

Date: April 24, 2025

To: File (Case No. 2407-21)

From: Alison Spindler-Ruiz, Planning Manager

Subject: **3701 Pacific Place – Park Funds**

Based on a review of funds available and budget projections, the City of Long Beach does not have sufficient funds to acquire this private property for development as park land. According to the City's Budget Office, the City's most recent Open Space Bond has no proceeds remaining. Therefore, there are two budgetary sources of funding for park acquisition—the use of Park Impact Fees, and the City's General Fund. The Park Impact Fee, known also in Long Beach as the Parks and Recreation Facilities Fee (PRFF), is a fee on new development designed to maintain the existing level of service for existing and new residents. New residential development increases the population of Long Beach by providing more places to live, which results in an increased need for new parks and recreational resources. In FY 24, the Parks and Recreation Facilities Fee was applied to 1,637,532 gross square feet of residential unit development. On March 18, 2025, the Long Beach City Council adopted a resolution approving the annual and Five-Year reports for several impact fees including the PRFF, found [here](#). As shown in the report, the FY24 ending fund balance of Park Impact Fees is \$11,673,626. However, the City Council's resolution included a commitment to spending these funds on a list of projects already identified in [Exhibit B-2](#). The Exhibit also identifies hundreds of millions of dollars of unfunded park development projects already prioritized by the City. During a Special Meeting held on March 18, 2025, the City Council conducted a [Study Session on the City's Fiscal Outlook](#). The 5-year General Fund projection presented by the City's Budget Office staff revealed that the City is currently projecting a \$57.3 million dollar shortfall for the General Fund through FY31. Of this amount, the City is projecting a \$19.8 million shortfall in FY 26 with City departments requested to forgo any non-critical use of operating savings in the current year to help preserve one-time resources and allow for the opportunity to maintain services in the outyears. Therefore, the City does not have sufficient funds available for park additional park acquisition at this time.