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**NOTICE OF PUBLIC HEARING
LEGAL NOTICE**

NOTICE IS HEREBY GIVEN that the South Placer Fire Protection District ("District") intends to conduct a public hearing on **June 13, 2018 at 7:00 p.m.** to consider a resolution concerning the approval of the District's Fire Impact Fee Nexus Study and approval of new fire impact fees charged on new development pursuant to California Government Code Section 66000 et al. The Public Hearing shall be held at the Station 17 located at 6900 Eureka Road, Granite Bay, California, 95746. The Fire Impact Fee Nexus Study for the proposed fire impact fees will be available for public review on May 30, 2018. Members of the public are invited to provide comment at the public hearing, or, in writing, which is received on or before June 11, 2018. Any person challenging in court the decision made at the conclusion of the public hearing may be limited to raising only those issues raised at such hearing or in correspondence delivered to the District prior to the close of such hearing. Information on this matter may be obtained at the District's Station 17 located at 6900 Eureka Road, Granite Bay, California, 95746 or by contacting the District at (916) 791-7059.

Fire Chief Eric Walder

South Placer Fire Protection District

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SOUTH PLACER FIRE PROTECTION DISTRICT

FIRE IMPACT FEE NEXUS STUDY

MAY 2018
FINAL REPORT

PREPARED FOR:

**BOARD OF DIRECTORS
SOUTH PLACER FIRE PROTECTION DISTRICT**

PREPARED BY:


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SOUTH PLACER FIRE PROTECTION DISTRICT

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ACKNOWLEDGEMENTS

This Fire Impact Fee Nexus Study was prepared by SCI Consulting Group ("SCI") under contract with the South Placer Fire Protection District ("District"). The work was accomplished under the general direction of Eric Walder, Fire Chief of the District.

We would like to acknowledge special efforts made by the following individuals and organizations for this project:

Kathy Medeiros, South Placer Fire Protection District
Placer County Auditor's Office
Placer County Assessor's Office

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EXECUTIVE SUMMARY

INTRODUCTION

This Fire Impact Fee Nexus Study ("Nexus Study") was prepared pursuant to the Mitigation Fee Act ("Act") as found in Government Code § 66000 et seq. The purpose of this Nexus Study is to establish the legal and policy basis for the collection of a new fire impact fee ("fee") on new development within the South Placer Fire Protection District ("District").

The District provides first-responder fire protection and emergency response services to the unincorporated community of Granite Bay, the Town of Loomis ("Town"), and some areas of the communities of Penryn and Newcastle in Placer County ("County"). Specifically, the District's services include fire prevention and suppression; emergency medical response and transport; rescue and hazardous materials response. In July 2017, the District consolidated with the Loomis Fire Protection District.

The purpose of the fee is to fund the one-time cost of expanding the District's facilities, apparatus, and equipment in order to maintain its existing level of service. For purposes of this Nexus Study, the term "facilities" or "fire system facilities" will refer to facilities (land, stations and other buildings), apparatus (engines, ambulances, and other vehicles), and equipment (ancillary and station). The term "new development" will generally refer the persons (residents and employees working in the District's service area) and the structural area (residential area and nonresidential building area) in which the persons live or work.

Currently, the County imposes a fire impact fee on behalf of the District in the amount of \$0.90 per square foot for all new construction in the boundaries of the District prior to the consolidation with Loomis Fire Protection District. Within the former boundaries of the Loomis Fire Protection District, the District imposes a fire impact fee in the amount of \$0.58 per square foot for residential construction and \$1.09 per square foot for nonresidential construction. Both fee programs are outdated as they were established in 2013 and 2003 respectively. With the consolidation of the District, both fee exiting fee programs will replace with the systemwide fee program established by this Nexus Study.

In order to impose such fees, this Nexus Study demonstrates that a reasonable relationship between new development, the amount of the fee, and fire facilities, apparatus and equipment funded by the fee. More specifically, this Nexus Study will present findings in order to meet the procedural requirements of the Mitigation Fee Act ("Act"), also known as AB 1600, which are as follows:

1. Identify the purpose of the fee.

2. Identify the **use** to which the fee is to be put.
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed ("**benefit relationship**").
4. Determine how there is a reasonable relationship between the need for the fire facilities and the type of development project on which the fee is imposed ("**impact relationship**").
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed ("**proportional relationship**").

Additionally, the Act specifies that the fee shall not include costs attributable to existing deficiencies in public facilities but may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to refurbish existing facilities to maintain the existing level of service or achieve an adopted level of service that is consistent with the general plan.

To determine the District's fire impact fee consistent with these substantive requirements, this Nexus Study utilizes a system-wide existing facility standard methodology. Under this widely used methodology, existing fire protection facilities, apparatus, and equipment to existing development establishes the standard for determining new development's fair share of the cost to expand the District's fire system as growth occurs. Existing development is determined based on the assumption that 50 percent of the need and demand for fire service (and associated facilities, apparatus, and equipment) is related to the persons (residents or employees), and the other 50 percent of the need is related to the structural area (i.e., living area or nonresidential building area) in which they live or work. The value of the District's existing fire system is determined using the replacement value of the District's existing inventory of fire protection facilities, apparatus, and equipment. These costs are then applied to nine land use categories in proportion to the need they create for fire protection and emergency response services to establish a cost/fee per square foot.

The Nexus Study also identifies the fair share cost of planned fire and emergency response services facilities needed to serve existing development at the same facilities standard applied to new development. The identification and use of an existing facility standard and the proper expenditure of the fee revenue ensures that new development will not fund any existing deficiencies, but instead only planned facilities costs needed to accommodate growth. Thus, consistent with the Act, this Nexus Study demonstrates that there is a reasonable relationship between new development, the amount of the fee, and facilities, apparatus and equipment funded by the fee.

The Nexus Study also details the **procedural requirements** for approval of the Nexus Study and proposed fire impact fee program ("fee program") by the District Board of Directors and adoption by the County Board of Supervisors on behalf of the District. Also, the Act contains specific requirements for the **annual administration** of the fee program. These statutory requirements and other important information regarding the imposition and collection of the fee are provided in the last sections of the Nexus Study.

SUMMARY OF KEY FINDINGS

The following key findings from the Nexus Study are presented:

1. The County of Placer, on behalf of the District, currently imposes a fire impact fee in the amount of \$0.90 per square foot of all new construction in the boundaries of the District prior to the consolidation with Loomis Fire Protection District. Within the former boundaries of the Loomis Fire Protection District, the District imposes a fire impact fee in the amount of \$0.58 per square foot for residential construction and \$1.09 per square foot for nonresidential construction.
2. A fire impact fee is necessary to ensure that the District can adequately expand its fire protection facilities, apparatus, and equipment to accommodate the population and employment growth and new structural area created by new development.
3. Consistent with nexus requirements of the Act, this Nexus Study demonstrates that there is a reasonable relationship between new development, the amount of the proposed fee, and facilities, apparatus, and equipment funded by the fee.
4. Fee revenue may be used to fund 100% of the cost of new and expanded facilities, 100% of the cost of apparatus, vehicles, and equipment that expand the District's existing inventory, and up to 11.6 percent the replacement cost of apparatus, vehicle and equipment purchases.
5. Projected fee revenue and unexpended fire impact fee proceeds, will fund approximately \$4.7 million of the District's \$21.7 million in planned new facilities and replacement of existing apparatus, vehicles, and equipment.
6. The proposed fire impact fee is consistent with Placer County Ordinance Code 15.36.010 and the policies of the Placer County General Plan. The proposed fire impact fee is also consistent with Town of Loomis General Plan.
7. The District may approve, and the County and Town may adopt on their behalf, the following fee at or below the levels determined by this Nexus Study.

FIGURE 1 – MAXIMUM FIRE IMPACT FEE SCHEDULE

Land Use Category	Maximum Fee
	Per Living Sq. Ft.
Residential Development	
Single-Family Housing	\$0.81
Multi-Family Housing	\$1.41
Mobile Home	\$0.97
Assisted Living Facility	\$0.89
	Per Building Sq. Ft.
Nonresidential Development	
Retail / Commercial	\$1.32
Office	\$1.70
Industrial	\$1.05
Agriculture	\$0.53
Warehouse / Distribution	\$0.87

Notes:

¹ The fire impact fee is rounded to the nearest whole cent.

SUMMARY OF GENERAL RECOMMENDATIONS

Based on the findings presented in the Nexus Study, the following general recommendations are presented:

1. Since only cities and counties have land use authority to impose development impact fees as a condition of project approval, the District's proposed fee must be adopted by the County and Town on behalf of the District.
2. Fee proceeds should be deposited into a new, separate fund or account so there will be no commingling of fee proceeds with the unexpended balances in the existing fee program funds. Once the existing fee program funds have been spent, the accounts should be closed.
3. Fee revenue should be used to fund only the cost of new and expanded facilities, apparatus, vehicles, and equipment to serve new development as further detailed on page 20.
4. The District's approved fee should be adopted and implemented in accordance with the applicable provisions of the Act.
5. The District should comply with the annual reporting requirements under Government Code § 66006(b).
6. Following the fifth fiscal year after the first deposit of fee revenue and every five years thereafter, the District should comply with the reporting requirements under Government Code § 66001(d).
7. The cost estimates presented in this Nexus Study are in 2018 dollars. The new fire impact fee should be adjusted annually for cost inflation based on percentage change in an appropriate engineering cost index as published by the Engineering News-Record.

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DETERMINATION OF EXISTING DEVELOPMENT

The District serves both residences and businesses throughout their service area. As such, the demand for the District's services and associated facilities, apparatus, and equipment is measured by its service population and the structural area it protects. This section will first determine the service population and structural area within the District's service area. This data will be used to establish an existing facilities demand factor for the various residential, and nonresidential land uses within the District, which in turn will be used to determine existing development's total facilities demand.

EXISTING SERVICE POPULATION AND STRUCTURAL AREA

The District provides first-responder fire protection and emergency response services to the unincorporated community of Granite Bay, the Town of Loomis and currently serves an estimated resident population of 32,357. The District's resident population estimate is based on figures from the 2010 U.S. Census for the District's service area and Placer County Assessor's data as of February 2018.

The District also protects approximately 11,945 occupied and vacant housing units and over 3.0 million square feet of nonresidential building area. Estimated total housing units and nonresidential building area are based on figures from the Placer County Assessor as of February 2018.

FIRE FACILITIES DEMAND FACTOR

To determine the relative demand for fire facilities for various land uses, this Nexus Study relies on equivalent dwelling unit ("EDU") factors to compare fire facilities demand across various residential and nonresidential land uses. For purposes of this Nexus Study, it is assumed that 50 percent of the demand for fire protection and emergency response services is related to the persons (residents or employees), and the other 50 percent of the need is to protect the structural area (living area or nonresidential building area) in which the persons live or work.

The equivalent dwelling unit ("EDU") is also used to convert the nonresidential building area to a residential dwelling unit value. This approach allows for the cost of facilities, apparatus, vehicles, and equipment to be fairly apportioned among residential and nonresidential land uses.

Figure 2 on the following page shows the calculation of the fire facilities demand factor for nine land use categories. The residential land use categories are expressed per dwelling unit, and the nonresidential land use categories are expressed per square foot of building area. By this measure, for example, one single-family home creates the demand for the District's facilities, apparatus, and equipment equal to 590 square feet of retail/commercial building area.

FIGURE 2 – FIRE FACILITIES DEMAND FACTOR

Land Use Category	Unit	Persons per Unit ¹		Persons EDU	Persons Demand Factor	Structural Area per Unit ²	Structural Area EDU	Structural Area Demand Factor	Fire Facilities EDU Demand Factor
		a	b = a / 2.88						
Single-Family Housing	DU	2.88	1.00	1.00	0.50	2,760	1.00	0.50	1.00
Multi-Family Housing	DU	2.47	0.86	0.86	0.43	950	0.34	0.17	0.60
Mobile Home	DU	2.04	0.71	0.71	0.35	1,400	0.51	0.25	0.61
Assisted Living Facility	Bed	1.00	0.35	0.35	0.17	800	0.29	0.14	0.32
Residential	DU	2.84	0.99	0.99	0.49	2,616	0.95	0.47	0.97
Retail / Commercial	KBSF	2.33	0.81	0.81	0.40	1,000	0.36	0.18	0.59
Office	KBSF	3.33	1.16	1.16	0.58	1,000	0.36	0.18	0.76
Industrial	KBSF	1.67	0.58	0.58	0.29	1,000	0.36	0.18	0.47
Agriculture	KBSF	0.33	0.11	0.11	0.06	1,000	0.36	0.18	0.24
Warehouse / Distribution	KBSF	1.23	0.43	0.43	0.21	1,000	0.36	0.18	0.39
Nonresidential	KBSF	2.69	0.93	0.93	0.47	1,000	0.36	0.18	0.65

Notes:

¹ Residents per unit is based on census data from the 2010 U.S. Census for Granite Bay and Loomis Census-Designated Places. All nonresidential density figures (except Agriculture) are from 2001 "Employment Density Study" prepared by The Natelson Company, Inc. for the Southern California Association of Governments expressed in terms of the number of employees per 1,000 square feet of building area. The density figure for Agriculture is from the 2004 "Employment Density in the Puget Sound Region" report prepared by E.K. Plam for the University of Washington.

² Residential structural area per unit is based on Placer County Assessor's data as of February 2018. Structural area for assisted living facility assumes 800 square feet per bed.

EXISTING FIRE FACILITIES DEMAND EDUs

Figure 3 below calculates the District's existing demand EDUs based on the total number of dwelling units and estimated nonresidential building area within the District. As shown, total existing demand EDUs for the District is 13,658. Existing demand EDUs represents the level of existing development served by the District's existing facilities.

FIGURE 3 – EXISTING DEMAND EDUs

Land Use Categories	Unit	Units ¹	Fire Facilities EDU Demand Factor ²	Existing Demand EDUs
Calc		a	b	c = a * b
Single Family Housing	DU	11,347	1.00	11,347
Multi-Family Housing	DU	375	0.60	225
Mobile Home	DU	223	0.61	136
Nonresidential	KBSF	3,000.466	0.65	1,950
Total		14,945		13,658

Source: Placer County Assessor's Office; SCI Consulting Group

Notes:

¹ Housing unit count and nonresidential building area is based on information from the Placer County Assessor's data as of July 2017.

² See Figure 2.

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DETERMINATION OF EXISTING FIRE SYSTEM FACILITIES

EXISTING FIRE SYSTEM FACILITIES

The next step in determining the District's existing facilities standard is to calculate the replacement value of the District's fire protection and emergency response facilities system. Figure 4 below presents a summary of replacement value (in 2018 dollars) for the District's existing facilities (land and stations), apparatus (engines, ambulances, and other vehicles) and equipment (ancillary and station).

The South Placer Fire District operates five fire stations, one administration office, one maintenance shop and one training/hose tower. The estimated replacement value of the District's fire stations is \$520 per square foot which is based on recent cost estimates for expansion of Station 15. The estimated land value for the District's fire stations ranges from \$225,000 to \$350,000 per acre. The estimated replacement value of the District's apparatus, vehicles, and equipment inventory is based on unit cost assumptions provided by the District. Estimated values of older apparatus have been discounted from the replacement value of the new apparatus to reflect their age. (The detailed inventory and estimated replacement value for each is provided in Appendix C.)

As shown below, the estimated value of the District's existing facilities, apparatus, and equipment is \$30.0 million in 2018 dollars.

FIGURE 4 – REPLACEMENT VALUE OF EXISTING FIRE SYSTEM FACILITIES

Fee Components	Total Replacement Value (2018\$)
Land	\$2,920,518
Stations / Other Buildings	\$21,185,981
Apparatus / Vehicles	\$3,972,000
Equipment	\$1,958,750
Total Existing Fire System Facilities	\$30,037,248

Source: South Placer Fire Protection District; SCI Consulting Group

EXISTING FIRE FACILITIES STANDARD

The District's ratio of existing facilities, apparatus, and equipment to the existing demand establishes the standard for determining new development's fair share of the cost to replace and expand the District's facilities as growth occurs. As shown below, the standard is represented by the existing fire system facilities cost of \$2,199.24 per demand EDU.

FIGURE 5 – FIRE FACILITIES COST PER DEMAND EDU

Existing Fire System Facilities ¹	\$30,037,248
Existing Demand EDUs ²	13,658
Existing Fire Facility Cost Per EDU	\$2,199.24

Notes:

¹ See Figure 4.

² See Figure 3.

DETERMINATION OF THE FIRE IMPACT FEE

The Mitigation Fee Act requires that development impact fees be determined in a way that ensures a reasonable relationship between the amount of the fee and the cost of facilities, apparatus, and equipment attributable to the development on which the fee is imposed. In this section, the District's facilities standard determined and then applied to nine land uses categories in proportion to the demand they create as measured by their fire facilities demand factor.

RESIDENTIAL FIRE IMPACT FEE

Since residential land uses have varying dwelling unit occupancies and sizes, the residential fire impact fee is expressed on a per square footage basis for the following four residential land use categories. The four residential land use categories are defined below.

- **"Single-family housing"** means detached or attached one-family dwelling units with an assessor's parcel number for each dwelling unit;
- **"Multi-family housing"** means buildings or structures designed for two or more families for living or sleeping purposes and having kitchen and bath facilities for each family; and
- **"Mobile home"** means a development area for residential occupancy in vehicles which require a permit to be moved on a highway, other than a motor vehicle designed or used for human habitation and for being drawn by another vehicle; and
- **"Assisted living facility"** means buildings or structures designed for independent living, assisted living and retirement living facilities.

The fire impact fee shall be charged on the square footage within the perimeter of a residential structure. Garages, carports, walkways, overhangs, patios, enclosed patios, detached storage structures, or similar areas are excluded.

Figure 6 on the following page presents the calculation of the District's proposed residential fire impact fees. The District may approve, and the County and Town may adopt on their behalf, the following fees at or below the levels determined by this Nexus Study. As shown, the residential fees are determined by multiplying the facilities standard by their respective facilities demand factor plus an additional two percent for annual administration of the fire impact fee program. The fee program administrative cost component is designed to offset the cost of collection, documentation, annual reporting requirements, five-year report

requirements, periodic Nexus Study updates, and other costs reasonably related to compliance with the Act.

FIGURE 6 – PROPOSED RESIDENTIAL FIRE IMPACT FEES

Residential Land Use Category	Facility Standard ¹	Facilities Demand EDU Factor ²	Cost per Unit	Admin. Expense 2% ³	Average Living Area per Sq. Ft. ⁴	Proposed Residential Fees ⁵	
Calc	a	b	c = a * b	d = c * 0.02	e	f = (c + d) / e	
			- per dwelling unit -				- per sq. ft. -
Single-Family Housing	\$2,199.24	1.00	\$2,199.24	\$43.98	2,760	\$0.81	
Multi-Family Housing	\$2,199.24	0.60	\$1,319.55	\$26.39	950	\$1.41	
Mobile Home	\$2,199.24	0.61	\$1,341.54	\$26.83	1,400	\$0.97	
Assisted Living Facility	\$2,199.24	0.32	\$703.76	\$14.08	800	\$0.89	

Notes:

¹ See Figure 5.

² See Figure 2.

³ County collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act.

⁴ Based on Placer County Assessor's Lien Roll Data as of February 2018. Structural area for assisted living facility assumes 800 average square feet per bed.

⁵ Proposed residential fire impact fees are rounded down to the nearest cent.

NONRESIDENTIAL FIRE IMPACT FEES

As stated earlier, the Mitigation Fee Act requires that development impact fees be determined in a way that ensures a reasonable relationship between the fee and the type of development on which the fee is imposed. Since different nonresidential land uses have varying employment densities, the nonresidential fire impact fee is expressed per square foot of building area based on their respective facilities demand EDU factor for five nonresidential land use categories. The five nonresidential land use categories are as follows:

- "Retail / Commercial" means retail, commercial, educational and hotel/motel construction;
- "Office" means general, professional and medical office construction;
- "Industrial" means manufacturing construction;
- "Agriculture" means construction of barns other agricultural structures; and

- **“Warehouse / Distribution”** means construction of buildings primarily devoted to the storage and / or distribution of materials.

The nonresidential fee shall be charged for “covered and enclosed space” within the perimeter of a nonresidential structure. Any storage areas incidental to the principal use of the development, garage, parking structure, unenclosed walkway, or utility or disposal area are excluded.

Figure 7 below presents the calculation of the nonresidential fire impact fees. The District may approve, and the County and Town may adopt on their behalf, the following fees at or below the levels determined by this Nexus Study. As shown, the fees for the five nonresidential land uses are determined by multiplying the facilities standard by their respective facilities demand factor plus an additional two percent for administration of the fire impact fee program.

FIGURE 7 – PROPOSED NONRESIDENTIAL FIRE IMPACT FEES

Nonresidential Land Use Category	Facility Standard ¹	Facilities Demand EDU Factor ²	Cost per Unit	Admin. Expense 2% ³	Total Cost per Unit	Proposed Nonres. Fire Impact Fee ⁴
<i>- per 1,000 sq. ft. of building area -</i>						
Retail / Commercial	\$2,199.24	0.59	\$1,298	\$25.95	\$1,323.50	\$1.32
Office	\$2,199.24	0.76	\$1,671	\$33.43	\$1,704.85	\$1.70
Industrial	\$2,199.24	0.47	\$1,034	\$20.67	\$1,054.32	\$1.05
Agriculture	\$2,199.24	0.24	\$528	\$10.56	\$538.37	\$0.53
Warehouse / Distribution	\$2,199.24	0.39	\$858	\$17.15	\$874.86	\$0.87

Notes:

¹ See Figure 5.

² See Figure 2.

³ Collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act.

⁴ Proposed nonresidential fire impact fees are rounded down to the nearest cent.

PROJECTED FIRE IMPACT FEE REVENUE

Figure 8 projects fee revenue from approved and proposed units within the District’s service area. Total fire impact fee revenue (in 2018 dollars) is then estimated by multiplying the facilities standard by demand EDU growth for all projected units.

FIGURE 8 – PROJECTED FIRE IMPACT FEE REVENUE

Land Use Category	Current Demand EDUs (2018) ¹	Demand EDU Growth ²	Total Cost per Demand EDU ³	Projected Fire Impact Fee Revenue (2018\$)
	Calc a	b	c	d = b * c
Residential	11,708	1,281	\$2,199.24	\$2,817,000
Nonresidential	1,950	308	\$2,199.24	\$677,000
Total	13,658	1,589	\$2,199.24	\$3,494,000

Source: South Placer Fire Protection District, SCI Consulting Group

- Notes:
- ¹ See Figure 3.
 - ² Demand EDUs for approved or proposed units provided by the District.
 - ³ See Figure 5.

PLANNED FIRE SYSTEM FACILITIES

Figure 9 on the following page presents the District’s remaining planned fire facilities, apparatus, and equipment through the development of projected units in the District’s service area. The District will also need to replace apparatus, vehicles, and equipment more quickly due to the increase service calls from the growth in the persons and structure area created by projected units. The District will be able to use fee proceeds to fund 11.6 percent or approximately \$1.3 million of the estimated \$10.9 million in apparatus, vehicles, and equipment replacement costs.¹

¹ Represents the percentage growth in EDUs.

FIGURE 9 – PLANNED FACILITIES, APPARATUS, AND EQUIPMENT

Item	Total Estimated Cost (2018\$)
Station 15 Renovation and Expansion	\$2,390,000
Station 17 Renovation and Expansion	\$950,000
Station 20 Renovation and Expansion	\$1,000,000
Maintenance Shop Renovation	\$350,000
Training/Hose Tower Renovation	\$185,000
Station 29 Renovation	\$75,000
Station 28 Renovation and Expansion	\$1,800,000
New Administrative Office and Meeting Room	\$2,800,000
New Command Vehicle	\$80,000
New Type 1 Engine	\$751,000
New Type 3 Wildland	\$478,000
Apparatus, Vehicles, and Equipment Replacement Attributable to New Development ¹	\$1,264,000
Apparatus, Vehicles, and Equipment Replacement Attributable to Existing Development ¹	\$9,604,000
Capital Improvement Plan	\$21,727,000

It is important to note at the fire impact fee program is designed not to be dependent on a specific capital improvement plan and specific level of new development. Only enough fee revenue will be generated for the District to expand its existing level of service to serve the growing community. Fee revenue may be used to fund up to 100 percent of the cost of the expansion of fire stations or new apparatus and vehicles added to the District's inventory, and up to 11.6 percent the replacement cost of apparatus, vehicle and equipment purchases. Fee revenue may not be used to fund 1) the renovation of existing facilities, and 2) operational, maintenance or repair costs.

Figure 10 below demonstrates that the District's unexpended fire impact fee proceeds and projected fee revenue from new development will fund approximately 21.4 percent or \$4.7 million of the planned facilities. The District will need to fund the shortfall, and any other improvements not currently identified, with other funding sources. Other potential sources of funds include, but are not limited to, the District's general fund, a general obligation bond measure, state and federal grants, and existing or new special tax and assessment proceeds, if allowable.

FIGURE 10 – FACILITIES FINANCING PLAN

	Calc	
Total Cost of Planned Facilities ¹	a	\$21,727,000
Unexpended Fire Impact Fee Funds ²	b	\$1,164,869
Remaining Cost of Planned Facilities	c = a - b	\$20,562,131
Total Projected Fee Revenue ³	d	\$3,494,000
Surplus / (Shortfall) ⁴	e = d - c	(\$17,068,131)

Sources: South Placer Fire Protection District; SCI Consulting Group

Notes:

¹ See Figure 9

² As of February 28, 2018, the fund balances are \$962,969.07 for SPFPD (prior boundaries) and \$201,889.97 for LFPD (prior boundaries).

³ See Figure 8.

⁴ To be funded with other sources of District funds.

NEXUS FINDINGS

This section frames the Nexus Study findings in terms of the legislated requirements to demonstrate the legal justification of the fire impact fees. The justification of the fire impact fees on new development must provide information as set forth in Government Code § 66000. These requirements are discussed below.

PURPOSE OF FEE

The purpose of the fire impact fee is to fund the cost of fire protection and emergency response facilities, apparatus, and equipment attributable to new residential and nonresidential development in the District. The fire impact fees will ensure that new development will not burden existing development with the cost of facilities required to accommodate growth as it occurs within the District.

USE OF FEE REVENUE

Fee revenue will be used to fund the cost of new and expanded facilities, apparatus, vehicles, and equipment to serve new development, such as, but not limited to, those identified in Figure 9. Provided below is a summary of the allowable and prohibited uses of fee revenue.

FIGURE 11 – SUMMARY OF ALLOWABLE AND PROHIBITED USES OF FEE REVENUE

<u>Allowable Uses</u>	<u>Prohibited Uses</u>
<ul style="list-style-type: none"> • <i>New (added) or expanded land and facilities costs (100%)</i> • <i>Apparatus, vehicles and equipment purchases that expand the system inventory (100%)</i> • <i>Facility costs already incurred to provide growth-related capacity (100%)</i> • <i>Portion of apparatus, vehicles, and equipment replacement costs attributable to new development (11.6%)</i> • <i>Portion of a renovation project that expands service capacity</i> 	<ul style="list-style-type: none"> • <i>Existing deficiencies, such as improvements to existing facilities that do not expand service capacity</i> • <i>Portion of apparatus, vehicles, and equipment replacement costs attributable to existing development (88.4%)</i> • <i>Operational, maintenance or repair costs</i>

BENEFIT RELATIONSHIP

The fee will be collected as development occurs. In order to maintain its existing level of fire protection and emergency response services, fee revenue will be used to replace and expand the District's facilities, apparatus, and equipment to meet the additional demand generated by the new residents and employees and new structural area created by new development projects.

Fee revenue will be deposited into a separate fire impact fee account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the District. The fee revenue will be restricted to uses described in the "Use of Fee Revenue" finding. These actions ensure development project paying the fees will benefit from their use.

IMPACT RELATIONSHIP

New residential and nonresidential development projects in the District will grow the persons (residents and employees) and the structural area (residential area and nonresidential building area) in persons live or work. The growth in persons and structural area will create additional need for the District's fire protection and prevention, emergency response service and a corresponding need for new or expanded facilities, and replacement of apparatus, vehicles, and equipment. The fee will be imposed on different types of development projects to the additional service population generated and structural area created by new development projects.

PROPORTIONALITY RELATIONSHIP

The cost of fire protection facilities, apparatus, and equipment attributable to a development project is based upon the level of existing development served by the District's existing fire protection and emergency response facilities. The use of a facilities standard methodology to determine the fire impact fee achieves proportionality between existing development and new development. Moreover, these equivalent costs are applied to nine land use categories in proportion to the need they create for improved and expanded facilities.

Larger development projects will generate a higher number of persons and structural area to protect and, as a result, will pay a higher fee than smaller development projects. Thus, the application of the fire impact fee schedule to a specific project ensures a reasonable relationship between the fee and the cost of the facilities, apparatus, and equipment attributable to that project.

FEE PROGRAM ADOPTION REQUIREMENTS

The following are the general requirements for approval of the Nexus Study and proposed fire impact fee program ("fee program") by the District Board of Directors and adoption by the County Board of Supervisors on behalf of the District. The specific statutory requirements for the adoption of the fee program may be found in the Mitigation Fee Act (California Govt. Code § 66000 et seq.) and County Ordinance Code 15.36.010. SCI recommends that the notice and hearing requirements be satisfied by the District for approval and the by County and Town for adoption.

SOUTH PLACER FIRE PROTECTION DISTRICT

1. The District Board of Directors shall conduct at least "one open and public meeting" as part of a regularly scheduled meeting on the proposed fee program.
2. At least 14 days before the meeting, the District shall mail out a notice of the meeting to any interested party who filed a written request for notice of the adoption of new or increased fees.
3. At least 10 days before the meeting, the District shall make available to the public the Nexus Study for review.
4. At least 10 days before the public hearing, a notice of the time and place of the meeting shall be published twice in a newspaper of general circulation with at least five days intervening between the dates of first and last publication not counting such publication dates.
5. After the public hearing, adopt a resolution approving the Nexus Study and proposed fee program with a recommendation that the County Board of Supervisors and the Town Council adopt the proposed fee program on behalf of the District.

PLACER COUNTY

1. The County Board of Supervisors shall conduct at least "one open and public meeting" as part of a regularly scheduled meeting on the requested fee program.
2. At least 14 days before the meeting, the County shall mail out a notice of the meeting to any interested party who filed a written request for notice of the adoption of new or increased fees.
3. At least 10 days before the meeting, the County shall make available to the public the Nexus Study for review.

4. At least 10 days before the public hearing, a notice of the time and place of the meeting shall be published twice in a newspaper of general circulation with at least five days intervening between the dates of first and last publication not counting such publication dates.
5. After the public hearing, adopt an ordinance establishing the proposed fee program on behalf of the District in the unincorporated areas of the District.
6. The fire impact fees take effect 60 days after adoption of the County ordinance.

TOWN OF LOOMIS

1. The Town Council shall conduct at least "one open and public meeting" as part of a regularly scheduled meeting on the requested fee program.
2. At least 14 days before the meeting, the Town shall mail out a notice of the meeting to any interested party who filed a written request for notice of the adoption of new or increased fees.
3. At least 10 days before the meeting, the Town shall make available to the public the Nexus Study for review.
4. At least 10 days before the public hearing, a notice of the time and place of the meeting shall be published twice in a newspaper of general circulation with at least five days intervening between the dates of first and last publication not counting such publication dates.
5. After the public hearing, adopt an ordinance establishing the proposed fee program on behalf of the District for the Town of Loomis.
6. The fire impact fees take effect 60 days after adoption of the Town ordinance.

FEE PROGRAM ADMINISTRATION REQUIREMENTS

This section contains general requirements for the administration of the fee program. The specific statutory requirements for the administration of the fee program may be found in the Mitigation Fee Act (California Govt. Code § 66000 et seq.).

ACCOUNTING REQUIREMENTS

Proceeds from the fire impact fee should be deposited into a separate fund or account so that there will be no commingling of fees with other revenue. The fire impact fees should be expended solely for the purpose for which they were collected. Any interest earned by such account should be deposited in that account and expended solely for the purpose for which originally collected.

REPORTING REQUIREMENTS

The following information, entitled *Annual Report*, must be made available to the public within 180 days after the last day of each fiscal year:

- a brief description of the type of fee in the account;
- the amount of the fee;
- the beginning and ending balance of the account;
- the fees collected that year and the interest earned;
- an identification of each public improvement for which the fees were expended and the amount of the expenditures for each improvement;
- an identification of an approximate date by which development of the improvement will commence if the local agency determines that sufficient funds have been collected to complete financing of an incomplete public improvement;
- a description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, the date on which any loan will be repaid, and the rate of interest to be returned to the account; and
- the amount of money refunded under section Govt. Code § 66001.

The District shall review the information made available to the public pursuant to paragraph (1) at the next regularly scheduled public meeting, not less than 15 days after this information is made available to the public, as required by this subdivision. Notice of the time and place of the meeting, including the address where this information may be reviewed, shall be

mailed, at least 15 days prior to the meeting, to any interested party who files a written request with the District or the County for mailed notice of the meeting. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

For the fifth fiscal year following the first receipt of any fire impact fee proceeds, and every five years thereafter, the District must comply with Government Code Section 66001(d)(1) by affirmatively demonstrating that the District still needs unexpended fire impact fees to achieve the purpose for which it was originally imposed and that the District has a plan on how to use the unexpended balance to achieve that purpose. Specifically, the District shall make all of the following findings, entitled Five-Year Report, with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put;
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements; and
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

The County shall provide for the refund of all or any part of such unexpended or unappropriated fee revenue, together with any actual interest accrued thereon, in the manner described in Section 66001 (e) of the Government Code, to the current record owner of any property for which a fee was paid; provided that if the administrative costs of refunding such fee revenue exceed the amount to be refunded.

ANNUAL INFLATIONARY ADJUSTMENT

In order for the District to maintain its level of service, the fee will need to be automatically adjusted annually commensurate with changes in the cost of facilities, apparatus, and equipment. Therefore, the fire impact fee should be adjusted on July 1 of each fiscal year by the percentage change in an appropriate engineering cost index as published by the Engineering News-Record, or its successor publication for the preceding twelve months.

IMPROVEMENTS IN-LIEU OF FEES

Subject to certain restrictions, if a developer dedicates land, constructs facilities and / or provide apparatus/equipment for the District, the fire impact fees imposed on that development project may be adjusted to reflect a credit for the cost of the dedicated land, facilities constructed and / or apparatus/equipment provided.

FEE CREDITS

In order to comply with the Act and recent court cases, a fee credit must be given for demolished existing square footage as part of a new development project.

FEE EXEMPTION

Pursuant to County Code Section 15.36.010, any new construction projects with less than five hundred (500) square feet total square feet of new floor area is exempt from the fee.

APPENDICES

Appendix A – Dwelling Unit Occupancy Factor

Appendix B – District Map

Appendix C – Fire System Inventory and Replacement Cost Estimates

Appendix D – Comparison of Current and Proposed Fire Impact Fees

Appendix E – Placer County Ordinance Code 15.36.010

APPENDIX A – DWELLING UNIT OCCUPANCY FACTOR

**FIGURE 12 – DWELLING UNIT OCCUPANCY FACTOR
GRANITE BAY AND LOOMIS CENSUS DESIGNATED PLACES**

Land Use Categories	Occupied Dwelling Units		Total Number of Occupants	Dwelling Unit Occupancy Factor ¹
	Calc	a	b	c = a / b
Single-Family Housing		9,685	27,933	2.88
Multi-Family Housing		237	585	2.47
Mobile Home		439	897	2.04
Average (2010 Census)		10,361	29,415	2.84

Source: U.S. Census Bureau, 2016 ACS 5-Year Estimate

Notes:

¹ The Granite Bay and Loomis Census Designated Places closely approximate the boundaries of the District and are found to be representative of the District for the purpose of the determination of the dwelling unit occupancy factor.

APPENDIX C – FIRE SYSTEM INVENTORY AND REPLACEMENT COST ESTIMATES

FIGURE 14 – EXISTING LAND AND BUILDING INVENTORY

Fire Station	Amount		Unit Cost	Replacement Cost (2018\$)
	Calc	a	b	c = a * b
Station 15				
Land		0.70 acres	\$350,000 per acre	\$245,000
Station		3,420 sq. ft.	\$520 sq. ft.	\$1,778,400
Station 16				
Land		1.00 acres	\$350,000 per acre	\$350,000
Station		6,443 sq. ft.	\$520 sq. ft.	\$3,350,360
Station 17				
Land		2.50 acres	\$350,000 per acre	\$875,000
Station		9,920 sq. ft.	\$520 sq. ft.	\$5,158,400
Maintenance Shop		3,690 sq. ft.	\$59 sq. ft.	\$218,352
Training/Hose Tower		868 sq. ft.	\$213 sq. ft.	\$185,309
Station 19				
Land		1.20 acres	\$350,000 per acre	\$420,000
Station		7,527 sq. ft.	\$520 sq. ft.	\$3,914,040
Station 20				
Land		2.30 acres	\$350,000 per acre	\$805,000
Station		2,366 sq. ft.	\$520 sq. ft.	\$1,230,320
Station 28				
Land		0.50 acres	\$225,000 per acre	\$113,018
Station		7,810 sq. ft.	\$520 sq. ft.	\$4,061,200
Station 29				
Land ¹		0.33 acres	\$0 per acre	\$0
Station		2,480 sq. ft.	\$520 sq. ft.	\$1,289,600
Vacant Site				
Land ²		0.50 acres	\$225,000 per acre	\$112,500
Station		0 sq. ft.	\$0 sq. ft.	\$0
Total Existing Facilities (Land and Buildings)				\$24,106,498

Source: South Placer Fire Protection District; SCI Consulting Group

Notes:

¹ Station 29 land is leased, therefore no land value is shown.

² Vacant site may be used for future administrative building.

FIGURE 15 – EXISTING APPARATUS AND VEHICLES INVENTORY

Make / Model	Type	Assignment	Purchase Year	Replacement Value (2018\$)
Crown Victoria	Pool Car	Pool Vehicle	2002	\$11,000
Ford Taurus	Pool Car	Admin	2003	\$22,000
GMC (SPFD Shop)	Water Tender	Water Tender 17	1985	\$91,250
Ford Flat Bed	Utility Vehicle	Utility	2001	\$15,750
Reserve Horton	Ambulance	Medic 17B	2002	\$70,250
Horton	Ambulance	Medic 20B	2002	\$70,250
Ford Pick-Up ©	Command Vehicle	Division Chief	2008	\$48,000
Ford Expedition ©	Command Vehicle	Battalion Chief	2009	\$48,000
Ford IMT	Pool Car	Shop	2006	\$22,000
Westates	Type 1 Engine	Reserve Engine	1997	\$160,500
Ford West Mark	Type 4 Engine	Grass 15	2008	\$109,500
Ford West Mark	Type 4 Engine	Grass 20	2008	\$109,500
Westates	Type 1 Engine	Engine 20	1999	\$160,500
Ford Expedition ©	Command Vehicle	Battalion Chief	2015	\$64,000
Freightliner Hi tech	Type 3 Engine	Brush 19	2006	\$204,000
Road Rescue	Light Medic	Medic 17	2013	\$231,000
Pierce	Type 3	Brush 17	2014	\$408,000
Pierce	Quint/Anal	Truck 17	2014	\$1,253,000
Hi tech	Engine	Engine 28	2005	\$321,000
Pierce	Type 3 Engine	Brush 28	2012	\$204,000
Ford Expedition ©	Command Vehicle	Chief	2009	\$48,000
Ranger 4 x 4 OHV	Polaris	Polaris	2006	\$6,500
Ford F250	Utility Vehicle	Deputy Chief	2018	\$63,000
Westates	Engine	Engine 28B	1993	Excluded ²
Medix	Light Medic	Medic 20	2018	\$231,000
Ford Expedition ©	Command Vehicle	Pool Vehicle	2003	Excluded ²
Ford Pick-Up ©	Command Vehicle	Surplus	2005	Excluded ²
KME (Reserve)	Rescue	Rescue 17	2001	Excluded ²
Chevy 2500	Utility Vehicle	Utility Pickup	2002	Excluded ²
Ford F550	Type 3 Engine	Grass 28	1999	Excluded ²
Total Apparatus and Vehicles				\$3,972,000

Source: South Placer Fire Protection District

Notes:

¹ Value based on estimated current replacement value. Adjustments have been made to discount apparatus and vehicles based on age (0 - 5 years at 100%, 6-10 years at 75%, 11 - 15 years at 50% and 16 years or more at 25%.)

² District intends to not replace these vehicles, so they have been excluded from the District's level of service.

APPENDIX D – COMPARISON OF CURRENT AND PROPOSED FIRE IMPACT FEES

FIGURE 16 – COMPARISON OF CURRENT AND PROPOSED FIRE IMPACT FEE

Land Use Categories	SPFPD (Prior Boundaries)	LFPD (Prior Boundaries)	Maximum Fee	% Change SPFPD	% Change LFPD
Residential Development					
	Per Sq. Ft. of Living Area				
Single-Family Housing	\$0.90	\$0.58	\$0.81	-10.0%	39.7%
Multi-Family Housing	\$0.90	\$0.58	\$1.41	56.7%	143.1%
Mobile Home	\$0.90	\$0.58	\$0.97	7.8%	67.2%
Assisted Living Facility	\$0.90	\$0.58	\$0.89	-1.1%	53.4%
Nonresidential Development					
	Per Sq. Ft. of Building Area				
Retail / Commercial	\$0.90	\$1.09	\$1.32	46.7%	21.1%
Office	\$0.90	\$1.09	\$1.70	88.9%	56.0%
Industrial	\$0.90	\$1.09	\$1.05	16.7%	-3.7%
Agriculture	\$0.90	\$1.09	\$0.53	-41.1%	-51.4%
Warehouse / Distribution	\$0.90	\$1.09	\$0.87	-3.3%	-20.2%
Example - Fee for Average Dwelling Unit					
Residential Development					
	Per Average Dwelling Unit				
Single-Family Housing	\$2,484	\$1,601	\$2,236	-10.0%	39.7%
Multi-Family Housing	\$855	\$551	\$1,340	56.7%	143.1%
Mobile Home	\$1,260	\$812	\$1,358	7.8%	67.2%

APPENDIX E – PLACER COUNTY CODE 15.36.010

**Chapter 15 BUILDING AND DEVELOPMENT
Article 15.36 DEVELOPMENT FEES FOR FIRE PROTECTION****15.36.010 Development fees.**

A. In any unincorporated area of Placer County where a local fire protection agency has adopted a capital improvement plan and identified a development fee to satisfy the plan, which plan and fee conform with the requirements of California Government Code Section 66000 et seq., and are approved by the board of supervisors, it shall be a condition of approval of any new development project proposed within the area that the identified development fee be paid to the fire protection agency for the benefit of the owners or residents of the development. In development projects subject to such a condition a certificate issued by the fire protection agency stating that the requirements of the agency have been satisfied must be presented to the Placer County building division prior to issuance of a building permit.

B. The responsibility for compliance with the requirements of Government Code Section 66000 et seq., and for the collection, receipting, and management of fees collected from new development projects shall rest with the serving fire protection agency.

C. As used in this section "new development project" means new residential, commercial, or industrial development which requires the issuance of a permit or approval from the County of Placer, including major and minor subdivision maps, conditional use permits, design review permits, and building permits for construction, or modification or reconstruction of structures, where such modification or reconstruction results in any increase in excess of five hundred (500) square feet of floor area. (Prior code § 7.50)



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