

PLACER COUNTY
OFFICE OF EMERGENCY SERVICES

MEMORANDUM

To: Honorable Board of Supervisors

From: Thomas Miller, County Executive Officer
by: Rui Cunha, Emergency Services Program Manager

Date: July 24, 2007

Subject: Adopt a Resolution approving the Truckee Fire Protection District Capital Facilities Plan for 2007 which includes a newly derived methodology for computing fees that will increase fees for some types of property and decrease fees for others.

ACTION REQUESTED

That your Board adopt a Resolution approving the Truckee Fire Protection District Capital Facilities Plan for 2007 which includes a newly derived methodology for computing fees that will increase fees for some types of property and decrease fees for others.

BACKGROUND

Legal Authority

Government Code 66000 et seq (CGC 66000) allows local agencies to collect fees from new development to offset the impacts of that development on local services. On August 28, 1990, the Placer County Board of Supervisors created the legal framework for fire districts to collect, but not to levy, development fees and codified it in the Placer County Code Chapter 15.36.010.

As noted, fire districts do not have the legal authority to *levy* fees, which is a legal authority retained by the County Board of Supervisors. Therefore, in order to *collect* mitigation fees, and as a requirement of CGC 66000, a fire protection district must complete a Capital Facilities Plan (or Capital Improvement Plan) which is subject to annual Board of Supervisors approval.

Capital Facilities Plans

The law requires a Capital Facilities Plan to address: anticipated development impacts, proposed usage of fees, establishment of a reasonable relationship between fees and type of development, accounting for funds separately, holding properly noticed public hearings, and conducting an annual program review and update. The Truckee Fire Protection District (District) contracted *MuniFinancial*, a public sector financial consulting firm, to address these legal requirements and incorporate them as a part of its yearly plan maintenance.

Truckee Fire Protection District

The District serves customers in both Nevada and Placer Counties. Placer County coverage encompasses the areas previously covered by Donner Summit Fire and Serene Lakes Fire as well as approximately 18 square miles of Placer County lying along and between State Highways 267 and 89. New development is occurring throughout the District and in Placer County alone significant projects such as Martis Camp and Royal Gorge are in various stages of development. Over the coming years, the District assumes a projected 10,000 person increase in residential population and a corresponding 6,000 person increase in the work force.

These increases are occurring in a high cost area, the eastern slope of the Sierras near Lake Tahoe, a fact reflected by the ever increasing costs of providing local fire protection and prevention services.

Capital Facilities Plan 2007

Inasmuch as its mitigation fee structure has remained without change since 1994, the District contracted with *MuniFinancial* to update its plan, validate the fee calculation methodology, and set a new baseline fee structure. The comprehensive *MuniFinancial* study addresses the District's fee computation methodology and recommends a "type structure" methodology rather than continuing the existing "fire hydrants and sprinkler" based system. This switch has changed the entire fee structure, but results in fees that ensure the District better meets future capital needs. The magnitude of the fee changes are not easily represented due to the change in methodology, the projected type of growth, and the general rise in costs associated with construction. However, for comparison, the historical (existing) and proposed new rates are as shown:

**Historical Rates
 (\$/Ft²)**

Areas Served by Fire Hydrants			Areas Not Served By Fire Hydrants		
Sprinklers?	With	Without	Sprinklers?	With	Without
Light Load	.16	.36	Light Load	.19	.39
Moderate	.36	.72	Moderate	.37	.75
Heavy Load	.54	1.08	Heavy Load	.55	1.11

**Proposed New Rates
 (\$/Ft²)**

Residential	
Single Family	0.89
Multifamily	1.18
Nonresidential	
Industrial	0.57
Commercial	0.80
Office	1.14

Sample fee calculations:

- 2000 ft² single family house without sprinklers in an area without fire hydrants:
 - Historical Rates: Fees are \$780 (at \$0.39/ft²)
 - Proposed Rates: Fees are \$1780 (at \$0.89/ft²) – 128% increase
- 5000 ft² industrial facility (Heavy Load) without sprinklers, without hydrants:
 - Historic Rates: Fees are \$5,550 (at \$1.11/ft²)
 - Proposed Rates: Fees are \$2,850 (at \$0.57/ft²) – 52% decrease

NOTE: For reference and comparative purposes and should your Board approve the other fire district fee schedules as presented by the districts today, attached to this memo is a chart illustrating all Eastern Slope fire agency mitigation fee schedules.

The District has engaged building and contractor organizations operating in the area in order to notify these groups of the proposed new fee structure as well as to answer their questions and directly address their concerns. As a result, the District is proposing that these fees not be implemented until October 1, 2007 in order to allow any construction permit requests in the final stages of preparation to be submitted prior to any new fee implementation.

The District Board of Directors held a noticed public hearing on April 24, 2007 to review the plan and entertain any questions from the public. The Board ultimately adopted the plan by Resolution 03-2007. Subsequently, the Town Council of Truckee, which comprises the major portion of the District area, approved the new fee schedule at its regular meeting on June 21, 2007, and Nevada County approved it at its June 26, 2007 meeting.

From this point forward the District will use increases in the Consumer Price Index for all urban consumers (CPI-U) for San Francisco-Oakland-San Jose for proposed annual fee increases. Truckee Fire Protection District collected \$70,392 in mitigation fees in 2006, and had a mitigation fund balance of \$216,354 on Dec 31, 2006. The District projects additional revenues of \$80,189 in 2007 with expenses of \$209,760 in 2007 primarily for purchases of one ambulance and land for the new Station 90.

FISCAL IMPACT

There is no impact to the General Fund as a result of this action.

Board of Supervisors
Truckee Fire Protection District
2007 Capital Facilities Plan
July 24, 2007
Page 4 of 4

Available for Public Review at the Office of the Clerk of the Board:

- Truckee Fire Protection District Capital Facilities Plan 2007
- Truckee Fire Protection District Fire Facilities Impact Fee Study, Final Report, dated March 14, 2007

Attachments

Resolution
Truckee Fire Protection District Board of Directors Resolution 03-2007
Proposed Fire Mitigation Fee Schedules Comparative Chart

**Proposed Fire Mitigation Fee Schedules
Eastern Slope Fire Departments and Protection
Districts**

Residential Fees:

Department /District	/Ft²
Alpine Springs County Water District	\$0.88
Northstar Fire Department	\$0.77
North Tahoe Fire Protection District	\$0.77
Squaw Valley Fire Department	\$500/bedroom
Truckee Fire Protection District	\$0.89 for single family \$1.18 for multi-family

Nonresidential Fees:

Department /District	Comm Space /Ft²	Office Space /Ft²	Industrial Space /Ft²
Alpine Springs County Water District	\$1.44	\$1.84	\$1.28
Northstar Fire Department	\$0.77	\$0.77	\$0.77
North Tahoe Fire Protection District	\$0.57	\$0.73	\$0.51
Squaw Valley Fire Department	\$1.05	\$1.05	\$1.05
Truckee Fire Protection District	\$0.80	\$1.14	\$0.57

