeks to protect the most unique and valuable natural and cultural lands within Bernalillo County, regardless of the sub-area in which they are located. Often, the unique qualities of these Open Space properties draw residents from all parts of Bernalillo County, as opposed to, for example, neighborhood parks, which are intended to serve the residents in the immediate vicinity of the park.

Methodology

Open Space impact fees are calculated using the replacement cost methodology. This approach 1) inventories existing Bernalillo County Open Space properties, 2) calculates the estimated cost of replacing those facilities, including land, and 3) distributes that replacement cost to each resident. The resulting replacement cost per person establishes the level of service that Bernalillo County provides to its unincorporated residents. The level of service is then converted to a maximum potential impact fee for single-family and multi-family residential units (i.e. the impact fee service units) based on known average household sizes. This methodology was developed for the 2002 IFCIP and was incorporated in the 2007 IFCIP. This IFCIP continues that tradition, with minor exceptions where noted.

Existing Facilities: Inventory and Replacement Cost Calculation

Table 1 lists the 12 properties that comprise Bernalillo County's Open Space program, their acreage, the land replacement costs and the capital improvements replacement costs. The total combined value of land replacement costs and capital improvements replacement costs is \$17,086,070.

Table 1: Open Space Inventory and Replacement Costs

Open Space	Acreage	Land Replacement Cost	Improvement Replacement Cost
Bachechi	28.3	\$ 2,498,417	\$ 4,226,641
Carlito Springs	179	\$ 1,605,846	\$ 151,554
Durand	10.2	\$ 341,044	\$ 121,197
Gutierrez-Hubbell	10.3	\$ 612,838	\$ 429,766
Hubbell North	6	\$ 742,749	\$ 37,986
Ojito de San Antonio	88.3	\$ 1,865,000	\$ 286,718
Pajarito	20.1	\$ 956,170	\$ 190,193
Sabino Canyon	116.2	\$ 859,299	\$ 87,107
Sanchez Farm	13.4	\$ 713,093	\$ 87,252
Sandia Knolls	18	\$ 90,000	\$ -
Sedillo Ridge	494	\$ 749,910	\$ 28,579
Valle del Bosque	6.3	\$ 277,850	\$ 126,860
Total	990.1	\$ 11,312,218	\$ 5,773,852

Land replacement costs were calculated by using the actual land costs paid by Bernalillo County at the time of acquisition. The vast majority of Open Space acreage (924 of 990 acres) was acquired from 1999-2001 at the onset of the Open Space program. Of the remainder, the 18-acre Sandia Knolls Open Space was acquired in 1956, 23 acres were acquired between 1994 and 1997, and 25 acres were acquired from 2008 to the present. No acquisitions occurred between 2002 and 2007. In the 2007 IFCIP, land acquisition costs were inflated by 20% to account for the dramatic boom in the real estate market; however, to account for the subsequent post-bubble correction, this IFCIP reverts to using actual acquisition costs as was done in the 2002 IFCIP.

Since the 2007 IFCIP, four other changes to land replacement costs are noteworthy. First, the Sandia Knolls property, which was dedicated to Bernalillo County in 1956 by platting action, is now managed as

Open Space. An average value of \$5,000 per acre was used to estimate the land replacement cost of this Open Space based on surrounding land values. Second, the Sanchez Farm property was likewise classified as Open Space after the adoption of the 2007 IFCIP and is now captured in this IFCIP. Third, the 2007 IFCIP did not account for the first phase of acquisition of the Bachechi Open Space (it was acquired over two phases in 1994 and 2000). Fourth, the acreage and land replacement costs attributed to the Valle del Bosque Open Space have been reduced, as only 6.3 acres of the original purchase are now managed as Open Space.

For the first time, this IFCIP also accounts for the replacement costs of capital improvements to Open Space. At the time the 2007 IFCIP was drafted, very little funding had been applied towards improving Open Space; instead, approximately 95% of available funds were spent on land acquisition. However, with the exception of the Hubbell House, Open Space spending has generally shifted from land acquisition to capital improvements in the last five years. Therefore, the capital improvement replacement costs used in Table 1 reflect actual expenditures dating from the advent of Bernalillo County’s digital financial records in July 2008.

Gross Level of Service

Table 2 identifies the gross level of service (expressed in dollars per person) that residents in unincorporated Bernalillo County receive. The gross level of service is calculated by dividing the total replacement cost of Open Space land and capital improvements by the 2012 population of unincorporated Bernalillo County. The population used in Table 2 and all subsequent demographic data were provided courtesy the Mid-Region Council of Governments and were approved for incorporation into this IFCIP by the IFCIP advisory committee.

Table 2: Gross Level of Service

Total Replacement Cost	\$ 17,086,070
Population 2012	106,638
Gross Level of Service (Per Person)	\$ 160

Of note, this 2012 population is actually less than the population estimates used in the 2007 IFCIP to calculate level of service. The reason for this discrepancy is likely two-fold. First, this IFCIP relies less heavily on estimates because of its proximity in time to the hard count of the 2010 census. Second, it is likely that the population estimates used in 2007 were more aggressive because of the booming housing market and corresponding growth in population.

Capital Outlay Grant Credit

Since 2002, Bernalillo County has received capital outlay grants from the State of New Mexico for Open Space improvements. The availability of capital outlay grant funding is generally dependent on oil, natural gas and other severance tax revenues, the political will of legislators, and the Governor's use of the line item veto. Nevertheless, it is assumed that future capital outlay grant funding, as it becomes available, will similarly defray the costs of new Open Space improvements. Table 3 lists the capital outlay grant funding for Open Space since 2002 and divides that amount by the 2012 population of unincorporated Bernalillo County to calculate a per person credit. The total in the first row of Table 3 also includes one federal grant in the amount of \$8,750 that was received for the Sabino Canyon Open Space. Of note, Bernalillo County incurs no bond debt to fund Open Space. Therefore, unlike the Park, Recreation and Trail IFCIP, there is no credit for outstanding bond debt service.

Table 3: Capital Outlay Grant Credit

Capital Outlay Grant Funding (2002-2012)	\$ 1,300,750
Population 2012	106,638
Capital Outlay Grant Credit (Per Person)	\$ 12

Net Level of Service

Table 4 calculates the net level of service by subtracting the capital outlay grant credit from the gross level of service. The \$148 net level of service reflects the true local cost of Bernalillo County Open Space per person, and reflects an increase of \$45 dollars over the 2007 IFCIP's net level of service.

Table 4: Net Level of Service

Gross Level of Service (Per Person)	\$ 160
Capital Outlay Grant Credit (Per Person)	\$ (12)
Net Level of Service (Per Person)	\$ 148

Growth-Related Costs

Table 5 calculates the estimated growth-related cost from 2012 to 2020. Essentially, the difference between the 2012 and 2020 populations is multiplied by the net level of service. The resulting product is the growth-related cost necessary to maintain the existing level of service for anticipated population growth up to 2020.

Table 5: Growth-Related Costs

Population 2012	106,638
Population 2020	112,455
Population Change 2012-2020	5,817
Net Level of Service (Per Person)	\$ 148
Growth-Related Costs	\$ 861,074

Potential Impact Fees

The potential impact fees are the maximum impact fees that could be imposed on new single-family and multi-family residential construction to maintain existing levels of service for new development. In order to calculate the potential impact fees, the net level of service is multiplied by the single-family residential and multi-family residential average household sizes as determined by 2006-2010 American Community Survey data compiled by the Mid-Region Council of Governments.

Table 6: Potential Impact Fees

Net Level of Service (Per Person)	\$ 148
Single-Family Residential Unit Avg. Household Size	2.83
Multi-Family Residential Unit Avg. Household Size	2.01
Potential Impact Fee, Single-Family Residential Unit	\$ 418
Potential Impact Fee, Multi-Family Residential Unit	\$ 297

The 2007 IFCIP calculated potential impact fees of \$293 and \$200 for single-family residential and multi-family residential units, respectively. This 2012 IFCIP reflects potential impact fee increases of \$125 and \$97 for each residential classification when compared with the 2007 IFCIP. The primary reasons for these increases are the land acquisitions and increased capital improvements since 2007, both of which have occurred during a period of relatively flat population growth, thereby causing a rise to the level of service and, consequently, the potential impact fees. Ultimately, the purpose of this IFCIP is to calculate potential Open Space impact fees using the replacement cost methodology. However, it is the Board of County Commissioners' prerogative to establish the rate at which impact fees are collected.

Project List

This final section identifies potential projects that are eligible for impact fee funding. This non-exhaustive list is based on known and likely project needs based on the *Major Public Open Space Facility Plan*, the *Parks, Open Space and Trails Master Plan*, master plans for specific properties, and needs identified by Bernalillo County staff and the public. The projects that are ultimately constructed will depend upon the availability of other fund sources, including Open Space mill levy funds, capital outlay grants and federal grants. As is the case historically, impact fees accrue slowly and are commonly used by the Parks and Recreation Department to supplement other funds that this IFCIP assumes Bernalillo County will receive.

Lastly, maintaining the existing, net level of service upon which the potential impact fees are based requires commensurate growth of the maintenance budget, which is funded by the Open Space mill levy. Though prohibited by the *Development Fees Act* from receiving impact fee revenue, maintenance funding is the final and key variable that ensures that Bernalillo County's Open Space properties are well maintained, thereby preserving these assets and providing a quality recreation experience.

- Acquisition of new Open Space identified in the *Major Public Open Space Facility Plan* and other planning documents.
- Acquisition of new Open Space based on vetted and appropriate public requests, management decisions or Board of County Commissioners' actions.

- Acquisition of new Open Space adjacent to existing Open Space that would facilitate improved access, acreage expansion, natural and cultural resource protection, environmental education and/or recreation opportunities.
- Cultural and natural resource surveys that may be necessary prior to the construction of improvements at Open Space.
- Trail construction and parking, equestrian, amenity and access improvements at the Durand Open Space.
- Phase 2 exhibit improvements for the proposed museum at the Gutierrez-Hubbell Open Space.
- Trail construction and nursery construction at the Hubbell North Open Space.
- Trailhead and trail construction at the Sedillo Ridge Open Space.
- Design and construction of improvements identified in the *Carlito Springs Open Space Cultural Landscape Report*.
- Other capacity-expanding capital improvements to existing Open Space or yet-to-be acquired Open Space acquired by Bernalillo County alone or in conjunction with the City of Albuquerque or another public agency.