

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # 9:15 a.m.

Urgent

Routine

AGENDA DATE May 6, 2008

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Conduct a Public Hearing to Amend the Fire Protection Facilities Fees for the Salida Fire Protection District to be Imposed Upon New Development that Occurs Within the District

STAFF RECOMMENDATIONS:

1. Conduct a Public Hearing to Amend the Fire Protection Facilities Fees for the Salida Fire Protection District based upon the fee study prepared for the Salida Fire Protection District, testimony, and other information received at the public hearing.
2. Authorize imposing the Fire Protection Facility Fees on all building permits that are issued in the Salida Fire Protection District after July 7, 2008 in the fee amount that is in effect at the time the building permit is issued.

FISCAL IMPACT:

There will be no fiscal impact to the County other than small publication expenses and administrative costs, which will be billed directly to the fire district consistent with the existing Fire Protection Facility Fee policy, established September 10, 1991. The fire district will administer this program consistent with the provisions contained in title 24 of the Stanislaus County ordinance code.

BOARD ACTION AS FOLLOWS:

No. 2008-326

On motion of Supervisor Grover, Seconded by Supervisor O'Brien
and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, DeMartini and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

ATTEST:


CHRISTINE FERRARO TALLMAN, Clerk

File No. M-64-H-7

Conduct a Public Hearing to Amend the Fire Protection Facilities Fees for the Salida Fire Protection District to be Imposed Upon New Development that Occurs Within the District.

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DISCUSSION:

The County Fire Protection Facility Fee studies began in early 1989. At the districts' request the Chief Administrative Officer considered the possibility of including the 18 fire districts in the County's study, but rejected the idea, placing the responsibility on the districts themselves.

The districts then prepared information in a combined effort as to what they felt was an appropriate level of services and the associated costs to provide the facilities (stations, vehicles, etc.) to maintain their current level of service.

Six of 18 independent fire districts implemented fire protection facility fee programs in 1991. The districts included in the initial authorization pursuant to Title 24 of the County code included Oakdale Rural, Riverbank, Salida, Valley Home, Waterford-Hickman, and West Stanislaus. Several of these districts have since merged.

The Salida Fire Protection District is one of a number of autonomous fire protection districts that serve portions of Stanislaus County. The Salida District was established in 1942 and encompasses approximately 43 square miles. It is located to the west and north of the City of Modesto and services the unincorporated community of Salida and surrounding areas. The District provides a comprehensive range of services including fire suppression, emergency medical services, and fire prevention activities.

The District receives the majority of its revenues from property tax. As with most local agencies, the District's property tax revenue stream has diminished in terms of real dollars over time since the imposition of Proposition 13 in 1978. Consequently, the District has imposed a variety of financial mechanisms in order to add to its revenue over time. The District has a district-wide supplemental property tax assessment in place. Additionally, properties in a portion of the District participate in a Mello Roos district per a special development agreement.

The District currently has a fire facility impact fee in place, which was last calculated in 2003. The fee needs to be updated to take into account changes to the service population, recent growth projections, and the facilities needed to serve the future population.

This fee schedule consideration is consistent with the established procedural history discussed above and Title 24 of the County Code. An analysis has been completed for the Salida Fire Protection District by an independent consultant (Muni Financial), to determine replacement cost data and a base fee schedule.

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Service Population

Total service population is comprised of residents and employees working within the District. Employees are weighted less than residents in calculating service population to reflect their lower per capita use of fire services. (.69 weighting factor utilized for employee population).

The projected service population in the Salida area is based upon the Salida Community Plan and Muni Financial dialogue with the Stanislaus County Planning Department. Future development projections anticipate 15,240 new residents and 27,780 new workers at Community Plan build out (weighted employee factor equals 19,168). This equates to a total future new development service population of 34,410.

The proposed fire facilities impact fee calculated in this approach is based on the cost of the District's planned facility acquisitions and the anticipated increase in service population. The District has identified the fire facilities needed to accommodate new development in its service area through build out of the Salida Community Plan. These facilities needs are identified in the District's Master Strategic Plan, which was completed in 2005.

Planned Facilities Needed

The total funding needed, estimated at \$14.3 million, includes \$12.0 million for land and buildings and \$4.0 million for apparatus acquisitions, less an existing fund balance of approximately \$1.7 million which is comprised of District development impact fee funds and its California Environmental and Quality Assurance Act (CEQA) equipment impact fee fund.

There are two (2) additional stations (Station 4 and 5) proposed in this fee schedule. Apparatus needs include Type I engines for the new facilities, additional Type III engines for Stations 2 – 5, Aerial/Truck for Station 4 and Water Tenders for Station 3 and Station 5 proposed.

The District's Master Strategic Plan identified locations for new stations based on an analysis of response time to existing areas of development and areas where development is anticipated in the future. The increasing density of development in the Salida area and its currently proposed location will allow the District to reach a greater number of residents and employees with each station and apparatus within acceptable response times. The current configuration of three stations has an average service population of approximately 8,100 per station. With the addition of two stations and the projected increase in service population, the system will have approximately 11,700 service population per station upon build out of the Salida Community Plan and Del Rio.

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Fee Comparison

For residential development, the facility standard is converted to a fee per square foot of development based on the estimated average persons per dwelling unit and the average square footage of new dwelling units expected in the District. The study uses an estimate of 3.01 persons per dwelling unit, which is consistent with figures used in the Salida Community Plan.

In accordance with the District's current practices, a special "unoccupied Agricultural" fee category has been included at fifty percent of the calculated industrial land use fee. The purpose of this special category is to address the construction of buildings common in rural agricultural areas that require fire protection but that are not routinely occupied by humans and therefore, do not create medical response needs.

The revised fee levels reflect a 19% increase in the residential fee structure and increases in non-residential (commercial, office, industrial and unoccupied agricultural) uses. The old / new fee comparison is as follows:

Salida Fire Protection District Fee Comparison				
Land Use	Current Fee	Proposed Fee	% Increase	
<i>Residential</i>	\$ 0.41	\$ 0.49	19%	
<i>Nonresidential</i>				
Commercial	\$ 0.48	\$ 0.68	42%	
Office	0.80	0.92	15%	
Industrial	0.23	0.34	46%	
Unoccupied Agricultural	0.12	0.17	40%	

The percentage increase in the fee varies across different land uses because the revised fee calculations incorporate more up-to-date figures for the estimated number of residents per dwelling unit and employees per 1,000 square feet of nonresidential development. The revised density figures change the allocation of fee burden among the different land use types

The purpose of the fire protection facilities fee is to require new development to provide funding for impacts that it imposes on fire protection facilities so that the level of service can be maintained. The potential uses of these fees include:

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- Expansion of the existing fire station;
- Purchase of additional equipment and apparatus;
- Necessary improvements to the existing station; and
- Expansion of administrative and other support equipment and facilities.

Fee revenue will be used to build new fire facilities, purchase new fire fighting apparatus, and make other facility improvements necessary to respond to increases in demand for fire services brought about by new development in order to maintain the level of service.

This facilities fee program ensures that the appropriate levels of timely response, safety precautions, and community services delivery can be maintained in a growing service environment.

POLICY ISSUES:

Pursuant to Title 24 of the Stanislaus County Code, the County may adopt Fire Protection Facilities Fees for Fire Districts to aid Districts in mitigating the impacts that new development has on their ability to maintain an appropriate level of service.

STAFFING IMPACT:

There are no County staffing impacts associated with this agenda item.

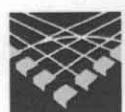
FIRE FACILITIES IMPACT FEE STUDY

SALIDA FIRE PROTECTION DISTRICT



FEBRUARY 13, 2008

FINAL REPORT



MuniFinancial
A WILLDAN COMPANY

Oakland Office

1700 Broadway
6th Floor
Oakland, California 94612
Tel: (510) 832-0899
Fax: (510) 832-0898

Anaheim, CA
Industry, CA
Jacksonville, FL
Lancaster, CA
Oakland, CA

Phoenix, AZ
San Diego, CA
Seattle, WA
Temecula, CA
Washington, DC

www.muni.com

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INTRODUCTION

This report summarizes an analysis of the need for fire facilities to accommodate new development in the Salida Fire Protection District (Fire District; District). The report documents a reasonable relationship between new development and an impact fee for funding these new facilities. This report updates a similar study conducted in 2003. That study, in turn, updated the impact fee study conducted in 1991 when the District first adopted fire facilities impact fees.

The Salida Fire Protection District is one of a number of autonomous fire protection districts that serve portions of Stanislaus County. The Salida District was established in 1942 and encompasses approximately 43 square miles. It is located to the west and north of the City of Modesto and serves the unincorporated community of Salida and surrounding areas. The District provides a comprehensive range of services including fire suppression, emergency medical services, and fire prevention activities.

The District receives the majority of its revenues from property taxes. As with most local agencies, the District's property tax revenue stream has diminished in terms of real dollars over time since the imposition of Proposition 13 in 1978. Consequently, the District has imposed a variety of financial mechanisms in order to add to its revenue over time. The District has a district-wide supplemental property tax assessment in place. Additionally, properties in a portion of the District participate in a Mello-Roos district per a special development agreement.

The variety of funding sources pursued by the District has allowed the District to maintain its level of service and facilities while addressing new development's demands upon the District. A continuing challenge facing the District will be the on-going transition from what was originally an all-volunteer district towards an increasingly professionally staffed district. Although this report specifically addresses the need for fire facilities and not staffing (or other on-going operational costs), it is important to consider the need for additional fire facilities in the context of the need for space for paid personnel (e.g., sleeping quarters). The District's other funding sources will increasingly be needed to address operational needs.

The District encompasses only unincorporated areas of Stanislaus County. Per the *Mitigation Fee Act* contained in *Government Code* Section 66000 *et. seq.*, the County rather than the District has legal authority to impose impact fees on the District's unincorporated area. This report provides the necessary documentation for the Stanislaus County Board of Supervisors to adopt a fire facilities impact fee for imposition within the Salida Fire Protection District boundaries. It also provides a list of statutory findings pertaining to the imposition of the District fees.

FIRE FACILITIES SERVICE POPULATION

The Salida Fire Protection District serves homes, businesses, and rural areas. Need for the District's services and associated facilities is measured by its service population, or the number of residents and workers within its service area. Service population reasonably represents the need for fire facilities because people requesting medical assistance generate the most calls for service. Structural fire suppression is the second most important mission of the fire district after the protection of life.

The vast majority of new development in the District is expected to occur in the Salida Community Plan area. The Salida Community Plan will allow for intensive residential,

commercial, industrial, and business park development adjacent to the existing community of Salida. It is uncertain when full buildout of the Salida Community Plan area will occur. Decisions on when to develop and sell property are driven by market forces that are difficult to predict in the long term.

In addition to development in the Salida Community Plan area, a small amount of development is expected to occur in the remainder of the District. The Del Rio development is largely built out, but has capacity for some additional homes. There are currently approximately twelve remaining undeveloped lots in Del Rio. In addition, a new subdivision map with 47 residential lots is currently under consideration. Thus, this study assumes that a total of 59 new homes will be developed in the Del Rio area within the planning horizon of this study. Homes in Del Rio tend to be in the 4,000 to 6,000 square foot range, considerably larger than the average size of dwelling units expected in the area covered by the Salida Community Plan.

The Stanislaus County Planning Department indicates that very little new development is expected in other areas of the District, as they are largely zoned for agricultural uses. In addition, Stanislaus County voters may adopt Measure E on the February ballot restricting the rezoning of agricultural land and open space in unincorporated areas without a majority approval of voters in the county.

Table 1 shows the estimated residential development in the Salida Fire Protection District, consisting of development in the Salida Community Plan area and in the Del Rio area. The assumptions used for dwelling units per acre and persons per household are taken from the Salida Community Plan. As shown, an increase of approximately 15,200 residents is expected for the District.

Table 1: Salida Fire Protection District Residential Development

Land Use Designation	Total Gross Acreage	Average		Persons per Dwelling Unit	Population
		Dwelling Units per Net Acre	Total Dwelling Units		
<u>Salida Community Plan Area</u>					
Low Density	866	4.5	2,754	3.01	8,300
Medium Density	187	10.0	1,306	3.01	3,930
Medium High Density	57	23.4	940	3.01	2,830
Total			5,000		15,060
<u>Del Rio Area</u>	N/A	N/A	59	3.01	180
<u>Total</u>			5,059		15,240

Source: Table 3, Salida Community Plan, Stanislaus County General Plan Land Use Element, p. 1-79.

Table 2 shows the estimated number of new workers generated upon buildout of the Salida Community Plan area. This is the only part of the District where significant nonresidential development is anticipated. The number of jobs per acre for each land use type is taken from the Salida Community Plan. Approximately 28,000 jobs will be generated upon buildout of the nonresidential development allowed for in the Salida Community Plan.

Table 2: Salida Community Plan Nonresidential Development

Land Use Designation	Acres	Jobs per	
		Acre	Total Jobs
Business Park	490	25	12,250
Manufacturing/Industrial/Warehousing, etc.	1,259	7	8,810
Neighborhood, General, and Highway Commercial	280	24	6,720
Total			27,780

Sources: Table 2, Salida Community Plan, Stanislaus County General Plan Land Use Element, p. 1-78; Stanislaus County Planning Department, Telephone Call, January 3, 2008; MuniFinancial.

Table 3 shows the District's estimated existing and future service population. The total service population is comprised of residents and employees working within the District. Employees are weighted less than residents in calculating service population to reflect their lower per capita use of fire services.

Table 3: Fire Facilities Service Population

	Residents	Workers	Service Population ¹
<u>Existing (2008)</u>			
Estimate for 2000 - US Census	16,650	N/A	
Growth (2000 to 2003) ²	1,460	N/A	
Growth (2003 to 2007) ²	360	N/A	
Total Existing	18,470	8,850	24,580
<u>Future Development</u>	15,240	27,780	34,410
<u>Total Future Service Population</u>	33,710	36,630	58,990
Service Pop. Weighting Factor	1.00	0.69	

Note: Service population weighting factors based on City of Phoenix service call data weighted by the relative proportions of residential and nonresidential land use in the City, allowing the results of this survey to be applied in other areas.

¹ Service population equals residents plus workers, with each weighted by the appropriate weighting factor.

² Based on District impact fee and CEQA fee records.

Sources: Tables 1 and 2; United States Bureau of Census, *Census 2000*; State of California Employment Development Department, Labor Market Information Division, 1st quarter 2007; City of Phoenix; Salida Fire Protection District; MuniFinancial.

The basis for the estimated current residential population in the District is the 2000 U.S. Census. The Stanislaus County Association of Governments (StanCOG) used GIS software to calculate the population of the District based on the 2000 Census data. Estimated population growth from 2000 through 2007 is based on the number of dwelling units added according to the District's impact fee collection records. The number of dwelling units is converted to an estimated residential population using density and vacancy factors calculated by StanCOG using the 2000 Census data. An increase of 1,500 residents was calculated from 2000 to the time of the impact fee update conducted in 2003. An estimated additional 400 residents have been added from the time of the 2003 study to the present time.

The current employment estimate for the District was provided by the California Employment Development Department (EDD) Labor Market Information Division, based on the Quarterly Census of Employment and Wages. The most recent data available at the time of the study were for the first quarter of 2007.

To calculate service population for fire protection facilities, residents are weighted at 1.00. In order to calculate the impact of nonresidential development, a worker is weighted at 0.69 of one resident to reflect the lower per capita need for fire services associated with workers. Nonresidential buildings are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker usage of emergency response and fire protection services is less than average per-resident usage.

The specific 0.69 per-worker weighting used here is derived from an extensive study carried out by planning staff in the City of Phoenix. Data from that study is used to calculate a per capita factor that is independent of land use patterns. Because of the large geographical area covered by this study, it is the best source of data for application to other areas. It is reasonable to assume that relative demand for fire service between residents and workers does not vary substantially on a per capita basis across communities, enabling this data for use in other communities in the documentation of a fire facilities impact fee.

EXISTING FIRE FACILITIES

This section outlines the District's inventory of existing fire facilities. The existing inventory is not included in the calculation of the proposed impact fee using the Planned Facilities method. However, impact fees may not be used to increase the level of service provided to new development. Therefore, consideration of the existing inventory is necessary to ensure that the proposed impact fees will not fund a higher value of facilities per capita than the District currently provides. (See "Facility Standard," below, for more information.)

Tables 4 through 6 provide a detailed inventory of the District's station, apparatus and special equipment. **Table 4** highlights the District's existing land and buildings. The District currently serves its service area from three fire stations. The land value and unit building cost estimates were provided by the District. In addition, the value of the equipment and furnishings contained in each building as estimated by the District is shown in Table 4. The building contents included in Table 4 do not include the equipment carried on fire apparatus shown in Table 5 or the special equipment shown in Table 6.

Building cost per square foot estimates were provided by the District, based on the actual cost of constructing Station 3 in 2005. In constructing Station 3, the District achieved cost savings by performing activities using District staff that would often be performed by contractors in similar

projects. Construction project management was provided by a District staff member, and District staff provided labor for the installation of fixtures and finishes not requiring the expertise of professional tradesmen. To capture the cost of these activities performed by District staff, the construction cost of Station 3 has been increased ten percent in the building cost estimate shown below. These construction cost estimates were also adjusted for inflation by MuniFinancial using the Building Cost Index for San Francisco published by *Engineering News-Record* to bring them up to January 2008 levels.

Table 4: Existing Land and Buildings

	Amount	Unit Cost	Land/Building Cost ¹	Building Contents ²	Total Cost
Station 1					
Land	2.04 acres	\$ 300,000	\$ 612,000	N/A	\$ 612,000
Fire Station	7,398 sq. ft.	330	2,441,300	295,900	2,737,200
Administrative Offices	2,400 sq. ft.	173	415,200	96,000	511,200
Storage Building	800 sq. ft.	56	44,800	24,000	68,800
Wash Rack	681 sq. ft.	84	57,200	7,000	64,200
Storage Container	160 sq. ft.	13	2,100	1,100	3,200
Subtotal - Station 1			\$ 3,572,600	\$ 424,000	\$ 3,996,600
Station 2					
Land	1.10 acres	\$ 300,000	\$ 330,000	N/A	\$ 330,000
Fire Station	4,935 sq. ft.	330	1,628,600	197,400	1,826,000
Storage Container	200 sq. ft.	13	2,600	1,100	3,700
Subtotal - Station 2			\$ 1,961,200	\$ 198,500	\$ 2,159,700
Station 3					
Land	1.60 acres	\$ 300,000	\$ 480,000	N/A	\$ 480,000
Fire Station	8,130 sq. ft.	330	2,682,900	325,200	3,008,100
Storage Shed	96 sq. ft.	14	1,300	1,100	2,400
Traning Vent Prop	240 sq. ft.	13	3,100	-	3,100
Backup Power Generator	24 kw		-	-	30,000
Communications Tower	70 ft.		-	-	90,000
Subtotal - Station 3			\$ 3,167,300	\$ 326,300	\$ 3,613,600
Total - Existing Land and Buildings			\$ 8,701,100	\$ 948,800	\$ 9,769,900

¹ Costs based on estimated replacement costs. Building costs per square foot are based on actual costs to the District of building Station 3 in 2005, updated for inflation using the the *Engineering News-Record* Building Cost Index (BCI) for San Francisco (2005 annual average BCI: 4,620.22; January 2008 BCI: 5,161.24).

² Estimated replacement cost of building contents provided by Salida Fire Protection District.

Sources: Salida Fire Protection District; Building Cost Index - San Francisco, *Engineering News Record*.

Table 5 illustrates the inventory and estimated value of fire apparatus and vehicles. The District provided replacement cost estimates all apparatus and vehicles. Values for older engines are significantly discounted from the new price because a robust secondary market for used engines exists. The District also estimated the replacement value of the equipment carried on each vehicle.

Table 5: Existing Apparatus and Vehicles

Vehicle Type and Make	Unit	Station	Vehicle ¹	Equipment	Total
<u>Type I Engines</u>					
2000 Pierce Saber	SA21	1	\$ 350,000	\$ 50,000	\$ 400,000
2000 Pierce Saber	SA22	2	350,000	50,000	400,000
1990 Pierce Dash	SA23	3	75,000	50,000	125,000
1990 International 4900	SA31	1	110,000	40,000	150,000
1987 Ford C8000	SA32	2	<u>35,000</u>	<u>40,000</u>	<u>75,000</u>
Subtotal - Type I			\$ 920,000	\$ 230,000	\$ 1,150,000
<u>Type III Engines</u>					
1997 Ford F350	SA51	1	\$ <u>25,000</u>	\$ <u>15,000</u>	\$ <u>40,000</u>
Subtotal - Type III			\$ 25,000	\$ 15,000	\$ 40,000
<u>Rescues</u>					
1990 Ford	SA81	1	\$ 150,000	\$ 60,000	\$ 210,000
1992 Ford	SA82	2	<u>100,000</u>	<u>41,000</u>	<u>141,000</u>
Subtotal - Type III			\$ 250,000	\$ 101,000	\$ 351,000
<u>Other Apparatus</u>					
1996 International Water Tender	SA61	1	\$ 215,000	\$ 12,400	\$ 227,400
2000 Crestliner Boat	Boat 1	1	<u>8,000</u>	<u>2,800</u>	<u>10,800</u>
Subtotal - Other Apparatus			\$ 223,000	\$ 15,200	\$ 238,200
<u>Command/Staff Vehicles</u>					
2006 Chev. Suburban	SA91	1	\$ 38,000	\$ 9,000	\$ 47,000
2004 Ford Explorer	SA94	1	16,000	9,000	25,000
1999 Ford Windstar Utility	SA93	1	6,000	2,000	8,000
1996 Ford F150 Utility	SA95	1	4,500	2,000	6,500
2007 Chev. Silverado	SA96		29,000	4,000	33,000
2007 Chev. Silverado	SA98		<u>29,000</u>	<u>4,000</u>	<u>33,000</u>
Subtotal - Other			\$ 122,500	\$ 30,000	\$ 152,500
Total Vehicles & Equipment			<u>\$ 1,540,500</u>	<u>\$ 391,200</u>	<u>\$ 1,931,700</u>

¹ Value based on current replacement value. Secondary market values used for older engines.

Source: Salida Fire Protection District.

Table 6 provides the inventory of special protective gear, communications equipment, training equipment, and other miscellaneous equipment shared by all stations. The District provided replacement cost estimates for these items.

Table 6: Existing Special Equipment Inventory

	Cost per Unit	Units	Total
Personal Protective Equipment	\$ 3,500	45	\$ 157,500
Portable Radios	1,000	27	27,000
Minitors (Tone activated pagers)	375	45	16,900
Mobile Data Computers	5,380	4	21,500
Workstation Computers	1,100	10	11,000
Laptop Computers	2,100	3	6,300
SCBA Refill Station/Compressor	53,000	1	53,000
SCBA Packs	6,000	28	168,000
SCBA Bottles	800	63	50,400
Thermal Imaging Cameras	13,000	3	39,000
Training A/V Equipment	13,000	1	13,000
PPE Extractor	12,000	1	12,000
Total Special Equipment			\$ 575,600

Note: Values based on current replacement value.

Source: Salida Fire Protection District.

Table 7 shows the total value of the District's existing inventory of land and buildings, apparatus and vehicles, and special equipment.

Table 7: Total Estimated Value of Existing Inventory

Description	Value
Land and Buildings	\$ 9,769,900
Apparatus and Vehicles	1,931,700
Special Equipment	575,600
Total	\$ 12,277,200

Source: Tables 4, 5 and 6; MuniFinanical.

PLANNED FIRE FACILITIES

The proposed fire facilities impact fee calculated in this report is based on the cost of the District's planned facility acquisitions and the anticipated increase in service population (see "Facility Standard" below). The District has identified the fire facilities needed to accommodate new development in its service area through buildout of the Salida Community Plan. These facilities needs are identified in the District's Master Strategic Plan, completed in 2005.

Table 8 shows the District's planned land and building acquisitions. As shown in the table, the District plans to construct two new fire stations. The proposed Station 4 would also include space for administrative offices. The District plans also to add communications towers and backup power generators at the existing Stations 1 and 2. The estimated land and building contents costs were provided by the District.

Table 8: Planned Land and Buildings Acquisitions

	Amount	Unit Cost	Land/Building Cost ¹	Building Contents ²	Total Cost
Station 1					
Backup Power Generator	24 kw		\$ -	\$ -	\$ 30,000
Communications Tower	120 ft.		-	-	110,000
Subtotal - Station 1			\$ -	\$ -	\$ 140,000
Station 2					
Building (Living Quarters)	5,500 sq. ft.	\$ 330	\$ 1,815,000	\$ 220,000	\$ 2,035,000
Backup Power Generator	24 kw		-	-	30,000
Communications Tower	120 ft.		-	-	110,000
Subtotal - Station 2			\$ 1,815,000	\$ 220,000	\$ 2,175,000
Station 4 (Proposed Stoddard Rd. Station)					
Land	4.50 acres	\$ 300,000	\$ 1,350,000	N/A	\$ 1,350,000
Fire Station	9,730 sq. ft.	330	3,210,900	389,200	3,600,100
Administrative Offices	3,000 sq. ft.	173	519,000	120,000	639,000
App. Maintenance Facility	1,500 sq. ft.	84	126,000	60,000	186,000
Storage Building	1,500 sq. ft.	56	84,000	10,000	94,000
Wash Rack	1,000 sq. ft.	84	84,000	7,000	91,000
Backup Power Generator	24 kw		-	-	30,000
Communications Tower	150 ft.		-	-	120,000
Subtotal - Station 4			\$ 5,373,900	\$ 586,200	\$ 6,110,100
Station 5 (Proposed Finney Rd. Station)					
Land	1.50 acres	\$ 300,000	\$ 450,000	N/A	\$ 450,000
Fire Station	8,130 sq. ft.	330	2,682,900	325,200	3,008,100
Storage Shed	96 sq. ft.	14	1,300	1,100	2,400
Backup Power Generator	24 kw		-	-	30,000
Communications Tower	120 ft.		-	-	110,000
Subtotal - Station 5			\$ 3,134,200	\$ 326,300	\$ 3,600,500
Total - Planned Land and Buildings			\$ 10,323,100	\$ 1,132,500	\$ 12,025,600

¹ Building costs per square foot are based on actual costs to the District of building Station 3 in 2005, updated for inflation using the the *Engineering News-Record* Building Cost Index (BCI) for San Francisco (2005 annual average BCI: 4,620.22; January 2008 BCI: 5,161.24).

² Estimated cost of building contents provided by Salida Fire Protection District.

Sources: Salida Fire Protection District; Building Cost Index - San Francisco, *Engineering News Record*.

Table 9 shows the additional apparatus and vehicles needed to serve new development. In addition to vehicle costs, the cost of the equipment that will be carried on each vehicle is also shown. Most of the new apparatus would be located at the new fire stations; however, some additional apparatus are needed at existing stations.

Table 9: Planned Apparatus and Vehicle Acquisitions

Vehicle Type	Vehicle	Equipment	Total
<i>Type I Engines</i>			
Station 4	\$ 450,000	\$ 95,000	\$ 545,000
Station 5	450,000	95,000	545,000
Subtotal - Type I	\$ 900,000	\$ 190,000	\$ 1,090,000
<i>Type III Engines</i>			
Station 2	\$ 290,000	\$ 50,000	\$ 340,000
Station 3	290,000	50,000	340,000
Station 4	290,000	50,000	340,000
Station 5	290,000	50,000	340,000
Subtotal - Type III	\$ 1,160,000	\$ 200,000	\$ 1,360,000
<i>Aerial/Truck</i>			
Station 4	\$ 750,000	\$ 150,000	\$ 900,000
Subtotal - Aerial/Truck	\$ 750,000	\$ 150,000	\$ 900,000
<i>Water Tenders</i>			
Station 3	\$ 275,000	\$ 12,400	\$ 287,400
Station 5	275,000	12,400	287,400
Subtotal - Other Apparatus	\$ 550,000	\$ 24,800	\$ 574,800
<i>Command/Staff Vehicles</i>			
SUV - Battalion Chief	\$ 38,000	\$ 9,000	\$ 47,000
SUV - Prevention Officer	29,000	4,000	33,000
Subtotal - Other	\$ 67,000	\$ 13,000	\$ 80,000
Total Vehicles & Equipment	\$ 3,427,000	\$ 577,800	\$ 4,004,800

Source: Salida Fire Protection District; MuniFinancial.

EXISTING IMPACT FEE FUND BALANCES

The District currently has balances accumulated in its impact fee funds. **Table 10** shows the current balances in the District's development impact fee fund and its CEQA equipment impact fee fund. CEQA fees are impact fees paid to the District by development projects for which an environmental impact report (EIR) has been prepared. These fund balances will be used by the District to fund a portion of the planned facilities to accommodate development that has already

occurred. In particular, the District plans to construct permanent living quarters at Station 2 to support 24-hour staffing of that station in the near future.

Table 10: Existing Fund Balances

Development Impact Fees	\$	153,600
CEQA - Equipment		<u>1,537,400</u>
Total	\$	1,691,000

Source: Salida Fire Protection District.

Table 11 shows the total amount of future impact fee revenue needed to fund planned facilities. The total funding needed, estimated at \$14.3 million, includes \$12.0 million for land and buildings and \$4.0 million for apparatus acquisitions, less the existing fund balance of approximately \$1.7 million.

Table 11: Total Funding Needed for Planned Facilities

Description		Value
Land and Buildings	\$	12,025,600
Apparatus		<u>4,004,800</u>
Total		16,030,400
(Less) Existing Fund Balance		<u>(1,691,000)</u>
Net Funding Needed	\$	14,339,400

Source: Tables 8, 9, and 10; MuniFinanical.

IMPACT FEE CALCULATION

The following section uses the information on development and existing and planned facilities outlined above to calculate an impact fee such that new development will fund its fair share of facility costs.

FACILITY STANDARD

In an impact fee study, a facility standard is used to document a reasonable relationship between the projected amount of new development and the total need for new facilities. Facility standards ensure that new development does not fund deficiencies associated with existing

development. This study is based on a facility cost standard expressed as the value of fire facilities per capita. There are three common approaches for calculating cost standards:

- ◆ The “Existing Facilities” method estimates the replacement value of existing facilities divided by the existing service population and uses the resulting facility standard as a basis for impact fee calculation. This approach is often used when a long-range plan for new facilities is not available.
- ◆ The “System Plan” method calculates a facilities standard based on the combination of existing and future planned facilities and allocates the resulting costs based on the proportionate share of existing and future service population. This approach is used when it is not possible to differentiate the benefits of new facilities between new or existing development. This method enables a district to increase its facilities standard while equitably allocating the costs associated with the higher standard to new development.
- ◆ The “Planned Facilities” method derives impact fees per capita based on the value of planned facilities divided by the increase in future service population. This approach is appropriate when specific planned facilities can be identified that only benefit new development or when an agency’s level of planned facilities per capita is less than the level of existing facilities per capita.

The planned facilities method was used to calculate the proposed impact fees in this study because the District’s level of planned facilities per capita is lower than the existing level of facilities per capita, based on the District’s current facility plans and projected growth. **Table 12** shows the impact fee funding needed per capita to fund planned facilities.

Table 12: Planned Facility Standard

Impact Fee Funding Needed For Planned Facilities	\$ 14,339,400
Growth in Service Population	<u>34,410</u>
Facility Standard per Capita	\$ 417
Cost per Resident	\$ 417
Cost per Worker ¹	\$ 288

¹ Worker weighting factor of 0.69 applied to cost per resident.

Sources: Tables 3 and 11; MuniFinancial.

The District’s Master Strategic Plan identified locations for new stations based on an analysis of response time to existing areas of development and areas where development is anticipated in the future. The increasing density of development in the Salida area and its currently proposed location will allow the District to reach a greater number of residents and employees with each station and apparatus within acceptable response times. The current configuration of three stations has an average service population of approximately 8,100 per station. With the addition of two stations and the projected increase in service population, the system will have

approximately 11,700 service population per station upon buildout of the Salida Community Plan and Del Rio.

For comparison, the District's existing facility standard was calculated at \$499 per capita and the system plan standard is \$451 per capita. Both of these approaches yield a significantly higher facility standard, and consequently higher impact fees, than the planned facilities approach. In order to not collect more impact fee revenue than will be needed to construct the facilities identified in the Master Strategic Plan, the planned facilities standard of \$417 per capita is used as the basis for the proposed impact fees. The lower per capita standard reflects the increased efficiencies in service provision and fire facilities location and use described above.

FEE SCHEDULE

To ensure a reasonable relationship between each fee and the type of development paying the fee, impact fees distinguish between different land use types. The land use types used in this analysis are defined below.

- ◆ **Residential:** All dwelling units.
- ◆ **Commercial:** All commercial and retail development.
- ◆ **Office:** All general, professional, and medical office development. Hotels and motels are also included in the Office category because their employee and guest occupancy rates lead to a rate of calls for service and fire risks most similar to office development.
- ◆ **Industrial:** All manufacturing development.
- ◆ **Unoccupied Agricultural:** Agricultural buildings not routinely occupied by humans.

Some developments may include more than one land use type, such as an industrial warehouse with living quarters (a live-work designation) or a planned unit development with both single and multi-family uses. In these cases the public facilities fee would be calculated at the higher fee.

The District should have the discretion to impose the fire protection fee based on the specific aspects of a proposed development regardless of zoning. The guideline to use is the probable occupant density of the development, either residents per dwelling unit or workers per building square foot. The fee imposed should be based on the land use type that most closely represents the probable occupant density of the development.

Table 13 shows the fire facilities impact fee for new development throughout the District based on the planned facilities standard shown in Table 12.

Table 13: Salida Fire Protection District Proposed Fire Facilities Impact Fees

Land Use	Costs per Capita	Density ¹	Cost/HU or Cost/1000 SF	Avg. SF Per HU ²	Fee/SF	Admin. Costs ³	Fee ⁴
<u>Residential</u>	\$ 417	3.01	\$ 1,255	2,600	\$ 0.48	\$ 0.01	\$ 0.49
<u>Nonresidential</u>							
Commercial	\$ 288	2.33	\$ 671		\$ 0.67	\$ 0.01	\$ 0.68
Office	288	3.12	899		0.90	0.02	0.92
Industrial	288	1.16	334		0.33	0.01	0.34
Unoccupied Agricultural					0.17	0.00	0.17

¹ Persons per dwelling unit for residential land uses and employees per 1,000 square feet for nonresidential land uses.

² Average square footage of anticipated development in the Salida Fire Protection District.

³ Two percent of the total fee for City costs such as fee studies, collection, accounting, and annual reporting required by *Calif. Govt. Code* Section 66000 et seq.

⁴ Per dwelling unit for residential uses and per 1,000 square feet for nonresidential land uses.

Sources: Table 12; Table 3, Salida Community Plan; The Natelson Group 2001 Employment Density Study prepared for Southern California Association of Governments; Salida Fire Protection District; MuniFinancial.

For residential development, the facility standard is converted to a fee per square foot of development based on the estimated average persons per dwelling unit and the average square footage of new dwelling units expected in the District. This study uses an estimate of 3.01 persons per dwelling unit, consistent with the density figure used in the Salida Community Plan.¹

The estimated average of 2,600 square feet per new dwelling unit is based on the average size of new units expected in the District. The average is based on the following assumptions for new unit sizes:

- ◆ Low density: 3,100 square feet,
- ◆ Medium density: 2,300 square feet,
- ◆ Medium-high density: 1,400 square feet, and
- ◆ Del Rio area: 5,000 square feet.²

The average is weighted by the number of each type of units expected in the District. The weighted average of 2,600 square feet is lower than the average size of recently constructed residential units in the District. This is consistent with the expectation of a large amount of tract home-type development in the Salida area.

Employment densities are taken from an employment density survey completed by the Natelson Group in 2001 for the Southern California Association of Governments (SCAG). This study

¹ The Salida Community Plan calls this figure "persons per household." However, the Plan applies the figure to estimated household generation without using a vacancy factor to estimate the population associated with residential development. Therefore, to be consistent, we use 3.01 as our estimated number of persons per dwelling unit.

² The unit size estimate for the Del Rio area is consistent with recent development in Del Rio. Specific average square footage estimates are not available for residential development in the Salida Community Plan area. The estimates used here are based on estimates used for areas with similar projected development patterns in other semi-rural counties we have recently worked with.

uses employment densities averaged over the entire SCAG five county region and weighted by number of parcels in each land use category considered.

In accordance with the District's current practices, a special "Unoccupied Agricultural" fee category has been included at fifty percent of the calculated industrial land use fee. The purpose of this special category is to address the construction of buildings common in rural agricultural areas that require fire protection but that are not routinely occupied by humans and therefore do not create medical response needs.

A two percent administrative charge, which will be retained by the District, is included to cover expenses associated with documenting, collecting and accounting for the fee. The administrative charge is not intended to fund any of the District's other (non-fee related) administrative costs.

ALTERNATIVE REVENUE SOURCES

The District does not anticipate developing any other sources of revenue for capital facilities besides impact fees and existing General Fund revenue. General Fund revenue is derived from the District's share of the constitutionally imposed one percent property tax rate. The District's property tax share varies throughout the service area.

Special taxes and special assessments are also possible sources of revenue for fire facilities. Any new or increased special tax would require two-thirds voter approval. Any new or increased assessment would require majority property owner approval. Any new or increased property-related charge or fee would require majority voter approval.

The District currently includes a Mello-Roos Community Facilities District (CFD). This CFD was originally formed to finance the construction of Station 3 as well as other non-fire protection facility infrastructure stipulated at the time of the CFD formation. A small amount of commercial development within the original CFD boundaries that is yet not built but was assumed at the time the CFD originated may be exempt from the imposition of impact fees. Any additional areas that have since requested annexation into the original CFD without a corresponding increase in fire facilities will presumably be subject to fire facilities impact fees. Such determinations, including those requiring legal counsel, are the responsibility of the Salida Fire Protection District.

PROGRAM IMPLEMENTATION

Consistent with other fire protection district facilities fees collected in Stanislaus County, the fire facilities impact fee would be collected at time of building permit issuance. Because the District does not have the statutory authority to adopt a fee, it must rely on the County Board of Supervisors for the authority. In addition, to implement the fee the District, in cooperation with the County, should:

- Identify funding sources to complement impact fee revenues to fully fund planned facilities, if needed;
- Maintain an annual Capital Improvement Program budget or another accounting mechanism to indicate where fees are being expended to accommodate growth;
- Maintain records on use of the administrative charge to justify the amount;

- Comply with the annual and five-year reporting requirements of *Government Code* 66001 and 66006; and
- Identify appropriate inflation indexes in the fee ordinance and implement a regularly scheduled (e.g. annual) inflation adjustment.

For inflation indexes, the District should use separate indexes for land and construction. Calculating the appropriate inflation factor for land may require use of a property appraiser every several years. The construction index can be based on the District's recent capital project experience or taken from any reputable published source, such as the *Engineering News Record*. To calculate the fee increase, total planned facility costs represented by land or construction, as appropriate, should weight each index.

SPECIAL CASE LAND USES

The development impact fees presented in this report are calculated to provide revenues sufficient to fund facilities that are needed to serve new development. Because this need varies between land use types, the fee schedule contains differing fees for five land use categories and fees calculated based on average resident or employee densities. It is in the interest of both the District and the service population that impact fee revenues be sufficient to fund the facilities needed to serve new development. Most new development anticipated to occur within the District should be adequately covered by the five categories for which fees have been calculated.

However, it is impossible to anticipate every possible land use and the special risks or needs that might be associated with them. Therefore, in the situation where a particular land use represents a significantly higher than usual fire risk, and therefore the need for fire protection facilities over and above those described in this report, the District should consider requesting additional revenue for fire protection facilities as needed. As with the impact fees, if this is done, the result of any negotiations should bear a reasonable relationship to the need for fire protection facilities resulting from the particular development.

MITIGATION FEE ACT FINDINGS

To guide the widespread imposition of development impact fees, the State Legislature adopted the *Mitigation Fee Act* (the *Act*) with Assembly Bill 1600 in 1988 and subsequent amendments. The *Act* is contained in *California Government Code* Section 66000 *et seq.* and establishes requirements for the imposition and administration of impact fee programs. The *Act* became law in January 1988 and requires local governments to document the five findings explained in the sections below when adopting an impact fee. For the fire facilities impact fee to be adopted by Stanislaus County on behalf of the Salida Fire Protection District, the findings are summarized here and supported in detail by the report that follows. All statutory references are to the *Act*.

PURPOSE OF FEE

For the first finding the County must:

Identify the purpose of the fee. (§66001(a)(1))

The policy of Stanislaus County, per Chapter 24.01 of the County Code, is that “in order to protect and safeguard the public from the peril of fire, to implement the goals and objectives of the county general plan and to mitigate impacts caused by new development within the county,

fire protection facilities fees are necessary. These fees are needed to finance fire protection facilities and to assure that new development pays its fair share for these improvements.” The purpose of the Salida Fire Protection District fire facilities impact fee is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fee advances a legitimate interest of the County by assuring that new development within the County is provided with adequate fire protection facilities and services.

USE OF FEE REVENUES

For the second finding the County must:

Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged. (§66001(a)(2))

The fire facilities impact fee will fund expanded facilities to serve new development. All planned facilities will be located within the Salida Fire Protection District boundaries:

- ◆ Land for fire station and other related structures;
- ◆ Fire stations including furniture and other equipment;
- ◆ Fire apparatus including equipped engines and other vehicles;
- ◆ Medical response, hazardous materials, training, and other specialized fire fighting equipment.
- ◆ Potential financing costs associated with the above.

The facility needs identified in this report are based on the District’s Master Strategic Plan, prepared in 2005. If other facility plans are developed in the future, the District should revisit the fire impact fees, calculations, and documentation.

BENEFIT RELATIONSHIP

For the third finding the County must:

Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. (§66001(a)(3))

The District will restrict fee revenues to the acquisition of land, construction of public buildings, and purchase of related equipment, furnishings, and vehicles that will serve new development and the additional residents and workers associated with that new development as part of a district-wide network of fire protection facilities and services. Thus, there is a reasonable relationship between the use of fee revenues and the residential and nonresidential types of new development that will pay the fee.

BURDEN RELATIONSHIP

For the fourth finding the County must:

Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. (§66001(a)(4))

Service population provides an indicator of the demand for the facilities needed to accommodate growth. Service population is calculated based on residents associated with residential development and employment associated with nonresidential development. To calculate a single per capita standard, one worker is weighted less than one resident based on an analysis of the relative demand for fire facilities by land use type.

The need for the fee is based on the facility standards identified in this report and the growth in district-wide service population projected through buildout of the Salida Community Plan. Facility standards represent the level of service that the Salida Fire Protection District plans to provide its residents and businesses. Standards are based on the planned facilities anticipated by the District allocated across the District's anticipated service population growth.

See the *Fire Facilities Service Population* section for a description of how service population and growth projections are calculated. Facility standards are described in the *Impact Fee Calculation* section.

PROPORTIONALITY

For the fifth finding the County must:

Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. (§66001(b))

This reasonable relationship between the fire facility impact fee for a specific development project and the cost of the facilities attributable to that project is based on the estimated size of the service population that the project will accommodate. The total fee for a specific project is based on its size as measured by building square feet. The fee schedule converts the estimated service population that a development project will accommodate into a fee based on the size of the project. Larger projects of a certain land use type will have a higher service population and pay a higher fee than smaller projects of the same land use type. Additionally, larger construction also presents a higher risk in terms of structural fire protection. Thus, the fee schedule ensures a reasonable relationship between the public facility fee for a specific development project and the cost of the facilities attributable to that project.

See the *Fee Schedule* section for a description of how service population is determined for different types of land uses. The *Fee Schedule* section also presents the fire facilities impact fee schedule.